Dated : 20th February, 2023

The National Stock Exchange of India Limited
Exchange Plaza, C-1, Block-G
BandraKurla Complex,
Bandra (E),
Mumbai – 400 051

The BSE Limited
PhirozeJeejeebhoy Towers
Dalal Street, Fort
Mumbai – 400 001

Subject: Transcript of Conference call – Q3 FY23 held on 15th February 2023

Dear Sir,

This is with reference to the above captioned subject and in compliance with Regulation 30 read with Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are attaching herewith the transcript of conference call with Investors held on 15th February 2023 to discuss the financial performance of the company for the 3rd quarter and Nine Months ended on December 31, 2022.

The aforementioned recording has also been uploaded at the website of the company.

Kindly take the aforesaid information on record and acknowledge

Thanking You
Yours faithfully
For **Globus Spirits Ltd.**

SANTOSH KUMAR PATTANAYAK
Digitally signed by SANTOSH KUMAR PATTANAYAK
Date: 2023.02.20 12:53:44 +05'30'

Company Secretary

"Globus Spirits Limited
Q3 FY2023 Earnings Conference Call"

February 15, 2023

MANAGEMENT: **MR. SHEKHAR SWARUP – JOINT MANAGING DIRECTOR – GLOBUS SPIRITS LIMITED**
MR. PARAMJIT GILL – CHIEF EXECUTIVE OFFICER - CONSUMER DIVISION – GLOBUS SPIRITS LIMITED
MR. BHASKAR ROY – CHIEF OPERATING OFFICER – GLOBUS SPIRITS LIMITED
MR. NILANJAN SARKAR – CHIEF FINANCIAL OFFICER – GLOBUS SPIRITS LIMITED

Moderator: Ladies and gentlemen, good day and welcome to Globus Spirits Limited Q3 FY2023 Earnings Conference Call. We have with us today Mr. Shekhar Swarup, Joint Managing Director, Mr. Paramjit Gill, CEO, Consumer Division, Mr. Bhaskar Roy, COO and Mr. Nilanjan Sarkar, CFO. 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, please signal an operator by pressing "*" then "0" on your touchtone phone. I now hand the conference over to Mr. Shekhar Swarup. Thank you and over to you Sir!

Shekhar Swarup: Good afternoon everyone. Welcome to our earnings call. Sorry about the delayed start today. There was some technical difficulties at our end. At the outset of this call, I would like to address the recent announcements by the company about the income tax search. This was a routine search that was conducted and during the search no unaccounted assets were seized. There was no meaningful impact on business operations during the search and since the completion of the search, we have not received any assessment or notice from the Department. We will of course inform SEBI regarding any updates on this from time to time. At Globus in the last few years, we have focused on creating steady growth through a well entrenched distillation business as well as laying a foundation for growth in our consumer business. Both these sides of our business continue to make strides in the quarter gone by. In Jharkhand, we announced the commissioning of our Greenfield 140 KL grain ENA and ethanol plant. Happy to inform you that in the quarter gone by, this facility has produced 90% of capacity utilization with efficiencies improving every month. The installed capacity of the company is now 765 KL per day of which 335 KL is dedicated to ENA and the balance is fungible between ENA and ethanol.

Our second expansion in West Bengal and our first expansion in Jharkhand are underway. There have been some delays due to global supply chain disruptions, however, the delays are now behind us. We expect both expansion projects to be completed in early Q1 FY2024 adding 60 KL per day at each location. We also now look forward to starting construction at Odisha as soon as all regulatory approvals are received. Energy costs have been a hot topic and I am happy to inform you that various initiatives that were taken up by our engineering and operations team have resulted in reducing energy consumption by 5% in West Bengal starting in the month of December with the potential of going up to 20% savings in energy consumptions. Over the course of next year, we will be implementing these learning's from our West Bengal plant to all our locations and this will enable us to reduce fuel consumption by 20% at locations in East India and 10% to 15% in our other locations.

On margins as illustrated in the investor presentation, which I hope you have seen by now excluding IMFL Investments and an exceptional underperformance at Samalka, Q3 EBITDA margins were in the range of 14%. The ENA price revisions over the year have been helpful with prices up 20% year-on-year and about 13% year-to-date. This quarter saw a marginal softening in fuel costs however grain costs remains steady. From January, we are beginning to see Coal India making large quantities of coal available to industry and this has helped reduce costs of fuel further. As long as this continuous coal costs shall remains subdued. As many of you would be aware though we use multiple fuels including coal, rice husk and other agricultural base, coal prices drive the entire market for fuel. In Q4 however grain prices has started seeing an upward movement. Going forward, I expect margins to remain in the range of 13% to 15% excluding IMFL. As we go into the next financial year, price increases especially in our value and value plus categories will start getting realized and that will help our margins further. We have been very excited about the prospects that our prestige and above brands hold and in the last few quarters Param and I have spoken to you about all the work that has been happening towards creating competencies and reasons to win in the marketplace. I am very happy to inform you that this quarter prestige and above brands had brought in 7% of our consumer revenue. This is a small but an important step as we start to gather some steam towards getting to our first major milestone of 20% consumer segment revenue share. I request Param now to talk a little more about this.

Paramjit Gill: Thanks Shekhar. Good afternoon everyone and I hope you all are well. In the overall consumer segment, the aggregate sales in Q3 FY2023 came in at 4.05 million cases up 7% year-on-year. It is noteworthy to mention that in the quarter gone by, the average realization of the consumer segment further improved from Rs.510 per case in Q2 of FY2023 to Rs.537 per case in the quarter gone by that is Q3. This was on account of better mix across states and continued lower trade stems in Haryana in line with maintaining our focus on better brand profitability. Going forward, with our product mix improving towards value plus and premium segments, we believe realizations will continue to remain robust.

Let me start on the value and value plus segments. Our overall revenue in this segment grew 22% which is heartening. In Rajasthan RML, the value plus segment continue to demonstrate our brand strength at the marketplace. This was supported by our Black Lace Rum, which in its second year of launch delivered double-digit market share in its segment in the quarter gone by. Globus Green our whiskey which is also in its second year is slowly gaining consumer acceptance and is helping us get stronger in the whiskey portfolio as well, which is led by our Country Club which is our flagship whisky. We also launched the Kevda flavor in the value segment last quarter and we will continue our work in increasing our product offerings to the ever evolving consumer. In Haryana, our strategy to creating a sustainable business model is playing out. We have maintained our increased contribution of Rs.26 per case and we will continue to build brand strength. Consistent efforts on Metro Liquor which is in the value plus segment are bearing fruit as we are seeing our momentum build in this segment and both our brands in the segment are inching up. In West Bengal, there was again a market change in the value and value plus segments at the end of last quarter which led to some disruption in our service by the industry. The good news is that the new RTM is more favorable to brand building and will help us in times ahead. In this change our new category in the value plus segment has been introduced. This clearly demonstrates that across states the opportunity of this segment is now being recognized which will augur well for us as we go forward.

Coming to the premium segment, we are happy to report that this segment is showing very promising prospects. Our revenue in Q3 clocked almost Rs.15 Crores against Rs.2.3 Crores same time last year and Rs.4.4 Crores in Q2 of this year. Haryana where we have launched sometime at the beginning of Q3 has also shown encouraging reception to all our three brands with Terai being launched in the current quarter. In Telangana however, we could not get approval for one of our key brands to operate and hence revisiting our strategy for the state and keep you updated. In West Bengal we have expanded our portfolio now to take advantage of the self owned local manufacturing facility and are hopeful of foreseeing meaningful growth in the coming quarters. We are in the process of launching Mountain Oak Whiskey as we talk to you. UP as well as Delhi markets also have settled well as we inch closer to the end of our first full year. This gives us confidence to expand our offering portfolio and we will be launching three new products in this calendar year across selective markets two of them in the Q1 of FY2024. Focus is being undertaken to strengthen our key accountability as we continue to drive our premiumization journey. We expect to close FY2023 close to about 2.25 lakh cases under our belt thereby setting ourselves up for a great future. I will now hand over to our CFO Nilanjan to take this forward.

Nilanjan Sarkar: Thank you Sir. Good afternoon everybody. Since all the results and the investor presentation have been published in advance, I will not take much time and will open the floor for questions.

Moderator: Thank you very much. We will now begin the question and answer session. The first question is from the line of Prithvi Raj from Unifi Capital. Please go ahead.

Prithvi Raj: I just have a couple of questions so the first can you give that capex for Q4 and next year and how much it will be funded through internal accruals and then borrowings?

Shekhar Swarup: Nilanjan could you please take that.

Nilanjan Sarkar: So you are asking the questions for the Q4 of next year.

Prithvi Raj: No Q4 of this year and then FY2024 full year what is the capex plan and how it will be funded?

Shekhar Swarup: For next year it is based on our approvals coming through for Orissa so currently we are working on that so Nilanjan will not be able to give you that figure. As soon as the approvals are in place then the capex plan will get firmed up but for Q4 Nilanjan please do to give the figure.

Nilanjan Sarkar: For Q4 the entire capex what we have pending is for the 60 KLPD that is pending to be done and it will be entirely from our internal accruals.

Prithvi Raj: What is the figure?

Nilanjan Sarkar: We have spent almost on 60 KLP we have spent almost Rs.35 Crores to Rs.40 Crores.

Shekhar Swarup: Another about 20 Crores is left?

Nilanjan Sarkar: Yes another 20 Crores is left.

Prithvi Raj: Shekhar if you assume you get approvals for Orissa and UP Greenfield projects over the next couple of quarters how much can be the capex and how you are planning it to fund?

Shekhar Swarup: So the capacity of these projects has not yet been formed up. It is based on the approvals, we will then decide how to correctly engineer but let us assume that each of them are a 200 KL project. If it is 200 KL it will cost us about Rs.150 Crores for each. There may be some debt financing maybe about 20% or 25% could be financed by debt and the rest would be internal accrual, but as I mentioned it is all based on when the approval comes. This debt amount is also assuming both projects start on the same day so there is a lot of, if and buts that is why I said I cannot give you clarity but each project is roughly Rs.150 Crores. If it is it is a 200 KL plant if we take up one project in this year then there should not be any need for debt. If you take up two projects then maybe about 20% debt.

Prithvi Raj: That is clear. That is quite helpful. My second question is on the IMFL business the way the revenue has increased this year has been quite good and what revenue run rate can we reach EBITDA breakeven in this particular business?

Shekhar Swarup: I will let Paramjit give more details on that, but roughly we are, according to our plans every state takes two years to break even from the date we launch in that state and different states have been opening up at different time periods. All states we have not gone into together, but as a rule of thumb approximately two years to break even in every state of course there are some states that we have had problems like Telangana Paramjit was talking about so aside from any of those problems we are seeing that states are taking two years. Paramjit do you want to say anything more.

Paramjit Gill: Yes the way we do it is the first year when we introduce obviously it takes us quite a long lead time to test the product out and get the brands into the market so from the day the first liquid flows in we can say end of third year regardless of that year whichever part time of the year we launch it in. The third complete year we expect almost all the states barring an exception here and there to turn around and start contributing to the kitty.

Prithvi Raj: My final question Shekhar again on margins, last few quarter I guess you have been guiding that you know you can reach to 20% EBITDA margin okay, but now we are talking 12% to 14% that is also excluding IMFL so what exactly has changed the narrative here? It is because you expect this ENA inflation and fuel inflation to remain for many quarters going forward or is there any pricing pressure that you are facing from your customers?

Shekhar Swarup: No I mean ENA prices we have been able to pass on our cost increases as explained earlier. This sort of margin range I mentioned it does not include price increases on the consumer business which will start coming in April as was expected so if you remember in the last couple of calls I have said that in each of our businesses the time it takes to pass on costs differs. So ENA is the quickest followed by ethanol followed by our consumer business so because ENA has happened and ethanol has happened however ethanol price increases were not in line with what we were expecting but whatever it was it has happened and now we are expecting consumer prices to start getting revised from April onwards. In fact Rajasthan has already announced a price increase of, Nilanjan please correct me, I think it is Rs.25 for value and about Rs.40 for value plus.

Nilanjan Sarkar: Yes.

Shekhar Swarup: So all this will start getting implemented next year so we are still working at new costs in the consumer business without any new prices so that is going to increase margins. Ethanol price increase has been unsatisfactory, not in line with what we were expecting so there has been some margin erosion there, but without consumer 15% is something that I can see clearly right now.

Prithvi Raj: Thanks Shekhar that is quite helpful.

Moderator: Thank you. The next question is from the line of Tarang Agrawal from Old Bridge Capital. Please go ahead.

Tarang Agrawal: Good afternoon and thanks for the opportunity. Three questions from my side. The first if I see on a sequential basis your consumer business as a proportion of your overall revenue has increased which is also validated by your commentary, your realizations moving up from 510 to 526 and so on and so forth, but for whatever reasons the gross margins are down by about 110 bps right Q-on-Q and my understanding in the previous quarter was that you were seeing cost inflation coming off in so far as raw materials are concerned, so has that actually and even in the opening commentary you spoke about maybe grain prices actually inching up in Q4 so if you just give us some sense in terms of what is happening there that is one? The second on the power and fuel cost if you could give us the number for Q3 FY2023 and what was the number for the same period last year and third if you could just tell us what happened with Samalka which resulted in lower than expected yield thanks?

Shekhar Swarup: Sure Nilanjan can you take this on.

Nilanjan Sarkar: Yes on the first question can you repeat your first question please.

Tarang Agrawal: Yes so on a quarter-on-quarter basis if I see your consumer business the share of consumer business is higher than the previous quarter which is Q2 FY2023 yet the gross margins have actually come off by about 110 bps right from 41.1% to about 40% and my sense was that as we were going into Q3 grain prices were actually softening or at least that was the anticipation? If I just add the two then periodically the gross margin should have increased but that has not happened so what am I missing here if you could?

Shekhar Swarup : We can do a deep dive on this but the main thing that has happened in Q3 are as follows. There has been an uptick in consumer which you have noticed. There has been an addition of the Jharkhand capacity and all of that has come in as ENA. The first say 30 to 45 days of Jharkhand the efficiencies were pretty low. That has only started moving up as I indicated in my opening remarks towards the later part of the quarter and now of course it is as per our target. The next thing that impacts our margins is the IMFL business. Of course not so much as gross margins but EBITDA where there is an EBITDA loss. These are the three major things that have played out last quarter. With regard to commodity prices there has been a slight reduction in fuel cost very nominal. We are seeing a much more greater reduction into January of course let us see what happens in the rest of the quarter but Q4 did also see an uptick in grain prices. The reduction in grain prices that we were expecting in the season in the harvest season has not happened to the extent it was expected but to the extent of our ethanol business we are covered with FCI grain however this does impact our consumer business. ENA of course we are able to pass on grain costs pretty well now but our consumer business is impacted because of high grain and fuel costs throughout the year and as I mentioned to the person before you price increases in consumer are going to start coming in April which will offset the cost increases that has happened in the current financial year.

Tarang Agrawal: What was the average grain cost if you were to tell me in Q2 and how has that trended in Q3 and how we are looking at it for Q4?

Shekhar Swarup: Nilanjan do you have that Q2 information.

Nilanjan Sarkar: Yes Q2 average grain cost was 19.63 and Q3 it was in the same range of 19.45 to 19.5 so there was a hardly a marginal decrease in grain cost. I am talking about grains from the open market which is the damaged food grade.

Shekhar Swarup: In Q4 we are seeing this go to about Rs.2000 and Rs.2100 per quintal.

Tarang Agrawal: Sure okay and how much is the power and fuel cost in Q3 this year and what was it for the corresponding period in the previous year?

Nilanjan Sarkar: Okay since power and fuel comprises mainly of three coal, multifuel and rice husk, while rice husk was sitting at almost Rs.5.5 per kg last year same period which goes up to an 8.9 in the current period nine month period. Coal which was at seven goes up to ten and multifuel which was at almost 1.9 rose up to 3.2.

Shekhar Swarup: But Q-on-Q there is some reduction in that 3% to 4% reduction in that and then Q4 there has been some reduction.

Tarang Agrawal: As I understand it is about Rs.74 Crores in the previous quarter so I am just looking at the absolute number for this quarter?

Shekhar Swarup: Nilanjan do you have the absolute number for power and fuel.

Nilanjan Sarkar: Yes the absolute number on the rate impact on a nine month period compared to last year was a negative of Rs.77 Crores. Rs.77 Crores was the net.

Shekhar Swarup: That is not the question. What is the total power and fuel spend in Q3?

Nilanjan Sarkar: Rs.105.37 Crores.

Shekhar Swarup: And now the reason this goes up dramatically is because of Jharkhand factory?

Nilanjan Sarkar: Yes.

Tarang Agrawal: And what was it in the same quarter last year?

Nilanjan Sarkar: So I have given you the number for last year. The current year number is Rs.222.78 Crores.

Tarang Agrawal: Got it. This is for nine months right?

Nilanjan Sarkar: The nine months right. Yes it is for nine months.

Tarang Agrawal: Sure and last on Samalka.

Shekhar Swarup: So Samalka the plant and equipment is aging. We have seen some low recovery in Samalka lower alcohol yield in Samalka due to aging equipment. These equipments are being replaced or repaired and we expect all of that to be complete by the end of this quarter.

Tarang Agrawal: Okay thanks.

Moderator: Thank you. The next question is from the line of Imran from Longbow India Capital. Please go ahead.

Imran: Thanks for the opportunity. Sir can you please share your power and fuel mix how much comes from rice husk and how much is coming from coal?

Shekhar Swarup: I do not think any of our team members have that number ready but roughly speaking 60% is rice husk and multifuel and 40% is coal.

Imran: And what was this number roughly last year?

Shekhar Swarup: Similar number.

Imran: Okay thank you.

Moderator: Thank you. The next question is from the line of Jatin from RTL Investments. Please go ahead.

Jatin: Good evening. Thanks for the opportunity. My first question is the price increase that you have received in Rajasthan is that sufficient? Is that sufficient to cover the cost inflation that you have seen in FY2023 and at least in Rajasthan would consumer margins go back to normal going forward?

Shekhar Swarup: Yes it is Rs.26 is about on ENA terms it is about Rs.8 a liter which is sufficient.

Jatin: Second you mentioned about the fact that the ethanol price increases is lower than expected and it seems at the levels at which we are operating today the return rate ratios on the ethanol plants also will not be great so why is it then that you still are looking to add more plants?

Shekhar Swarup: I never said that ethanol returns are not great. I said that ethanol rate increase was not great. That does not mean the return on our investment is not great.

Jatin: So even with current ethanol prices and current kind of cost pressures that we see, we are still making reasonable returns on ethanol?

Shekhar Swarup: Yes.

Jatin: Okay and this quarter there has been a sharp increase in other expenses and employee expenses is that all to do with the Jharkhand plant?

Shekhar Swarup: Nilanjan could you.

Nilanjan Sarkar: It is all to do with the other expenses comprise of your power and fuel also and it also comprises of bottling expenses. The higher we bottle the expenses on bottling will go up and also on your question on employee cost, we had the liberty of capitalizing costs till the Jharkhand plant was not capitalized which was capitalized last quarter end of last quarter. After that we had to charge off expenses of employee cost so that was another blip in the expense.

Jatin: But going forward we should assume this kind of run rate to continue?

Nilanjan Sarkar: Yes.

Jatin: Okay in this margin guidance that you gave of 12% to 14% that is only for 4Q because in FY2024 at least 1Q onwards the Rajasthan price increase should come in.

Shekhar Swarup: Q4.

Jatin: And FY2024 any guidance you would like to give?

Shekhar Swarup: It is difficult to say right now but this should be the base for FY2024. We have to see how coal volumes continue through the year. Last year we saw Coal India reduce full volumes dramatically and increase their own stocks so I hope that does not happen. It does not make sense why Coal India should do that. I hope something like that does not happen and if coal continues to be available for industry then I do not see a problem improving on these margins as the year goes by.

Jatin: Sure and on the ethanol side any chances of you getting any price revisions or will this now happen only next year in December before the next season comes in?

Shekhar Swarup: We are trying if coal prices is public domain that information so the information is available with decision makers but let us just to be a conservative let us assume it will only come next year but work is on to get some sort of interim prices.

Jatin: Okay great. Thanks for your time.

Moderator: Thank you. The next question is from the line of Saket Kapoor from Kapoor & Company. Please go ahead.

Saket Kapoor: Good afternoon and thank you for this opportunity. Sir firstly regarding this Jharkhand unit Sir when will the unit start contributing the expenses which we have debited for the quarter when it will commensurate with the revenue Sir? What is the way forward?

Shekhar Swarup: It is making profits today. There is no problem. It has made profits in Q3. It is also making profits today.

Saket Kapoor: Okay but since it was the higher expenses were highlighted on account of Jharkhand so if you could explain the reason then for that?

Shekhar Swarup: The Jharkhand facility was not commissioned in Q2. In Q3 it was commissioned and you saw impact of revenue and expenses in Q3 so it is a startup of a new factory and therefore in the first quarter revenue will jump as well as expenses will jump and thereafter it will stabilize.

Saket Kapoor: So what should be the runrate going ahead so for this quarter we are not getting the entire benefit of the revenue that is to be understood?

Shekhar Swarup: 90% capacity utilization in Q3. This will go up by maybe 4% or 5% points. Average we are able to utilize 95% of our capacity so to that extent revenue will increase but most of it is there.

Saket Kapoor: Okay and the expense line item will remain the same? It is not that the running up is? The ramp up cost is no different than what it is a regular course of business?

Shekhar Swarup: Yes.

Saket Kapoor: Okay Sir you did speak about this softening of the coal prices? I missed your earlier commentary so going ahead Sir how is Q4 currently shaping in terms of the raw material basket? If you could give some more color sorry if it is for repetition?

Shekhar Swarup: Yes this is a repetition and I will quickly summarize in interest of taking the other questions and then when the transcript is available you can get more detail but we have seen coal prices softening in Q4 however grain prices have been upward. It is my expectation that without IMF and losses we will have an EBITDA margin of around 15% in Q4. Going forward we will get an increase on consumer prices especially in value and value plus that will help us ensure our margins further.

Saket Kapoor: Right Sir and Sir if you take this packaging part and also how do the glass prices affects our input cost so some color on this line item?

Shekhar Swarup: The glass prices if glass prices go up our input cost go up.

Saket Kapoor: Yes so glass prices are firm? I think and I wanted to have the impact whether there is a dent on the margins because of a higher glass prices or how are we dealing with the same?

Shekhar Swarup: There has been for us most of the impact has been on account of coal/fuel and grain prices. There has been some impact on glass. Our glass procurement is much lower. By volume majority of our business is in PET bottles. The premium brands are in glass bottles.

Saket Kapoor: Right Sir and coming to lastly to the expansion in the West Bengal facility Sir taking into account the expansion that is supposed to kick up in Q1 of next financial year what should be the geographical mixture in percentage wise which state will garner the highest in the ascending order?

Shekhar Swarup: Are you saying which state will have the highest capacity the highest capacity.

Saket Kapoor: The highest capacity yes Sir?

Shekhar Swarup: The highest capacity will be in West Bengal.

Saket Kapoor: West Bengal and what will be then our market share their Sir in the product profile looking forward?

Shekhar Swarup: These are two different things. The size of the unit and market share and consumer are two different things all together and these things they are not directly proportional at all.

Saket Kapoor: With the scale up of our capacity in West Bengal with the nearest competitor I just wanted to understand what will be our market share with the extended capacity that was my question?

Shekhar Swarup: The market share of what.

Saket Kapoor: In the IMFL segment Sir?

Shekhar Swarup: Sir our IMFL segment, our market share will be a few percent points at best and the size of the market share is not relevant.

Paramjit Gill: Sir the capacity increase is service the ENA and the ethanol opportunity and not to service the IMFL requirement just in case if that clarity was thought.

Saket Kapoor: Okay so our dependence on the external purchase of ENA will go down?

Paramjit Gill: We do not pay for ENA because we already have a capacity there.

Shekhar Swarup: Sir if you do not mind let us set up a call and I can explain this to you more in detail one on one.

Saket Kapoor: Okay Sir. I will join the queue again.

Moderator: Thank you. The next question is from the line of Agastya Dave from CAO Capital. Please go ahead.

Agastya Dave: Thank you very much Shekhar for your commentary. Shekhar what exactly happened in Telangana? You said that one of your key brands was rejected what exactly was an issue with it? Is it a permanent setback in the state? What were the parameters on which the brand was?

Shekhar Swarup: Paramjit could you please.

Paramjit Gill: Yes so the excise have not approved the governor reserve, the red colored whiskey the Red Label whiskey. Their contention is that two brands having the governor reserve name we do not want to approve at the same time and while there are enough competition brands who play in the different price point and yet have similarity of some part of the name. There are many but we have not been able to secure that approval and in the absence of that approval now we have been obviously other brands have got approved and we have done a soft launch but since this brand has not got approved we are reevaluating our thought process of how to proceed but be rest assured that this is not going to anyway impact our overall strategy of IMFL nor is it going to impact the overall top line and bottom line business line objectives. These things can happen from time to time and we have not seen it yet because we have got approvals everywhere else like all other companies do but there are instances where states behave in a unique way right and as an organization we are dependent and if we can only wait so far and then we have to reevaluate ourselves.

Agastya Dave: Sir the next question is on this IMFL target that we have shared over the last few quarters that we are targeting a 20% revenue share, revenue share coming from our IMFL brands so what kind of timelines do you foresee for achieving these targets because so far the scale up has been fairly decent I would say almost impressive how do you see things going from here because you also have a lot of capacities coming in the other segments?

Shekhar Swarup: Yes so just to clarify that 20% is a segment revenue share.

Agastya Dave: I understand Sir in the consumer segment right?

Paramjit Gill: I think it is a little further down the line. Let me put it like that, that is what we have set ourselves up for and we have all routes available to us how to grow this category. In the short term let me take the liberty of stating it upfront that our plan is to for sure more than double large volumes and revenues in the coming year and as the pace picks up our ambition is going to get bigger and bigger because we are introducing new brands. A little a little difficult to put a timeline and then be held accountable to the timeline at this stage right but what we will do is as we keep demonstrating quarter-on-quarter how we are progressing we are very confident that the larger stakeholders will derive a lot of confidence and comfort to see that we are not only on a correct path but we are well on it. I think that should suffice.

Shekhar Swarup: Yes I just want to add something to what Paramjit said. One of reasons it is very difficult to give a date on this and also because the value and value plus segments are growing at a pretty good rate so that is why it becomes difficult to give an exact date because if that number was a static number it would be a lot easier. Both are growing. It is something that we are working towards you would appreciate that despite a strong growth in the value and value plus segments in Q3 we have landed at a 7% and having been through that growth in value and value plus we could have been north of 10% so we got to balance both of these things and see how we land in terms of share a segment I believe.

Agastya Dave: Right Shekhar I am sorry to repeat this question about coal and the cost side you are obviously going into great details but so kindly help me understand this better when I look at the international prices and when I look at the coal prices our problems started on the margin side when the coal prices jumped up after the Ukraine attack right Russia Ukraine War started and the prices went through the roof and they stayed therefore?

Shekhar Swarup: Let me preempt you there in the last three to six months I have spent a lot of time modeling Indian coal prices with the international coal.

Agastya Dave: And the link is not working out at least for me?

Shekhar Swarup: There is no link. The link was established when the war started.

Agastya Dave: And it has not gone away?

Shekhar Swarup: It has not gone away. I am 100% seeing the same things as you are seeing. It does not make sense to me but that is how the Indian coal market is behaving and I do not know why.

Agastya Dave: And when I try to figure it out at the international level the reasons for the prices coming down by 50% odd in coal over the last 30 odd days the reason given is that the Indian imports have fallen so that is just adding to the paradox here?

Shekhar Swarup: And the data that I am seeing for Indian coal prices is not just our purchase data but also wider options results so various Coal India options that take place in India that link is broken. I do not know why. The bigger news is that it cannot remain broken forever.

Agastya Dave: Shekhar so if I look at our peak performance right the 20% plus margins and when the going was really, really nice what would be the number one villain for you which has tracked down the margins the most? Is it just the lag effect of ability to pass the consumer prices much more slowly than what you would like to or is it the coal prices?

Shekhar Swarup: The single reason is coal.

Agastya Dave: Okay that is what I thought and that is behaving very artificially right? It has not been driven by market forces as of now?

Shekhar Swarup: Until Ukraine war before there was a link. After Ukraine war there was a link but after that the link has gone.

Agastya Dave: Great one more thing Shekhar some of your competitors have actually mentioned that so I have also been tracking the grain prices and I saw that the wheat prices even though international prices were collapsing the wheat prices were very, very steady in the domestic pocket but now they have started coming off and at least the data I have and I am pretty sure your data is much, much better than mine but the data that I have, I have also seen around the rupee fall Rs.1 to Rs.1.50 paisa per kg falling the broken rice prices are also so again immediately I own up to the fact that my data quality could be bad especially on the grain side but you mentioned?

Shekhar Swarup: There was a reduction but and that was in early January but thereafter the markets have gone the other way.

Agastya Dave: Okay thank you very much Shekhar and let us hope that the market links actually start working again. I think is the big drag on the company as of now.

Shekhar Swarup: For the economy.

Agastya Dave: For the economy. I know. Everything has come down international prices of crude and coal both have come off but Indian prices I do not know why they are staying up like this but thank you very much Shekhar and all the best. Good luck Sir.

Moderator: Thank you. The next question is from the line of Tarang Agrawal from Old Bridge Capital. Please go ahead.

Tarang Agrawal: Thanks again for the follow-up. Just a couple of more questions one on the IMFL investments right can you give us a sense on how your IMFL Investments were for nine months FY2023 versus what they were for the same period last year?

Shekhar Swarup: Sure Nilanjan Sarkar do you have that.

Nilanjan Sarkar: Our initial investment basically on the fixed cost was almost for the nine months was almost Rs.14 Crores which included a breakup of Rs.4 Crores in marketing and left is the personal cost. That is on the fixed cost and the rest is before contribution we have trade spends in all those costs so a complete breakup can be made available.

Shekhar Swarup : What was this Rs.14 Crores last year?

Nilanjan Sarkar: Rs.14 Crores last year was bare minimum. I do not have the number right now but I can provide it. I do not have the number.

Shekhar Swarup : My sense would have been under Rs.5 Crores.

Nilanjan Sarkar: It would be somewhere around Rs.4 Crores.

Tarang Agrawal: So the bulk of your IMFL spends have actually come in Q3 right?

Nilanjan Sarkar: Yes.

Shekhar Swarup: This is nine months versus nine months.

Tarang Agrawal: I know but if I go to the presentation it speaks about okay that is the negative Rs.8 Crores EBITDA that you have laid out and with that industry got it. The second question is Samalka must have been an issue which must have been pervasive for quite some time right? It is not something which may have glaringly shot up in Q3 alone?

Shekhar Swarup: Q2 and Q3. Q3 was much worse than Q2 but it was there in Q2 and in Q3 and your question is what was the impact in Q2 we can pull that out and make it available to you but we do not have that.

Tarang Agrawal: Okay and the last question I mean Shekhar the coal pricing has been quite hard in terms of managing are you managing this environment? At the same time if you look at how our gross margins have trended? They have significantly lower than what they were before primarily because of our rice costs has moved. Given the government's endeavor to their thrust on having grain based ethanol right how are your conversations happening there I mean because at some point of time this could be an industry pervasive issue right?

Shekhar Swarup: This is being taken up with the Ministry of Petrol as well as all marketing companies. They are sensitized to the issue. They understand that the coal price impact has not been fully factored in while computing prices for this ethanol year and frankly work is on to see if an interim price revision can be made but someone else asked earlier on this call what should we expect. The work is on. I cannot say expect the price increase. It is a speculative statement by me if I was to say that and therefore I must say that listen let us assume what we know but work is on, on pricing of ethanol as well.

Tarang Agrawal: Got it. Thank you guys. All the best.

Moderator: Thank you. We have the next question from the line of Sourav Dutta from Minerva Asset Advisors Private Limited. Please go ahead.

Sourav Dutta: Thank you for taking my question. I just wanted to know whether the West Bengal and the Jharkhand plants that came online in Q4 and Q2 respectively they are operating at 90% capacity utilization as well or they are slightly lower?

Shekhar Swarup: Overall Samalka if I leave out some Samalka our capacity utilizations are generally around 95%. Jharkhand came in at 90% this quarter because of the first time it has been started up.

Sourav Dutta: And the new expansion of the three of them that are happening in West Bengal, Jharkhand and Bihar how do you see them ramping up in terms of capacity utilization?

Shekhar Swarup: I am sorry your line is not very clear. Could you repeat your question.

Sourav Dutta: I am saying the West Bengal, Jharkhand and Bihar projects the expansions that are going on in these things how do you see the capacity utilization ramping up for these new expansions?

Shekhar Swarup: I see them running at full capacity utilization.

Sourav Dutta: Okay so like as soon as they are commissioned they should be running at almost full utilization?

Shekhar Swarup: Yes.

Sourav Dutta: Okay that is it. Thank you.

Moderator: Thank you. The next question is from the line of Prem Thakur an Individual Investor. Please go ahead.

Prem Thakur: Most of the question are already answered but I have a few questions? How much was the utilization level overall including the new capacity in this quarter?

Shekhar Swarup: Nilanjan.

Nilanjan Sarkar: Can you repeat the question.

Shekhar Swarup: Utilization average capacity utilization All India.

Nilanjan Sarkar: The average capex for Samalka which was at almost at 79% overall average capacity utilization all the plants was more than 94%, for Jharkhand which was a startup at 90%.

Prem Thakur: Okay and can we have anything in our mind about the growth in the average realization that we are expecting going forward especially in the ethanol or ENA?

Shekhar Swarup: On ethanol we are not expecting any increase. We have spoken a lot spoken a lot about that today. I will not get into that. On ENA if there are cost changes those get passed on whether it is upwards or downwards so this year we have seen an increase in cost so that has been passed on as increase in ENA prices.

Prem Thakur: One more question I want to ask. At Bihar location you are adding a little capacity that is 19 KLP right so I want to understand why this plays a small capitalization that we are taking in?

Shekhar Swarup: From an ROE point of view it is very interesting.

Prem Thakur: Okay so is there any scope at this location in large expense any scope going forward or we have a separated that level?

Shekhar Swarup: Our expansion opportunities have been identified and those are what we are working on. Besides this expansion in Bihar, we do not foresee any further extension.

Prem Thakur: Okay thank you so much.

Moderator: Thank you. We have the next question from the line of Agastya Dave from CAO Capital. Please go ahead.

Agastya Dave: Thank you for allowing the follow-up. Shekhar just a small question in Odisha while you are awaiting the clearances have you firmed up like local partners that you would need for bottling or setting up a bottling plant or managing your distribution? Will you go that route or will you be doing everything in-house?

Shekhar Swarup: No our business model so far is to do everything in-house. I do not foresee any change in that because if there is a compelling reason to appoint such partners, we will examine it but as of now we do not see any reason.

Agastya Dave: Sir in all the states that you are active in the consumer segment you control the distribution completely in-house? There are absolutely no partners?

Shekhar Swarup: Paramjit.

Paramjit Gill: Yes could you say that again please.

Agastya Dave: Sir are there any local partners in the consumer business that you partner with for example setting up a bottling plant or managing your distribution or it is completely in-house?

Paramjit Gill: I understood the meaning of your implication so the places where we have our own mother units all the distilleries are economically viable to service the other state and I will give you a specific example. Delhi as well as Uttar Pradesh we feed from our Rajasthan unit. West Bengal we are feeding from our current unit within the West Bengal. Haryana we are feeding from our current distillery at Haryana however in Telangana we have a bottling tie up and that is the definition of the partner and we make choices based on which is the more efficient model and we can ensure that quality is not compromised.

Agastya Dave: And specifically related to Orissa you are not going to do it with the partner because you are going to have a very large distillery in the state? It makes sense to keep it in house right?

Paramjit Gill: So as of now we are not operating IMFL in Odisha and when the time comes we will at that point of time make a proper announcement to this.

Agastya Dave: And Shekhar just a follow up on one of the comments that you just made that the Ministry of Oil and the OMC are well aware of what they have done like short change you guys with respect to the coal prices right because the pressure is also coming from a government agency which is Coal India so are the state governments also accepting that there is a need to increase the consumer prices more than what is actually the norm?

Shekhar Swarup: It is difficult to paint all the states in one brush stroke so I cannot do that but Rajasthan has given us a price increase so let us see how that shapes up.

Agastya Dave: And you are happy with the Rajasthan increase right? There you are absolutely not complaining whatsoever of getting shortage that is sufficient?

Shekhar Swarup: No yes it is efficient.

Agastya Dave: Okay great thank you very much Shekhar. Thank you.

Moderator: Thank you. We have the next question from the line of Jathin from InvestSavvy Portfolio Management LLP. Please go ahead.

Jathin: Sorry the line got disconnected earlier so going back to the question I was asking one on IMFL how do you see your EBITDA shaping up going forward and two on Samalka how long do you think how much would be the impact in the coming quarter and then by when does that get sorted and therefore what I am coming to is how do you see the projection?

Shekhar Swarup: Yes your line is still a little bad but I think I heard most of it. IMFL we addressed this earlier two to three years from the time we launched in the states we hope to be break even. Each state is launched at different time periods so it is not possible for me to say on this date all will be break even. We have completed our first full year however there was Haryana that was launched during the course of this year. Samalka will take all of this quarter to stabilize and we expect that from Q1 onwards we will be firing on all cylinders again. What will be the impact in this quarter of Samalka, I do not have that calculation but let us just hold on for some more time and at the end of the quarter we will give you an update.

Jathin: So in terms of your assessment how do you see the EBITDA margins which is to your good estimate on the EBITDA margin going in the next quarter and the one after that Q4 and then Q1?

Shekhar Swarup: I have already given that guidance in my opening remarks 13% to 15% excluding IMFL is what we expect in this quarter. Next year onwards we will start getting in price increases of our consumer business and we and we have to wait and watch how the coal situation continues to unfold in India.

Jathin: So my question is that in the current quarter in your calculations excluding the IMFL bid it was around 14% and now in the quarter going forward IMFL being the highest growth segment which you are seeing and if that has a larger negative EBITDA obviously with growth it is likely that the EBITDA goes lower so are we saying that the EBITDA margins on an overall basis not excluding IMFL would possibly be dipping going forward from what it was at 10% this quarter?

Shekhar Swarup: No I do not see that. In fact IMFL is profitable with more volume we have less loss. We do not increase loss with more volume.

Jathin: That is I had asked little earlier that are we seeing the losses as the percentage go down because yes it takes two years to stabilize?

Shekhar Swarup: Yes so with more volume there is less loss.

Jathin: Obviously you do not expect the EBITDA losses to go further than Rs.8 Crores in the coming quarter on IMFL.

Shekhar Swarup: Paramjit can you comment on that. I am not sure what our budget is for Q4.

Paramjit Gill: So I think the way you have put it yes I think your number is in the zone. We obviously cannot nail the number down because we are in an evolving launch situation at any point of time and when we are busy launching Mountain Oak in West Bengal as we talk now which is in preparation for next year so there is a lot of overlapping between BCS strategy as it undergoes into strategy but yes the numbers that you are indicating are in the range.

Shekhar Swarup: The other overall guidance I had given earlier on not today is that we expect to invest Rs.20 Crores to Rs.25 Crores a year this year in the IMFL business so we have invested Rs.14 Crores already. We have invested today Rs.10 Crores more so we are in the zone.

Jathin: Okay thanks.

Moderator: Thank you. The next question is from the line of Nikhil Agarwal from Tusk Investment. Please go ahead.

Nikhil Agarwal: Thank you for taking the question. It is on the consumer business. On the next couple of quarters before we get into the next festive season what is the outlook like for the overall consumer business?

Paramjit Gill : In terms of what the top line, bottom line or the trend or what exactly are you looking for.

Nikhil Agarwal: In volume terms and the trends data?

Paramjit Gill: So as I have said we are intending to so volume obviously in this quarter because it is the yearly closing Haryana will continue to build up. UP basis renewal policy we will not over drive top line in

UP. West Bengal will continue normal. Delhi depends whether the policy is fixed or not so there will be that slide push or holding at the last quarter of each year but otherwise we are expecting to more than double our top line and bottom line next year. I had said earlier on this call without narrowing down the numbers to sort of give you a sense of the aggression that we are intending to bring in so that will translate obviously among the quarters and it will keep getting aggressive as we keep moving further into the next year.

Shekhar Swarup: So Nikhil at this stage is the business it is very difficult to say one quarter to another how performance is shaping but the trends are very clear in the business and Paramjit target of doubling in the next financial year is something that I firmly stand behind as well.

Nikhil Agarwal: Okay just a follow up on that so when you say doubling you are talking of the IMFL?

Shekhar Swarup: We are targeting to close about two and a quarter lakh cases this year so doubling on that.

Nikhil Agarwal: And with regards to the IMIL what should we expect for the coming years?

Shekhar Swarup: I think a lower growth rate going forward is something which is reasonable around 7% to 10% in value and a little higher around 15% in value plus so these are reasonable numbers to expect.

Nikhil Agarwal: Thank you.

Moderator: Thank you. We have the next question from the line of Kunj Pachisia from SKP Securities. Please go ahead.

Kunj Pachisia: Thanks for having me. I want to do ask this question since Kolkata is a big market and West Bengal basically so what is being done to actually capture the Bengal market so that we can be aggressive and the sales of either IMIL or IMFL can go up in West Bengal?

Shekhar Swarup: So there is a lot of work on that Paramjit could you please.

Paramjit Gill: So let me take them one by one. In IMIL obviously in West Bengal in the recent past it was very expensive in terms of transportation cost to service the brand requirement beyond a certain geography. The reason is the route to market made it less and less viable as you traveled the distance. That policy has been amended and as we are going forward it is going to start playing out, where you even if we have one distillery we can service in our much larger efficient way to the larger market which gives us an opportunity to start building the volume now. In terms of the value plus segment there are green shoots. The value plus segment has started showing some good strong early signs and in this route to market change obviously the industry was not serviced for 40 to 45 days when the market was again being changed and we are now expecting those to start building up in the value of the segment as well. Coming to IMFL, I feel we are sticking to our strategy and as we keep clearing internal benchmarks our product offerings will keep widening up and maybe in the medium future our geographical expansion in West Bengal also will keep expanding so it is a matter of clearing our internal benchmarks. Does that clarify.

Kunj Pachisia: Yes. That is good enough. Thank you so much.

Moderator: Thank you. The next question is from the line of Sai Narayanan an Individual Investor. Please go ahead.

Sai Narayanan: Thanks for the opportunity. I just want to ask the management what is the return on investment that we have only for the ethanol division that is my first question or any margins we have only for the ethanol division?

Shekhar Swarup: Every state it varies so I do not have a number to give you right now on that. We can compute something and get back to you.

Sai Narayanan: Okay is it being in that double digits the margins or the ROA?

Shekhar Swarup: Yes very much Sir.

Sai Narayanan: Okay and what is the debt level currently and what is the expected EBITDA for this year Shekhar?

Shekhar Swarup: Can you repeat the question please.

Sai Narayanan: So what is the current total debt we have and what is the current expected EBITDA we plan to complete this financial year?

Shekhar Swarup: We are not giving any guidance on total EBITDA expected this year. We have given the guidance on the EBITDA margin. Nilanjan what is our debt level please.

Nilanjan Sarkar: Our debt in long term is almost Rs.150 Crores and short-term borrowings another Rs.90 Crores to Rs.95 Crores.

Sai Narayanan: Okay sure thank you.

Moderator: Thank you. The next question is from the line of Navneet Bhaiya an Individual Investor. Please go ahead.

Navneet Bhaiya: Congrats for the good show on your IMFL and congrats for Jharkhand commercialization as well. Shekhar I had one question on your manufacturing setup? You mentioned your course pass on at ENA happens much faster than ethanol and most of your plants are they can do either ENA or ethanol so I just want to understand what stops us from shifting from ethanol to ENA if the price hike in ethanol is not good?

Shekhar Swarup: We are producing in each state the material which is the most profitable ENA so for example in Jharkhand we continue to make ENA. We have not yet started production of ethanol. Let us see how the rest of the year shapes up. We may change that production mix so we are producing whatever is the most profitable at every stage.

Navneet Bhaiya: Okay so you mean even at current unsatisfactory price hikes that we have got for ethanol it may still be more profitable than ENA in some states?

Shekhar Swarup: In some states so for example Bihar where there is no ENA market it continues to be more profitable to make ethanol. Fortunately in Bihar rice husk prices are the lowest in the country so every state has its own nuance and that is the work we do in the company to make sure that each state is running in the most profitable fashion possible.

Navneet Bhaiya: I understand just in West Bengal you would be doing ENA or ethanol right now?

Shekhar Swarup: There mix is both that is taking place in West Bengal roughly 50% capacity is ENA and the other half is ethanol?

Navneet Bhaiya: Okay perfect I understand that. A couple of data points that I did not see in the presentation? One was your market share across the three states Rajasthan, Haryana and West Bengal and second I think used to give the breakup between volumes of value and value plus still about two quarters back? You are just giving the total now so is the breakup also available?

Shekhar Swarup: Yes sure we can provide that for subsequent in this course.

Navneet Bhaiya: Okay and the market share as well right and West Bengal is there any improvement in market share from the 2% to 2.5% that we were at?

Shekhar Swarup: Paramjit.

Paramjit Gill: No not at this point of time as I said there was not much in the last quarter for the simple reason that due to market change was happening in IMIL so as of now no change. We are in the same zone but a new category in value plus segment has been introduced and we are very excited about this category.

Navneet Bhaiya: It will be great if you can include these data points in your presentation which you used to provide earlier as well?

Shekhar Swarup: We will take that feed back. Thank you.

Navneet Bhaiya: And one last question regarding your IMFL so are these IMFL likely to be visible in some of the urban cities in the liquor shops or where exactly are they distributed and the other brands that you have?

Paramjit Gill: So these are available in premium shops in the state of West Bengal and in Delhi. As we are talking other three brands were made available in Haryana a few months ago. Terai as we are talking has been launched a week back so it should be available in Gurgaon and Faridabad main outlets already. In UP also in the main towns most of our brands you will be able to see across prominent shops so yes when we are entering a state these brands are available and visible if anybody does tend to take a walk to the.

Shekhar Swarup: Terai is available in Mumbai as well and if you are interested in Mumbai.

Paramjit Gill: And Jaipur.

Shekhar Swarup: If you are interested in making a purchase just have a look at our Terai Instagram page which has details of availability.

Navneet Bhaiya: Sure that is quite helpful. I will definitely want to have a look. Thank you so much and all the best for your future.

Moderator: Thank you. The next question is from the line of Udit Gupta an Individual Investor. Please go ahead.

Udit Gupta: Good afternoon Sir. Sir my question is regarding sir what are the inputs that we have using for amassing our ENA Sir?

Shekhar Swarup: Grain.

Udit Gupta: Sir I mean is it rice or wheat?

Shekhar Swarup: Rice.

Udit Gupta: And is this from the FCI or is this the market rice that we buy?

Shekhar Swarup: Both FCI is only for use for making ethanol and from the market we purchase material for our other applications.

Udit Gupta: And Sir the FCI price of rice is the only fixed it Rs.20 per kg or is it variable Sir?

Shekhar Swarup: It is fixed for the whole year.

Udit Gupta: It is more or less like the ethanol price it changes everywhere?

Shekhar Swarup: Yes ethanol price is linked to the price of FCI rice.

Udit Gupta: Okay and sir like the power cost that we were talking about Sir all this while Sir can it be reduced by going into green sources like solar or wind or something of the sort?

Shekhar Swarup: No we cannot do that. We require power to convert this said rice to alcohol or ethanol. We have as mentioned in my opening remarks several initiatives that have played out to reduce power consumption and fuel consumption in West Bengal. There is potential of further increasing this all the way up to 20% saving and we are taking these learning's to our other plants as well so these are some of the things that we do to mitigate cost increases but going to solar or wind is not an option.

Udit Gupta: Sir one more question is what is the processing cost per liter for alcohol and is it any different for ethanol or like are they the same?

Shekhar Swarup: The number for processing costs we do not make available publicly. The cost difference between the two is about 10%. Ethanol is 10% cheaper to produce not 10% I am so sorry. It is more like 5% cheaper to produce as compared to ENA.

Udit Gupta: And Sir the DDGS that comes out of the process is more or less singular for both.

Shekhar Swarup: Yes it is.

Udit Gupta: Thank you so much.

Moderator: Thank you. The next question is from the line of S B Bhaiya an Individual Investor. Please go ahead.

S B Bhaiya: Good evening Sir. I have got only one question when do you expect this income tax matter to be sorted out? Is it this quarter or is it going to extend to the next financial year?

Shekhar Swarup: I do not know the answer to that question. We are still awaiting a notice of some nature from the department so I do not know the answer to that question.

S B Bhaiya: Okay and any financial implication due to that and that also you do not have any idea?

Shekhar Swarup: We have not received any notice. As soon as we do we will inform our shareholders. As of now there is no financial impact.

S B Bhaiya: Thank you Sir.

Moderator: Thank you. I now hand the conference over to Mr. Shekhar Swarup for closing comments. Over to you Sir.

Shekhar Swarup: Thank you everyone for joining us today. We remain available to answer further questions. Please reach us directly on our IR email address or to stellar our IR agency. Thank you again and have a good evening.

Moderator: Thank you. On behalf of Globus Spirits limited that concludes this conference call. Thank you for joining us. You may now disconnect your lines.