



“Tata Coffee Q1 FY 2017 Results Conference Call”

August 08, 2016



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- Moderator:** Good morning ladies and gentlemen. Welcome to Tata Coffee Q1 FY2017 results conference call hosted by ICICI Securities. As a reminder, all participants' lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing "*" and then "0" on your touchtone phone. I now hand the conference over to Mr. Aniruddha Joshi from ICICI Securities. Thank you and over to you Sir!
- Aniruddha Joshi:** Thanks. On behalf of ICICI Securities, we welcome you all to Q1 FY2017 results conference call of Tata Coffee Limited. We have with us Mr. Sanjiv Sarin, MD and CEO and Mr. K. Venkataramanan, ED and CFO. Now I hand over the call to Mr. Sanjiv Sarin for his opening comments on the results, thanks and over to you Sir.
- Sanjiv Sarin:** Thank you, Good morning everyone. This is Sanjiv Sarin, MD and CEO Tata Coffee. Our performance in the first quarter of 2016-2017 has been excellent. Driven by very strong focus on execution on our key performance pillars of differentiation, disintermediation and customer focus. These have managed volatile market conditions.; Favorable coffee terminal movement has helped us. It is an important for us to continue to monitor terminals in the coming few months because as we all know terminals are known to be volatile. I am sure a strong focus on execution will help. I must mention that our financial numbers reported have been presented for the first time under the new IND-AS Accounting Standards.
- On a standalone basis total income from operations grew by 18% and net profit grew by 77% over the same period last year. Our consolidated total income from operations grew 21% and consolidated net profit grew by 136% over the same period last year.
- Our standalone performance has been driven significantly by instant coffee, which registered a volume growth in excess of 35%. Core markets performed very well through strong relationship management and a bouquet of offerings; particularly Africa, Europe have performed exceedingly well. This was supported with new customers, new markets, favorable product mix, blend and beans management and a well-managed supply chain.
- The coffee market underwent volatile movements during the period and rose by about 14%. This was driven by a concern on Robusta crop in Brazil and Vietnam and a significant strengthening of the Brazilian Real. The Brazilian Real recovered strongly against the dollar by about 10% during the period giving an upward push to coffee prices. Amidst such market condition our efforts to disintermediate and go direct to roasters enabled us to maximize performance for our plantation business.
- Our partnership with key roasters remains strong. It is a momentous occasion for us that our Nullore Arabica microlot was selected to be featured in Starbucks Reserve, a bouquet of the rarest of rare high

quality single origin coffees, selected by Starbucks from global origins. This is the first time ever that of coffee from India has been chosen to be a part of this prestigious offering by the Starbucks. Each year, Starbucks specialists choose only about 1% of the coffee from the world over evaluating over 250 thousand cups. These are carefully roasted by the best of roasters at the Seattle Roastery to bring about the innate flavour of the origin and to pronounce the story behind the creation of such coffees.

We are truly proud of this achievement and will continue to focus on cultivating high quality and sustainably produced coffees. Our tea business had a very good quarter. Our high focus on quality over the year has resulted in a significant improvement in realization.

Eight O' Clock as you all know plays in a very highly competitive market in the US despite this the volume of coffee sold by Eight O' Clock in the quarter was up 27% as compared to the last year driven by outstanding promotional execution. Introduction of new R&G products such as a 100% Brazilian Breakfast, Infusion, Relax decaf and Infusion Alert, high caffeine along with packaging revamp, helped volumetric growth. Higher volume growth helped revenues increase 18% and coupled with lower material cost, has profitability moved up by 200% over last year.

At this stage, I must reemphasize that it is very important for us to continuously monitor terminals, which continue to be volatile. We will continue to focus on what we do best, which is strong execution and drive differentiation, disintermediation and customer focus. With this, I will hand it over to Venkat to take us through the financial performance.

K. Venkataramanan: Hi everybody. Good morning. Thanks for joining us for Q1 analyst call. So as Sanjiv mentioned, the company had a good quarter, strong quarter driven primarily by couple of events, which has happened. First is the turnover has grown by 18% over the previous year, the standalone turnover. That there has been as superior performance of instant coffee business with higher volume as well as favorable product mix coupled with the commodity benefit and on the plantation side there has been smaller improvement in profits that is largely due to tea performance with higher realizations and thirdly, on the Eight O' Clock side, there has been volume growth as well as favorable commodity movements as last year the same quarter Eight O' Clock had an strong impact of the higher commodity prices. So the standalone profit has grown, the operating profit has grown by around 79% and net profit for the period has grown around by 77% for this standalone which is a 27 Crores vs. 15 Crores. I have to state once again that this quarter the results have been presented for a first time under the new accounting standard IND-AS. On the consolidated basis, the total income has grown by 21% and group consolidated net profit, post the non-controlling interest has grown by 115%. With this I hand over the floor for questions. Thank you very much.

Moderator: Thank you. Ladies and gentlemen, we will now begin the question and answer session. We have the first question from the line of Sudarshan Padmanabhan of Sundaram Mutual Fund. Please go ahead.

- Sudarshan P.** Good morning, congrats for great set of number and thank you for taking now my question. Sir, one thing as I would like to understand from your business, now I understand the plantation side of the business is driven by tea and also some amount of benefit from the commodity prices, but on the value added business and the Eight o'clock side, I mean is part of this strong profitability is because of the coffee prices has moved up and you are left with some low cost inventory and therefore you are benefiting by the higher end prices value where your material prices were lower than what it was a probably quarter ago.
- Sanjiv Sarin:** It is interesting to note what both Venkat and I had said both Eight O' Clock has had two benefits, yes one what you are saying is right commodity costs have come down, but they had significant improvement in volumes due to their promotional efforts, which has driven their volume up in fact which has resulted in higher market share. So both these have really helped Eight O' Clock perform.
- K. Venkataramanan:** On the instant coffee side once again the volumes of shipments itself has gone up plus as you rightly said, we have had the benefit of the instant coffee users in imported beans we have had the benefit of lower commodity cost aiding it.
- Sudarshan P.** Going forward how do we see, I mean because this quarter has been a very strong quarter for Eight O'Clock Coffee as well as instant mixed for us in the standalone side, do we see the kind of profitability going forward to kind of remain there would be any kind of challenges do this?
- Sanjiv Sarin:** Very difficult to comment on that question because over the last one year including this quarter, we have constantly been talking about our pillars of performance, which is disintermediation, differentiation and customer focus. We will continue what we do best, which is focus on very strong execution. After that what happens to the terminals and environments is really beyond our control. What we need to do is insulate the business as much as we can, through things under our control.
- Sudarshan P.** Thank you. I will join back the queue.
- Moderator:** Thank you. The next question is from the line of Sharad Shah an individual investor. Please go ahead.
- Sharad Shah:** Sir, in the P&L you have shown some exceptional expenses as fresh initiatives. Can you throw some light on that?
- K. Venkataramanan:** These are some initiatives, which we are looking at a long-term kind of strategy planning for the company. These are sort of one-off expenditures.
- Sharad Shah:** That is okay. I understand that, but it is towards what?
- K. Venkataramanan:** That is what I said some of the long-term planning for the long-term growth initiative for the company.

- Sharad Shah:** So you will not specify what it is for?
- K. Venkataramanan:** We do not wish to comment on that.
- Sharad Shah:** So early and too early, and in the Director's report you have mentioned that you are increasing the production of Black Pepper?
- K. Venkataramanan:** Yes.
- Sharad Shah:** You can throw some light how much you will increase it from 1100 tonnes to how much?
- K. Venkataramanan:** Sharad, I am sure we may not be. You understand the business. So we have on and off year and all that. Obviously Pepper is a part of the growing focus for us. We are definitely increasing the vines, which we can in the plantation, but there is also a gestation period for some of these so our average production on and off year will vary between 600 and 1000 tonnes and all that.
- Sharad Shah:** That is now. I am saying, one year, two years down the line?
- K. Venkataramanan:** That is too early to say that Sharad, because we have been focusing on the vines population in the plantation but how much exactly, which year yield will come, which is obviously we would not be able to predict right now.
- Sharad Shah:** One last question to Mr. Sarin. Sir, how do you see our company four years down the line?
- Sanjiv Sarin:** Sharad, very difficult to answer that. I will only repeat what I told to the person before this.
- Sharad Shah:** But there is nothing wrong, if I keep on asking you?
- Sanjiv Sarin:** You have every right to ask and I have the right to tell you that listen, we can do what we do best, Sharad, which is really focus on our strength, which is disintermediation, differentiation and customer focus and focus very hard on execution and have a robust strategy, which will take us forward.
- Sharad Shah:** Thank you Sir.
- Moderator:** Thank you. We will take the next question from the line of Sameer Raj from Reliance Mutual Fund. Please go ahead.
- Kinjal:** This is Kinjal speaking. Sir, you just mentioned that instant coffee has seen a significant volumes yet as of last year, your annual report there was not much of an improvement on the volume that you all have reported and also one more thing is that we have reached almost 100% capacity utilization or very close to it. Sir, can you just explain how we have grown our volumes this quarter?

- Sanjiv Sarin:** It is a quarter-to-quarter comparison, which you are talking about. Yes you are right on an annualized basis, we are near capacity in terms of production. Also the mix, which has been produced this quarter, again, because of all the efforts we have been making the customer relationship has significantly improved.
- Kinjal:** Sir, if we are so focused on instant coffee and we have reached close to full capacity, are we looking at some sort of an increase in capacity or anything on that front?
- Sanjiv Sarin:** We will evaluate, but it is too early to talk about anything of that right now, but as Sharad was also mentioning, was asking the question, clearly we want to grow, getting our plans to see where it takes us.
- Kinjal:** Sir, you said that our mix has improved so can you give us an idea of what kind of premium products we have or how much is it contributing to us now or in the future, how much do we see taking this forward as a total percentage to our turnover?
- Sanjiv Sarin:** The second part of the question, I am not too sure I can answer, what percentage and where it can go in the next couple of years, but couple of things I want to specify right now is the fact that we are going customer centric makes us develop products which are actually sharply focused towards the customers are looking for, which itself is a very strong movement. We have developed products which are specific to markets we are addressing which is helping us and within our own portfolio there are certain products, which are more amenable to helping us reach customers through our packaging methods and our ability to service customers and our focus has been very strong in those areas and all this is helping us take our realizations up.
- Kinjal:** Just one last thing on the EOC front you said that it has been driven by promotions, our volumes have been driven by promotions this time, so given the commodity cost, maybe one or two quarters down the line the way the counters are moving, so do we see we would require to take a step up the promotions intensity or also probably see some sort of price hikes?
- Sanjiv Sarin:** Do not know. Two quarters is a very long time in this business.
- Kinjal:** Thank you very much.
- Moderator:** Thank you. We will take the next question from the line of Sanket Baheti from GEC Investment. Please go ahead.
- Sanket Baheti:** Congrats on a good set of numbers. Sir, I just wanted to ask what was the benefit on the margin in the value added products from the inventory gain? How much percentage of the EBIT or the profit we got from the inventory gain?

- K. Venkataramanan:** Roughly around 30%-odd could be. I am just giving you a ballpark number. I am just giving you ballpark numbers because we have had the benefit of higher volumes as well.
- Sanket Baheti:** So what was the segregation by higher volume?
- K. Venkataramanan:** My guess is it will be roughly around 40% to 50% by equal proportions.
- Sanket Baheti:** Thank you.
- Moderator:** Thank you. We will take the next question from the line of Tejas Sarvaiya from Trust Group. Please go ahead.
- Tejas Sarvaiya:** Good morning. I have recently starting looking at the Company. So pardon me for any ignorant questions. I just have two questions; one is your short to medium term outlook on coffee prices. I know it is difficult, but we just keep on reading about the global production going down? What is the correlation between the coffee prices and company's margins? And one more question if I can add, what is the short-to-medium-term volume growth outlook? Thanks.
- Sanjiv Sarin:** Again a very forward-looking, very difficult to answer the questions, which you are raising. Your guess is as good as ours in terms of the outlook for coffee terminals. Currently, the news, which has been coming out which everybody would have access to, is that there are questions on the time based and production of Robusta in Brazil, which is impacting the prices and like I said in my opening remarks the Brazilian Real itself has appreciated which is making the coffee terminals go up, but in this world of coffee terminals, anything can happen very rapidly so trying to predict what is going to happen is very difficult right now, again we have to focus to make sure our business is working on a fact that focus on what is in our control and what is the best for that.
- Tejas Sarvaiya:** What is the correlation like in past, like between prices and margins for the company, coffee prices and company's margin?
- K. Venkataramanan:** See it is like this, we have, our business is twofold, one is of course as you understand it is growing coffee, it is growing and cultivation /growing coffee, which is both Arabica and Robusta and then we have the instant coffee business, which is a separate business, which is separate in the sense the drivers and variables are different. So as far as when the coffee terminal go up, we will possibly see the gains in the plantation side of the business, however, these could have a differential impact on the instant coffee side of the business, which I am saying purely from the raw material point of view. Obviously how much of that raw material cost increase I will pass on through my pricing etc., is a different call, so overall that is a kind of answer, so instant coffee you may take akin to your FMCG kind of business which is more depending on the raw material pricing and ultimate selling prices could be looked at and on the plantation side it is a straight forward business where any increase in terminals will get passed on to us on the production.

- Tejas Sarvaiya:** Understood and lastly the question which I asked would it be possible for you to at least give some volume growth number short to medium term?
- K. Venkataramanan:** No it is difficult because the point is like this is first of all our plantation side of business is obviously depends on variables like weather, climate patterns and of course what we do we as a management side of it we can do, but then obviously there are limitations for example we have been producing around 10000 tonnes of coffee, so that is a kind of range which would happen between on and off period. Coffee has also got an on and off period, certain years there is Arabica will be on year, certain years Robusta will be off year, so that is the way. Instant coffee side as we all know the previous callers also said our capacity right now are maximized, we are operating nearly at 100% of the productive capacity which can be there, so that is where we are. Yes obviously we have plans to replant and all this so those all will take us through.
- Sanjiv Sarin:** But let me add a little bit to this while asking about the volume I think it is very important to understand what we are trying to do which are mentioned also even with the production on year, off year the fact that they are looking at disintermediation, in fact that we are trying to get a premiumisation of our mixes, so it is a mix of volume and realization, what we are operating.
- Tejas Sarvaiya:** Understood. Thank you very much.
- Moderator:** Thank you. We will take the next question from the line of Aditya Shah from Vikram Advisory. Please go ahead.
- Aditya Shah:** Good morning Sir. I just wanted to ask how is the performance of Tata Coffee Grand done this quarter and our sales to Starbucks this quarter and do you have any plans to bring out a new brand of coffee that we can directly sell it to the market apart from selling it through Tata Global?
- Sanjiv Sarin:** Let me start from the end point as Tata Coffee, our specialization is being a B2B player and that we will focus upon that part of it. Our Tata Coffee Grand is in the early stages of launch, so they are spending and building the brand, so this is a question which you really need to be focusing more with TGBL who is doing the distribution and marketing, yet it is very early stages and as you know on any branded business it takes sometime for businesses to build brand, sorry what was the third question which you had?
- Aditya Shah:** I had a question that do we plan to come out with any new brand that will go directly to the customer?
- Sanjiv Sarin:** Which I have answered, certainly not in the FMCG space but I am very happy as we build disintermediation if like I would if you ask me Nullore itself getting into reserves is like creating the B2B brand in the international market that will be the kind, of course we are going to get into we are in.

- Aditya Shah:** Third question was that how has the sales been to Starbucks this quarter?
- Sanjiv Sarin:** We are performing as per the expectations linked to the performance, store opening and all that, so it is on track.
- Aditya Shah:** Do we supply to Starbucks globally or just in India?
- Sanjiv Sarin:** For the rosters, we supply only to India, but we do have a brand, which is sold essentially to the eastern hemisphere right now through the store, which is the India Estate Blend that is supplied by Tata Coffee which goes there, beyond that there is none.
- Aditya Shah:** Thank you so much.
- Moderator:** Thank you. The next question is from the line of Sameer Raj from Reliance Mutual fund. Please go ahead.
- Sameer Raj:** Good morning, congratulations on very good set of numbers. When I was reading the annual report very clearly it comes out that you very bullish on instant coffee business that is number one, secondly when Kinjal asked that question you are already working at 100% capacity utilization in instant coffee business, so normally as an outside observer you expect that when you are working 100% utilization and when you are so bullish on the business would have started capacity expansion, but somehow so far we do not hear anything on that, so we are just wondering why we are getting delayed on that?
- K. Venkataramanan:** You are right Sameer. There are two, three things, one is of course we are right now trying to see how much more capacity can be maximized out. We are maximized, but I am sure that technically tweaking is always possible which will help us unlock whatever is possible so that is one effort which is on, second is that the product itself, there are in the instant coffee side there are premium like Freeze dried and all that, so we also need when we see say favorable product mix we are trying to see how much of the premiumisation in that product mix which we can do which is the focus for us, so which is all sweating the current asset, which we have, third of course as you rightly said we are looking at what possible growth options are there, so at this stage we are also unable to comment on that, it is currently under discussion in the management.
- Sanjiv Sarin:** You just let me add to Venkat said on the two particularly while our volumes are fixed in a running capacity, I think the big one which you mentioned on sweating the asset is how do we get more and more out of what we have through premiumisation, focused product development, which give us deep engagement with customers.
- Sameer Raj:** Yes, it makes sense. I think so you want to make it your existing business more stronger before H1 that is a good strategy it sounds like and Sir secondly if you can help something about sharing what

kind of low cost inventory we still have, that will help us in maybe estimating what kind of further inventory gains you could have?

K. Venkataramanan: It is difficult Sameer, that is something difficult, so all of us work in different time slots, ranges of inventory carrying so we also look at, we try to increase covers when the prices are lower and all that, so that is something very internal, so we are not able to share details at this stage.

Sameer Raj: Sir if I can add one more question regarding Eight O'clock coffee, the volume growth which you achieved this quarter is really pleasing kind of, so like internally from whatever measures they have taken does it give you confidence that henceforth we can good for decent volume growth, if not the 24% growth which you had in the first quarter because of low measure and something like that, but does it give you confidence that henceforth we should see steady volume growth in that company?

Sanjiv Sarin: It is very difficult to answer this kind of a question do we feel confident, again we have to keep focusing doing right for the business and thereafter driving the business to work forward is what my focus is, whether it will deliver high growth, low growth, medium growth it is left to see how customers and competition response. From our point of view very clearly we have to focus on what we do best and if you look at the fact that they have very consciously driven new launches, they got 100% Brazilian which is quite exclusively into that market. They have taken learning that they have got in, specialized decaf kind of products coming in, so we are focusing on, see all of us are in the process of trying to grow and therefore they are working similarly to see which segments to address and grow their business to somewhere they are.

Sameer Raj: Thank you.

Moderator: Thank you. The next question is from the line of Palani Sree from Florinetree Advisor. Please go ahead.

Palani Sree: Can you give guidance like how many months of coffee, the raw material do we keep in for the value-added part?

Sanjiv Sarin: I think Venkat just answered the question.

K. Venkataramanan: I will just answer it further because it is quite difficult for us to say that because we normally we try and see depending on our order position etc., we look at how much of cover to take. So it is very difficult and it is quite internal to us in terms of how much carrying. It can roughly for instant coffee it can range from three to four months and all that, but that obviously I am not be able to give you a clear idea, it is quite sensitive in the sense.

Sanjiv Sarin: But also again understand every time we have been on this call over the last one year these we have been talking very consciously the supply chain management is so important to our business, timing of

the sale, how much we hold at what particular moment of time. It is again of area sharp focus of the organization.

Palani Sree: Right and this particular quarter as you mentioned about 40% to 50% is more increase in realization or it is more of the inventory part that we had?

Sanjiv Sarin: There has been volume appreciation, there has been realization, there has been mix improvement and there has been cost, all have played their part.

Palani Sree: So how much part of our yield realization is sustainable?

Sanjiv Sarin: It is difficult to answer that question.

Palani Sree: Thank you.

Moderator: Thank you. The next question is from the line of Amitabh Sonthalia from SKS Capital. Please go ahead.

Kaustubh: My name is Kaustubh. Congrats on the good set of numbers. I just wanted to know coffee prices actually increased 14%, so could you break that down into Arabica crops and Robusta crops like how they fair in terms of Q1?

Sanjiv Sarin: Four months back Arabica was running at about 125, today it has even touched up between 145 and 150, Robusta moved from about 1400 to about 1800, so there has been more fluctuating in this area.

Kaustubh: I believe the Robusta is to do more with instant coffee and Arabica has to do more with roast and grind, so how much exposure do you have to Robusta and Arabica in your portfolio?

Sanjiv Sarin: As a company bulk of our products about 70% to Robusta and Robusta is also bean which we export and we also import Robusta for instant coffee production, so both ways we have the Robusta buyers that kind of answer what you are asking.

K Venkataramanan: Out of the total production roughly around 8000 to 10000 tonnes, roughly around 2000 tonnes would be Arabica. So normally India there is more of Robusta, less of Arabica.

Kaustubh: You are saying out of 10000 tonnes, 2000 would be Arabica.

K. Venkataramanan: On the plantation side, yes.

Kaustubh: Great, thank you.

- Moderator:** Thank you. The next question is from the line of Amit Vora from PCS Securities. Please go ahead.
- Amit Vora:** Good morning gentlemen and thanks for taking my question. At the cost of sounding repetitive, what is the Starbucks venture that we got an approval, how big can that get to and what is it right now at what stage?
- Sanjiv Sarin:** Understand the fact that we have called it a microlot tells you what it means. Microlot had actually exclusive beans selected globally from competing origins and what today is a microlot tomorrow may not be the same microlot, so these are every year evaluated to see what can come out of it. From our point of view, we certainly want not only Starbucks, we would like to upgrade our quality of beans and go to more and more roasters, defining that this is our capability. You have to understand that microlot is not a large business; however, it positions our ability to drive quality and come to a standard quality globally which itself as a huge usually kind of rub off to us to me that is the bigger win and it is the first time I think in India it has ever happened.
- K. Venkataramanan:** That is the first time it ever happened, we have truly proud of that achievement.
- Amit Vora:** What scale up to and what are your internal targets if any?
- K. Venkataramanan:** There is no internal target like that because this we are talking we have sent one estate microlot. Microlot is very intense manual with a lot of efforts going to that. So obviously our aspiration is also to be produced more of that microlot, but albeit it is easier said than done.
- Sanjiv Sarin:** Let me repeat again, it was not target of microlots, it is to use the process of developing the right quality of beans which is more important to us, because that upgrades the way we work across the coffee.
- Amit Vora:** And one last question on this again is, what would be the margins if I may ask you that in case we have crack this and go up further in the value chain?
- Sanjiv Sarin:** It is very difficult to answer that because while the realization could be higher, the cost of producing them is also higher.
- Amit Vora:** But they would be definitely better than?
- Sanjiv Sarin:** That is our intent.
- Amit Vora:** Thank you and all the very best.
- Moderator:** Thank you. We will take the next question from the line of Govindaraj, an individual investor. Please go ahead.

- Govindaraj:** Good morning Sir. Congratulations for giving a great set of numbers and what is your outlook for Pepper and how are going to be the production and how are the rates faring at this moment?
- Sanjiv Sarin:** Outlook is very difficult to talk Govind, clearly while we have talked about coffee and we talked about instant coffee. The same three pillars of differentiation, customer focus and disintermediation is what we are working on pepper and that itself, so that is uniform across all our plantation products.
- K. Venkataramanan:** Pepper goes through on and off year and all that, so obviously though the production would depend on those two factors. Of course Pepper is the focus area for investment. Price has been good in the recent years, prices have been good, so that is where we are and we will have to wait for any other reason to unfold.
- Govindaraj:** Thank you and what about these coffee margins would be held on the same coming quarters?
- Sanjiv Sarin:** Very difficult to answer that.
- K. Venkataramanan:** Difficult to answer that as I explained to you coffee is, it is seasonal, in the sense we harvest coffee between October and February. but right now it is all the cultivation month etc., where the coffee blossom happens and all that. So at this stage it is quite difficult to say from the plantation side.
- Sanjiv Sarin:** There is a lot of variance, variables in this coffee category, one is the terminal and the terminals are impacted by supply demand, it depends upon global supply demand and it depends upon currencies and fluctuation, so many variants and weather which comes in so therefore predicting for the future I think it is unfair for anybody.
- Govindaraj:** Thank you.
- Moderator:** Thank you. As there are no further questions, I would now like to hand the conference over to Mr. Aniruddha Joshi for his closing comments.
- Aniruddha Joshi:** Thanks. On behalf of ICICI Securities, we would like to thank the management of Tata Coffee, Mr. Sanjiv Sarin as well as Mr. K. Venkataramanan. We also thank all the participants for being on the call. Now I hand over to Mr. Sanjiv Sarin for his closing comments. Thanks and over to you Sir.
- Sanjiv Sarin:** Thanks very much for setting this up and I am thankful to all the analysts who asked all those questions and in order to need to become more and more transparent we are ensuring we have these calls regularly in the quarters and let us see how the future goes what is the future.
- K. Venkataramanan:** This is Venkat here. Thanks to all the participants and thanks to Aniruddha and ICICI Securities for hosting this call. Thank you very much.

Moderator: Thank you from the management team. Ladies and gentlemen on behalf of ICICI Securities that concludes this conference. Thank you for joining us. You may now disconnect your lines.