PATANJALI FOODS LIMITED
(Formerly known as Ruchi Soya Industries Limited)
Corporate Office : 601, Part B-2, 6th Floor, Metro Tower, Vijay Nagar, A.B. Road, Indore-452 010
Phone : +91 (731) 4767109 / 4767110 ● E-mail : corporate@patanjalifoods.co.in
CIN-L15140MH1986PLC038536

Great Place To Work. Certified DEC 2021-DEC 2022 INDIA

PFL/2023 **June 05, 2023**

To

BSE Ltd.
Floor No. 25,
Phiroze Jeejeebhoy Tower,
Dalal Street,
Mumbai – 400 001

BSE Scrip Code: 500368

National Stock Exchange of India Ltd.,
"Exchange Plaza",
Bandra-Kurla Complex,
Bandra (E),
Mumbai – 400 051

NSE Symbol: PATANJALI

Dear Sirs,

Sub: Transcript of Earnings Call Q4 FY 2023 of Patanjali Foods Limited ("the Company')

Please find enclosed the transcript of the investors' conference held on 31st May, 2023, with regards to the financial results of the Company for the quarter and financial year ended 31st March, 2023.

The transcript has also been uploaded on the Company's website at www.patanjalifoods.com.

You are requested to take the same on your record.

Yours faithfully,
For Patanjali Foods Limited
(Formerly known as Ruchi Soya Industries Limited)

Ramji Lal Gupta
Digitally signed by Ramji Lal Gupta
Date: 2023.06.05 17:52:21 +05'30'

Ramji Lal Gupta
Company Secretary

Encl. As above

"Patanjali Foods Limited
Q4 FY '23 Earnings Conference Call"
May 31, 2023

Disclaimer: E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchange on 31st May 2023 will prevail.

MANAGEMENT: **MR. SANJEEV ASTHANA – CHIEF EXECUTIVE OFFICER – PATANJALI FOODS LIMITED**
MR. KUMAR RAJESH – CHIEF FINANCIAL OFFICER – PATANJALI FOODS LIMITED
MR. CHINTAN KOTAK – INVESTOR RELATIONS – PATANJALI FOODS LIMITED

MODERATOR: **MR. DHIRAJ MISTRY – ANTIQUE STOCK BROKING**

Moderator: Ladies and gentlemen, good morning and welcome to Patanjali Foods Q4 FY '23 Earnings Conference Call, hosted by Antique Stock Broking. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star, then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Dhiraj Mistry from Antique Stock Broking. Thank you and over to you, sir.

Dhiraj Mistry: Hi, good morning all. On behalf of Antique Stock Broking, I would like to thank management of Patanjali Foods Limited. I would like to introduce Mr. Sanjeev Asthana, who is the CEO of the company, Kumar Rajesh, CFO and Chintan Kotak, IR.

I would hand over the call to the management for their opening remarks. Over to you, sir. Thank you.

Sanjeev Asthana: Thank you, Dhiraj. Good morning, everyone. Welcome to the Patanjali Foods Limited's call to discuss the results for Q4 and annual FY '23. I'm joined today by the company CFO, Mr. Kumar Rajesh. Mr. Apoorva Kumar, who is the head of Nutraceuticals business, is also here with me. We also have our Investor Relations consultant, Strategic Growth Advisor - SGA, on the call.

I'm pleased to update that we have achieved record numbers across all the financial metrics in the financial year. The revenue from operations stood at INR31,525 crores. The EBITDA stands at INR1,577 crores. As an organization, we are focused on strategic areas for growth and allow me to run you through some of these.

On the oil side, we continue to be the leaders with very strong brands like Ruchi Gold, Mahakosh and Sunrich. Our focus remains on expanding the segment and improving margins, particularly through a model that aligns with the Atmanirbhar Bharat campaign of National Mission on Edible Oil Oil Palm. We are taking steps to grow our food business. The Patanjali brand commands a strong recall and loyalty, and we intend to capitalize this by capturing a more sizable portion. That's making Patanjali one of the leading names in the FMCG and FMHG markets. Inherently, margins of our food business are better than the oil business.

Going forward, this side of the business is expected to grow at a much faster rate, albeit at comparatively smaller pace. And we have done exceedingly good performance in the three quarters that we acquired the food business and the other businesses, which we'll talk later in the call. Overall in alignment with our vision to establish ourselves, as a prominent player in the FMCG and FMHG sector, we took strategic steps and bought a series of products across categories in our fold.

As industry pioneers, we maintain our leadership position in texturized soya products, which is a well-known brand of Nutrela. Our ghee, biscuits and staples have gained immense popularity among our customers. This year on an annual basis, our ghee sales have crossed INR1,200 crores-plus. We are seeing a double-digit growth in the positive category, particularly in biscuits and ghee categories. In biscuits, we've grown to almost INR1,300 crores on the annualized basis, growing at 20% year-on-year. And our chawanprash and honey continue to have a steady demand.

Our initiatives across segments are building a strong momentum for us, and we are off to a good start in financial year '24. Our company's presence across multiple categories and price points is driving our market share growth, fuelled by a relentless focus on product innovation and premiumization. This is enabling us to capture the evolving taste and preference of our customers.

I would like to update you on a few strategic areas which are important. Through the year, we have signed multiple MOUs with all the state governments on the oil palm plantation business that we have undertaken on a very ambitious way. We signed MOUs with all the leading state governments in the North East, which is Assam, Arunachal Pradesh and Mizoram. We signed two new MOUs during the quarter with Tripura and Nagaland. We have signed MOUs recently with the government of Telangana, where they're extending all the support for our investments in Telangana. And Andhra Pradesh, we already have a large plantation business there.

Our oil extraction rate, the efficiency in the FFP processing that we have continues to be one of the best in the industry, in line very much with the global standards. In terms of age profile, most of our plantations, almost two-thirds of our plantations are mature and generate healthy yields. And the rest of the plantations are in the early stage of development. So almost it's a fairly healthy state of mix that we have on the oil palm plantation business.

On the distribution front, our new age customers have given rise to the e-commerce stores and omni-channel retailers. Our presence across omni-channel retailers and e-commerce stores is enhancing our visibility among the target customers. This has added new avenues of sales to the business. Our e-commerce sales of food, token update, was a notable uptick of nearly 50%. The oil sales to the platform have grown by about 60%, though the base was small, but we continue to grow.

Our B2C website and app are growth enablers here. Our app has almost touched a 1 million downloads now and registered users. With technology, we are driving a lot of technology from the B-PoS and B-Force and maximization of source, the target is there. So that we are able to reach an expansion is there. In terms of geographic spread, we are well placed across the country as we continue that. In addition to this, we have almost exported more than INR500 crores to 31 countries, our products.

The company, as I mentioned last time, we have worked very seriously on the premiumization and the launch will be happening in three distinct business segments. One is the Nutraceuticals, which is completely revamped and completely changed now. And that launched the first launch of the premium end of the sports nutrition you will see in next two weeks time. When we're going to be launching it with new packing, new flavours and new price points.

The second one is in the millet based products, which I had mentioned last time. That is also we are making do along with the common, the sports nutrition launch itself, which also shall be happening in the month of June, where we're coming out with ragi-based products and other products. Similarly, on the biscuit side, which is business growing at 13, has grown to INR1,300 crores. We have come out with three new variants on the healthy side, which is the seven grain, which is ragi biscuit, as well as in the other areas in terms of the digestible biscuits. And similarly, three more biscuits are under the works, which will get launched and all these products will get launched by between second week and third week of June. We are taking the dates for the launch and they will be done.

Similarly, the success of Patanjali as it is getting attributed to the employee, we've continued to sort of build-up on second line. One of the key steps that we took, we showcased all our leaders through social media campaigns and formalizing. And as a starting point, we invited Mr. Apoorva to this call today, that in case there are questions around Nutraceuticals, he would be able to answer. We have continued to work in terms of hiring, you know, people, talented people from good companies. We continue to track their performance and inspire them. And we are working in terms of taking the company to a greater height.

Patanjali is committed to a stronger and more sustainable future. Our oil farm business model ensures that not only are we benefiting the farmers, but we are also protecting the environment by employing techniques like crop rotation and avoiding deforestation. Further, we are producing almost 85 megawatts of energy, of which 16 megawatts is for captive use itself. And we have pulled up promise to protect the environment by lowering the emission standards.

In terms of our minimum public shareholding requirement of reaching 25%, we were investors had raised one point of looking at the Q4 results and the annual results. So that our results are getting declared today. And we are expecting to close this between June and July. Our requirement of minimum public shareholding will be met and we'll be closed and done with that.

As we at a macro level, we've been treating the inflationary pressure to start in ‘24, they're easing. The disposable incomes are picking-up. There's an uptick in the rural demand and we see there's a big surge in, our sales typically which are more tuned toward the rural area. And there's a very steady urban demand, which is basically building-up and also for our food segment, particularly becoming positive.

The new launches and innovation, especially in the ready-to-cook and ready-to-eat space, we expect a surge in demand. The global prices have softened on the raw material side. This is helpful for our food business and not so helpful for our edible oil business. And yet we power along in terms of the distribution reach, the product innovations and premiumization. We have come in the fiscal year on a favourable trajectory and expect to sustain the momentum.

I will run you through the financial highlights of the quarter 4 and then we will open up this conversation for Q&A. The revenue from operations in quarter 4 stood at INR7,873 crores. And our year-on-year growth, if you look at it, was almost 18%. The EBITDA for the quarter is INR416 crores with a margin of 5.3%. The PAT stands at INR264 crores with a margin of 3.3%. Prior to delving into the numerical breakdown, I would like to mention that we restructured our segment this year. So the reporting earlier, it was in different segments. Now, for example, the oil business comprises of the oil farm business, along with the edible oils, Vanaspati and all its derivatives and by-products and the cash business, they are reported in the edible oil segment.

Our food segment encompasses four key businesses, which is the food business that, we acquired from Patanjalithe biscuits business that we have, biscuits and confectionery. The third business is the nutraceutical business. And the fourth business that, we have is the Nutrela, the texturized soya protein. These four segments are falling under the food segment. And then, of course, in the other segment, we have our windmill operations, which I mentioned about earlier, about 85 megawatt that, we have installed capacity.

And as an overall sort of segmental communication in Q4, the edible oil segment contributed to INR6,136 crores of sales and resulted in a margin of 2.3%, in this area. Likewise, the food segment in terms of sales contributed INR1,805 crores in quarter sales. This is a substantial uptick as we continue to gain momentum and continue to drive it forward.

Let us understand the performance of each segment. In the edible oil, the palm oil industry has suffered severe price volatility along with soya and palm. This volatility can be attributed to the elevated crude oil palm prices and supply chain disruption that we caused and subsequently they started to come down. The edible oil continues to contribute almost 81% of our revenues, which is substantially down from 90% plus that we had last year.

And this segment, I am expecting that, the foods will continue, the mix of revenues on account of the foods and the other highly profitable businesses will continue to expand. We have almost done nearly 20% of our business is now comprising of the food business. Nearly 72% of the profits are coming out of the food business as well. So we continue to work on changing the mix of the businesses that we have and to prevent the kind of volatility that was witnessed in the quarter 2.

Despite this rise in the raw material prices, we have not, earlier did not increase the selling prices, which has maintained our market share. We have grown substantially. Our EBIT per ton, while it took a hit, but we have had a volume growth in edible oils to almost by 21%. So for example, this year our volumes in edible oil is 1.91 million tons, which is a substantial growth compared to the industry, almost 21% compared to the growth the country witnessed for about between 3% and 4%. And typically that is the adverse.

So there are positive signs in terms of the edible oil business and the way it is progressing. In the food segment side, it has achieved the highest ever standards of INR6,128 crores for the full year. This is a testament to our strong portfolio. We have maintained a healthy segment with also almost 18.29% EBITDA margin in the business. The Q & Q growth of 19% is higher than the industry standard. Food as a percentage of the overall company, as I spoke earlier, is almost 19% on a full year basis now. And we are supplying to al l the domestic markets with a good geographical expansion.

We continue to expand our reach to the distribution structure. During the year, while inflation was continuing to be a factor, we have continued to expand our portfolio on the food side and this has been very supportive in the way, our businesses are done. If I were to look at the revenues from, during the quarter, the food and FMCG portfolio total out of INR1,805 crores, our food products to the Nutrela was about INR110 crores. Our, the food division, the acquired one during the quarter was INR1,333 crores. The biscuits did about INR360 crores. Nutraceuticals, we continue to witness the overhang of the large inventory that we exposed in the second quarter and the sales were there, but they were marginal.

On the count of windmill, it's a marginal turnover of INR9 crores that, we had. So, the idea being that overall in terms of the company, the way it is progressing on the food side, the way the edible oil volumes have grown and we are trying to sort out to work in terms of the premium variance of the edible oil segment, we are very confident of the year as it goes forward and we believe that the company will continue to drive its growth and will maintain the growth momentum as we go forward.

For the financial year 2023, the revenue from operations stands at INR31,525 crores, which I mentioned earlier. The EBITDA is INR1,577 crores and with a margin of 5% and the PAT with INR8,886 crores with a margin of 2.8%. Our full year outcome is of course an outcome of the acquisitions that have been made and very good ones, which is changing both the profile and the configuration of the company's turnover mix. It is changing the quality of profits that we have seen and it is also bringing in the higher margin construct by bringing in superior return to the business into a fold. So with this, my opening remarks are over and now the floor is open for Q&A, which we are here to answer any questions that you may have. Thank you.

Moderator: Thank you. Our first question comes from the line of Aditya Jhawar with VT Investments. Please go ahead.

Aditya Jhawar: Hello, Asthana ji Very good morning. I wanted to understand the edible oil business in detail. Actually, is it good to be in this business because always volatility will be there and we will incur inventory losses here. Could you explain the past history, how prices have been trending, how strategically it makes sense to be in this business now in India? And how are we dealing because we want to generate superior ROC, then we have to sell more. But when I see the capacity utilization, it's always trending between 40% to 50%. And what is the internal metric you look in edible oil business that it is doing great? And how do you see it span out for a couple of years?

Sanjeev Asthana: Yes. So thank you for this question. You're absolutely right that, edible oil business on account of the volatility typically is less predictable. However, what we are trying to do is that we have looked at the business from three filters. Number one is that there's a large asset base we have, there's a turnover that we have, and giving that up does not make any sense. So we've continued focusing on selling more of branded business. So for example, our business branded side, our business would be almost 80%, that we sell.

Now these brands are commoditized brands. So, the premium that you can extract on account of the palm oil business or the soya business or sunflower business typically would not be the same in the category of what we have in the foods business. So that continues to be one challenge that we face. The business margin construct, if I were to explain, basically is stacked up at multiple levels. So one is the supply chain efficiency and the pricing efficiency that, we have in building up supply chains from the global market as well as in the domestic market.

The second tier is the efficiency in processing. Our infrastructure is world class. And we do it at price points and cost structure in the way that, we would be right at top in where the processing costs are concerned. And likewise, the distribution to almost more than 100 plus depots, the sales team that, we have on the ground, the business that we built with the distributors and the retailers. So this is a greater brand equity and there's some bit of predictability there as well.

The challenge this particular year has happened on two folds. The prices, if I were to give you a small reference, on 30th of June, the price in palm was INR1,20,000 a ton. Soya was INR1,30,000 a ton and sun was INR1,56,000 a ton. Price at the end of March became from INR1,20,000, it became INR92,500 a ton, which was a substantial drop. From soya oil, it became from INR1,32,000 to a drop by almost INR22,000 a ton to INR1,02,000. Likewise, sun oil dropped by almost INR25,000 a ton. And if I were to look at the overall year in terms of the financial year '23, the range has been the drop in palm oil prices INR75,000 a ton. Soya it has been INR65,000 a ton and sun oil it is INR92,000 a ton.

The problem is twofold in this. One is that the global factors, especially in Q2 that we saw, that the prices just fell off the rocks on account of the war in Ukraine. The challenge, what we had in terms of the regulatory ad hoc actions from Indonesia on the palm oil exports and then suddenly, removing them. And likewise, the overhang that, we had in India, that was a big cause, which basically saw the prices declining. Thereafter, what we have seen is that prices have continued on the declining trend even in this quarter also.

So to your point of saying that, the business is fraught with risk and I don't have to take the names, you can look up the balance sheets of across the sector in India and globally, the impact, the edible oil prices have had on all the major global players as well as the companies in India, which has had an impact. So to the point that should we be doing it at all, I would say that yes, we should do it because it's a strong strength that, we have.

We leverage at multiple levels. The access to distribution is not easy to build. It's built over a period of time. The supply chain competency that, we have, as I mentioned earlier, that we have grown our volumes by 21%. So, it's not just that the growth has not come on account of some price increase or otherwise. And distributing the size and scale of business requires a lot of effort and a lot of cost and experience over long years.

So it's a three decade, more than three decades of experience, which has got us here. So I would say, we should be in the business in terms of return on capital that, we employ. It can be very decent return if there are seven terms in a year if we can achieve. And we are making consistent margin of 2.5% to 3%, a year, 3% in each term that we do. So we are looking at a return base of almost nearly 20%. And that is a fairly decent on the working capital that we deploy.

The challenge is, when the market goes through the volatile times and that, we have continued to work on. For example, after the drop, we continue to hedge our risk on the global exchanges like BMB and Chicago. We have reduced, introduced measures. We have looked at artificial intelligence. We have hired external firms. Internally, we have got technical analysts and charters. So there's a lot of steps that, we have taken. I would not be so disappointed with the business. Yes, business has to be managed for profits, not continuous volumes and scales. And that, we're working on.

I believe with the price points where we are right now, the challenges should be more behind us because the prices have dropped so drastically that, we're expecting a sense of stability in the business. And as we go forward, we will continue to improve on the business and we'll have an uptick in both in terms of the margin profile as well as the overall profitability that, we have in the business. But yes, it's a work in progress.

Aditya Jhawar: Okay, sir just to follow up, just to summarize this one, if suppose our palm oil prices come down, is that a good thing or the volatility should be less? Is that a good thing?

Sanjeev Asthana: So to answer your question, if the palm oil prices come down in general, it is not a good thing for because for any player, who brings in the oil and who is structurally long, in general, it will not be a good thing, if our player is completely unhedged. But when we buy palm oil from the international market, we always hedge our exposure at the BMB exchange. Now Indian prices are nothing but a pass-through of the global prices as they emerge.

So the challenge that, we face always is that if you've got an inventory, which is priced at INR100 and the prices drop to INR90, that the domestic consumers will tend to buy because the competition continues to sell at INR90 plus, the processing cost plus the margin. That margin is there, 1 , 1.5%-2%. So if you're not hedged, then you're losing that money. But in general, we tend to do our operations more on the hedge basis, to de-risk ourselves and manage it accordingly.

But to a specific answer to your question, if I were to say that, is it good for a player in general like us, I would say, not that good.

Aditya Jhawar: Okay, so in the past, if you explain that, in the past cycles, maybe you have a lot of cycles right in the past, in 2015 to 2017, how the prices were tending and current how is the business you look forward? Because we have import ban on the Malaysia, Indonesia because government strategically wanted less import and have more domestic consumption. So could you throw light on the past and the current scenario?

Sanjeev Asthana: So, prices have tended to continuously, there's a big inflation on the edible oil prices over the years. And they peaked in COVID times, ’20 and ‘21. It's reflected largely in very solid performance for a lot of companies, which are at the commodity under the play. But this issue of Malaysia ban, Indonesia ban, it is nothing of this kind at all. It happened for a brief window for about a month, when there was some political challenges. Right now, the edible oil duty structures are very benign and very supportive. The government is very keen on keeping the prices in check and completely in control. The trade flows are, there's zero restrictions, where

India is concerned in terms of importing any of the oils that are there. So in general, I would say from the regulatory side, there are no challenges.

From the side of the price going forward to your question specifically, I would say, the price points where they currently are, the price of market should not only have an uptick. I'm seeing that, there should be a good demand coming in as well with the prices reaching, stabilizing at a reasonable level. So, I see a very good prospect for the edible oil business. But to the point that, would 100% or 90% of the business as it was last year under the edible oil and commodities. We have changed it. As I mentioned, we've brought it to almost 80% edible oil now.

Going forward, our mix is going to be that, while revenues will continue to get derived from the edible oil, may trend lower, but our share of the food business will continue to expand. And in the fullness of time, 80% of our profits of the company will accrue from the food business itself. So we are already at 72%. We want it exactly in that way. And that's the kind of mix, we'll be going for. And our business in edible oils will not be on volume. It will be on the profit and the distribution and the brand equity that, we are able to bring through our different term systems.

One thing I just wanted to add, on the oil palm plantation side, that's an almost consistent annuity business. We continue to look very healthy margins. It's a strong portfolio that, we have. In the next four years, we're expecting that business itself to be hugely profitable as our plantations that, we are continuing to plant are going to bring in. So net-net, I would say, in the edible oil business, the way we are structured right now, I'm very bullish on the company's future, on the edible oil side.

Aditya Jhawar: Okay. Thank you so much for the detailed response. I'll get back in the queue for reference.

Sanjeev Asthana: Thank you very much.

Moderator: Thank you. Our next question comes from Vikas Mistry with Moonshot Ventures. Please go ahead.

Vikas Mistry: Hello. Thank you for the opportunity, sir. Sir, I have a couple of questions, specifically on the food side. That in press release, you said that we are going into dry fruit segment. And what is your opinion? What will be your strategy? Because every player is also eyeing for the pie of this INR35,000 crores, INR40,000 crores market, which is growing quite fast. So what is your opinion on that?

Sanjeev Asthana: So the dry fruits business is one of the strong stays that we have. We do almost, business upwards of INR100 crores plus, in the dry fruits category. And Patanjali is a recognized sort of brand in that space. The opportunity that, we're seeing is right now that, market is nearly INR50,000 crores. It is growing at 10% to 15%. Globally, India has moved almost centre stage in the dry fruit segment from the demand perspective. As economies struggle in Europe and China tends to stagnate, we have a great possibility of building up a very solid band around dry fruits.

Now to give the specifics of how the margins tend to stack up, the retail margins are very high in the dry fruits. The problem is in the supply chain. That, there are leading suppliers globally, where they are keenly looking towards India. But their access is into very unorganized segments. Smaller players, very distributed ways of distribution that, they have, both in terms of the integrity of contracting and otherwise, it is suspect.

We have recently signed up two partnership agreements for supply chain. These are MOUs that, we've signed. One is with a company called Wonderful, which is the largest pistachio player in the world, with nearly 55% of the market share in the US. The second company is Mariani on the Almond side, one of the leading players in the US. We are working in terms of building up our supply chain further on the Walnut side, both from Chile and US. and other origins.

And likewise, we have set up, we are exporting the raw cashews from Africa to be processed in India and done. So that is at one level where we believe that the margin construct in our supply chain competency and the relationship that we have, we should be able to pull in better cost efficiency by nearly between 3% to 4%.

The second target that we have is that our brand premium that we do go through our retail store, where the retail margins are much higher. But the distribution margins, both through the re-launched packing and the branding that we're going to do, we should earn between 3% to 4% of margin in that business. So we are very optimistic on the dry fruit category, and we are working quite aggressively in terms of having a structured supply chain partners with us.

Our distribution structure is very strong on the food side. We have our own stores through mega stores, Ayurveda Kendra and Chikitsa Kendra. So we are not only committed to dry fruit as a segment by providing healthier and more premium options to our consumers, but we are also aggressively pushing for it now.

Just by way of, you know, information, just two days back, we set up our first pilot plant for almond processing at Patalganga unit, very small unit, but basically test out our thesis on the processing and how it is going to go. And this will pave the way for more distributed infrastructure that we'll create in terms of the processing capacity that we are going to put in the country.

So we are very bullish on the growth and we are targeting larger numbers during the year. And you will see, as I mentioned earlier, on the drive of premiumization, when we do this launch sometime in the second or third week of June of the other premium products, this dry fruit category products, both we are exploring under the Nutrela brand as well as in the Patanjali, would be launched at the same time.

Vikas Mistry: Okay, okay. Sir, just a small clarification that are we also entering into the ready-to-eat dry fruit snacking type of business, or plain vanilla kind of dry fruit selling through brands only?

Sanjeev Asthana: Not yet. We are not entering that segment. I think the important part for us is to get our supply chain from the global supply sources sorted out, get our feet wet in terms of the branding and distribution at a much larger scale, looking at organizing assets, then we will subsequently get to the snacking side if the results are positive, then we will get into that space.

Vikas Mistry: Okay, okay. Sir, my last question is that we keep struggling to understand that Patanjali still has a value conscious kind of brand, and how we will penetrate into premium as per your brand velocity, you are eyeing Nutrela as a brand for premium segment and Patanjali for being value segment. So I am trying to understand, sir, what is the strategy, and how we will make sure that people don't perceive us as only a value brand or being a Bharat brand. So we keep struggling with this question. So I could not get any clear answer about it.

Sanjeev Asthana: No, thank you for asking that question, because one of the major efforts that we have been making is that in terms of the perception of market positioning, how is market perceiving us. But I wanted to make a small correction. There are a series of products where, you know, Patanjali brand, for example, the cow ghee, we sell at the best premium in the marketplace. In the non-food category, toothpastes like Dant Kanti. In our food business, if you look at Nutrela, which is absolutely at the right at the premium level. So we have got a range of businesses and range of brands in certain segments where we are positioned at a premium level.

What the larger issue is that especially, and I'll walk you through one by one in all these areas. I'll first go to the Nutraceuticals. Nutraceuticals, as I mentioned, that we're looking at completely relaunching with the rebranding, redesign, more flavors, more contemporary launch that we're doing. And if the time permits, I'll ask Mr. Apoorva to comment on that as well as to how that business is expanding. So you will see the first completely redesigned Nutraceuticals sports nutrition getting launched very soon.

The second part is, so that part is correct in terms of the value part of it, and how it plays out that we are working on it towards making sure that this should be done at a very premium level. We are increasing our price points because our products are world class, our products are world leaders. They are absolutely at premium level. So there is no reason why the product should get discounted. So this is one part.

The second is in the biscuit segment, you're right, because almost INR800 crores plus that we've been selling is the doodh biscuit, which is at a competitive price level and it competes with glucose and other milk biscuits. But they're also working in terms of launching a premium variant. We have improved our margins in the biscuit side, but you will see three immediately getting launched and additional three getting launched at the premium level, which is pretty consistent with what our competition has been doing as well.

And plus, of course, on the Nutrela side, we're looking at the millet-based product, niche product, more healthier segment. So the effort is that whenever we're looking at our new launches, the idea being that we should occupy centrality of the consumer's wallet at the premium level, where we should be able to offer the proposition to the urban consumers, as well as to the rural consumers who are willing to pay for it and are willing to -- are exploring options around quality, around packing, around the value attributes that we bring to the table. And we are quite positive that we will be able to -- the new product range that we have, we will be able to completely reposition ourselves on that side.

I just want to add one more thing that on the Sunrich brand of sunflower oil, we are working quite aggressively that we want to not only reduce our -- we want to increase our premium level offering that we have. And we're working quite actively in terms of making sure that the Sunrich gets relaunched at a premium end of the edible oil segment where we are able to accomplish per ton per unit margin, which is higher than currently that we're witnessing.

So overall, we are pretty convinced that it's going to grow and build up and develop into something substantially, which is going to improve our entire work that we are doing towards the food business in terms of expanding that way and building it up.

Vikas Mistry: Thank you. Thank you. That's all from my side, and all the best for premiumization strategy going forward.

Sanjeev Asthana: Thank you.

Moderator: Thank you. Our next question comes from Kuldeep Gangwar with ASK Investment Manager. Please go ahead.

Kuldeep Gangwar: Sir, a couple of questions. One is this other income of INR90 crores whether it's having any one-off, like, what it comprises of?

Sanjeev Asthana: So I will ask Kumar Rajesh ji to answer that question as CFO.

Kumar Rajesh: Yes. Good morning. This comprises of about INR60 crores, INR61 crores of interest charged from the customers on delayed payments and some of near about INR15 crores as compensation and other interest on FD, etc.

Kuldeep Gangwar: Okay. And, sir, in the edible oil segment, the margin was 1.9%. Is it more to do with -- any high cost inventory being consumed or a mark-to-mark rate in this particular project?

Kumar Rajesh: You can say some portion of inventory and some portion of mark-to-market.

Kuldeep Gangwar: Okay. If we think about either edible oil segment or a food segment, what should be the expectation on growth side and margin side in coming year, in FY '24?

Sanjeev Asthana: So, Kuldeep, two very clear points that I mentioned that the markets have contributed to slight -- our expectation, which is consistently maintained that the edible oil business should generate between 2% and 4% of EBITDA margin on a consistent basis. And, sorry, the edible oil business, the margin should be between 2% and 4%.

On the food business, we are pretty, you know, between 18% and 20% margin as we want to maintain. We have the range this year we did about 18%, and we're expecting to maintain the same rate. With the effort on the premiumization side, it would be -- there would be an uptick in the margin, but it would not be at a scale in size that want to be impacting the overall bottom line in very substantive way. But our target definitely is that we want to move to a closer to 20% than towards 18%. And now this year we'll the full benefit of all four quarters of the food business.

Our biscuits portfolio, as I mentioned, we want to keep tweaking to go towards more premium end. So compared to about 9.5%, 10% that we do, we want to move -- want to do better than that.

Nutraceutical space, as you know, we've done the business. Our margin profile is very improved. Sustaining that will not only be important for us, but with the newer launches, higher price points and better ways of running the business, we're expecting that we should do better. So net-net, I'm optimistic that 18% to 20% prediction that we have on the food side, we should be able to maintain, and we should be able to retain that space for us.

Kuldeep Gangwar: And sir in terms of revenue growth for either edible oil and the FMCG part of the business, like what should be the growth expectation top-line?

Sanjeev Asthana: Yes. So growth on the food business, as we have mentioned that we will maintain a 15% growth rate in the food in terms of revenue. We will maintain. So this year, our overall, let's say, thousand per house plus of food that we have, this year we're expecting that we'll have the full benefit of all the four quarters in the food side. So we should not only have an uptick on that front, but we should also maintain a healthy growth of almost about 15% growth that we expect.

And on the edible side, I don't want to speculate on the revenue side, but typically the price points are stable. I'm expecting that the edible oil, there should be a marginal decline if the price trend remains soft. So we should be pretty much at the same level as on the revenue side. But as I mentioned, the focus on the edible oil revenues is very clearly in that segment that focus is on margin generation and not so much in terms of the turnover.

Kuldeep Gangwar: Sure. And, sir, last on Nutraceutical on the base of INR500 crores in FY '23, what should be the expectation either coming year or from three to five year perspective?

Sanjeev Asthana: So three to five years, we are expecting, as we had mentioned before, also, we would like this business to be closer to INR2,000 crores, which would reflect between 2% and 3% of the category expansion that's happening in Nutraceutical. And that is the growth we are targeting.

The target in the growth is, of course, as you know, I mentioned that it's being completely relaunched in a new avatar. So when I'm saying new avatar, the branding, etc., everything, the name, title, everything remains the same. But you will very soon see that the new packaging that we have, the variants that we have, and it's a business which is appealing a lot to the youth, especially in the sports nutrition. So that we are making, pulling out all stops in the chewables, in the gummies, in terms of the launch on the variants, the flavors, the different in the -- Nutraceutical, the sports segment.

We will be coming out with six products and 18 SKUs in that, both in terms of whey protein powders, the proteins, and others. And likewise in the VMS segment, thereafter, we are going to be launching it. So you will see a very different -- differently position in a totally different avatar our Nutraceutical business in this year.

Kuldeep Gangwar: Sure. Thank you so much. These were the only questions from my side.

Sanjeev Asthana: Thank you.

Moderator: Thank you. Our next question comes from the line of Shirish Pardeshi with Centrum Broking. Please go ahead.

Shirish Pardeshi: Good morning team. Thanks for the opportunity. Sir, my first question is that in the INR1,800 crores quarter sales for FMCG, you have provided 60% is coming from the biscuits, Doodh Biscuit. Can you provide the breakup of INR6,218 crores for the full year, similar breakup?

Sanjeev Asthana: Yes, I can give you that. Yes. So the breakup that we have on the -- for the full year out of INR6,218 crores, our Nutrela business did INR566 crores. Our foods business has done INR3,791 crores. Our biscuits business has done INR1,352 crores and our Nutraceutical business has done INR509 crores.

Shirish Pardeshi: Yes. Wonderful. In that INR1,352 crores, what would be the Doodh Biscuit?

Sanjeev Asthana: Doodh Biscuit is about INR800 crores.

Shirish Pardeshi: Okay. Yes. That's fairly helpful. The other question I had is this acquired 21 brands, which we have consolidated, what would be the FY '23 revenue for these brands and how it has grown over FY '22?

Sanjeev Asthana: So, if I heard your question right, you said on the food side that we consolidated from Patanjali as well?

Shirish Pardeshi: Yes.

Sanjeev Asthana: Yes, okay. So as I mentioned, we are expecting that across in the foods overall business, we should be generating a 15% growth rate. So our benefit this year would be that we had only got three quarters of business in the foods last year. This year, we'll have the benefit of all the four quarters and over a base of INR6,218 crores, if I were to look at 15% growth rate on an aggregate basis, we should be, of course, some businesses are going way faster than the others, but we should be closer to INR7,200 crores odd in the food business this year.

Shirish Pardeshi: Okay. My second last question on the edible oil on INR25,000 crores on revenue, what you have garnered in FY '23, you said that…

Sanjeev Asthana: Boss, your voice is very faint. I'm just not able to hear it. I'm sorry. If you can speak a little louder.

Shirish Pardeshi: In the full year business of INR25,253 crores, could you spell out what is the premium oil contribution?

Sanjeev Asthana: The premium oil contribution right now is negligible. And as I mentioned that the Nutrela Oil, we did about 15,000 tons this year and 16,000 tons we did this year. And we want to go back to 6,000 tons a month. And now because of the continuous drop in the prices of the edible oils, it has been a challenge. It's not been very easy.

And in terms of the premiumizing side, but we have seen that there's attraction, which is building up. So we, by virtue of the Patanjali's mustard oil business, we are extracting the highest selling oil in the country on the mustard oil side. So it's a very premium product that we have and will gain a lot of consumer traction.

Second is the range of the Nutrela oils that we have. They are premium and top position business that we're going to do. And the last one is the Sunrich that I mentioned. We are repositioning it. We are looking at brand ambassadors. We have recently hired a brand manager for that. And a business head dedicated in a very focused way on the sunflower oil, that brand.

So together, all of them should account for close to about INR2,000 crores in terms of the business. And we are expecting that instead of between 2% and 4% margin, our margin profile should be between 6% to 8%. That is a target that we have in that business. And it's a work-in-progress, but we are pretty confident that with the increased focus on mustard, focus through the Patanjali brand, focus on Nutrela oil distribution, as well as the Sunrich work on the brand side that we're going to do, we should be able to hit in that trajectory. So the proportion of sales through the overall edible oil business itself, it will be just about 7% -- 6% to 8% is what we'll do probably in the turnover, at least for this year.

Shirish Pardeshi: One follow-up here, sir, you mentioned that your target is to reach to 4% to 8% margin in the edible oil business. So is this initiative will take you to achieve that?

Sanjeev Asthana: No, I did not mention. Edible oil, overall on a blended basis, what I was saying was that only the premium end of the oil should take us, should fetch us between 4% to 8% margin. Otherwise, the business, the commoditized side of the business is between 2% and 4%. And that is the forecast that we've already done is the business, because that is the inherent nature of the business that will remain.

Shirish Pardeshi: One more follow-up on the edible oil business. You mentioned that plantation, the palm plantation is going at full speed. So by when you think the palm plantation, the local procurement will start? Any timelines you have?

Sanjeev Asthana: So just to fill you up on that, our oil palm plantation is the largest in the country. We are already very mature. We make about -- we do a turnover of from the oil palm plantation of almost about INR1,100 crores. And we constantly have a margin base of between 15% to 18% there. So the years in which the prices are higher, so for example, we could fetch almost 18% of margin. The years when it is slightly, the price points are low, our margin will be slightly lower.

But on a consistent basis, the track record shows that we make about 15% to 18% margin in the oil palm business. And it is going to be one of the mainstream businesses for us, which is four years down the line. We're expecting this business when we start our fullness of time when all the new plantations that have started happening from last year, we're expecting that this business can generate nearly four times of the profits that we currently have. And it will become an annuity business almost for the next 25 years.

Shirish Pardeshi: Okay. My last question is on toothpaste category. In F'23, what would be the total revenue? And if you can share, if you have it is handy, the market share closing March '23.

Sanjeev Asthana: Did you mention toothpaste?

Shirish Pardeshi: Yes.

Sanjeev Asthana: I would not have access to that number. I'm sorry. That's a different business on the other side. I can -- we can try and find out and share that with you. But right now, I don't have access to that. And it's not even part of Patanjali Foods.

Shirish Pardeshi: Sure. No, I'm asking because in future, you might consolidate in that business.

Sanjeev Asthana: No, no, there's no plan.

Shirish Pardeshi: Okay.

Sanjeev Asthana: So this Patanjali Foods, the basic character will always remain as only the foods company. And the other side will remain non-foods. And that's how we're going to retain.

Shirish Pardeshi: All right. Thank you, and all the best.

Sanjeev Asthana: Thank you so much.

Moderator: Thank you. Our next question comes from the line of Jigar Upadhyay with Amtiger Consultants Private Limited. Please go ahead.

Jigar Upadhyay: Thank you for the opportunity, and congratulations to the management for the good set of numbers as far as the food business is concerned. Sir, I particularly had a question as far as the edible oil business is concerned, since you already have now two listed edible oils. What is the broad volume as far as the edible oil business is concerned and how much portion of it is branded?

And my second question is, do you have a benchmark in terms of the normalized levels of margins on a per ton basis as far as gross margin and EBITDA margin is concerned?

Sanjeev Asthana: Yes. So our volume this year to be specific is 1.91 million tons that we've done. So the second question is that in terms of the share of how much of we sell to the branded route, we do about almost 80% of that is sold as a brand.

Now the brand gets sold as right from pouch to jars to tins to pet bottles to different ways it sells. The inherent margin on an EBITDA basis, I was mentioning earlier, typically it has been given 2% to 4% margin that we have. In a good year it has exceeded that, but in general that is a trend that we have between 2% and 4%.

And it would tend to -- so this benefit, how does it approve? As I mentioned in the past also and in this call also, that both through the efficiencies and the purchasing that we have in the supply chain, efficiencies in terms of the processing infrastructure that we have, which is one of the best placed in the country. All these are food-based plants with the most efficient one, almost fully depreciated, so there is no challenge on that front. The distribution structure that we have and the margin construct that we have.

So to the specific, to the typically the palm oil business, one of the benchmarks that typically one would work at, it should generate under normal circumstances between INR1,000 to INR1,500 a ton. The soya oil should typically generate between INR2,000 to INR3,500 a ton. And the sunflower oil should typically generate between INR2,500 to INR4000 a ton.

Now this is a broad spectrum range. This is the inherent distribution margin that we have. And the inherent structural processing efficiency that we bring to the table is the purchase part that we do.

So we are reasonably comfortable in maintaining these numbers. But typically the range as I mentioned earlier, that would always remain as a percentage of the revenue, about between 2% and 4%.

Moderator: Thank you. Our next question comes from the line of Bharat Shah with ASK Investment Managers Limited. Please go ahead.

Bharat Shah: Yes. Asthana ji, for the current year on the edible oil business, are we normalized? Because last year we saw the second quarter was really the root shock for the entire industry all over the world. Third quarter there was a reasonable recovery. Fourth quarter again the inventory, sorry, the price drops and all that have continued to pose the challenge to the whole industry. Because we've seen the numbers for the other players also and they all have been similarly impacted.

Can we say, more or less, the situation from now on is heading towards normalization? And, therefore, for the current year that margin of 2% to 4% range that we are talking of is something we can envisage?

Sanjeev Asthana: Bharat bhai, good morning. And so there are my very specific answer to your query. The third, the last quarter, which we currently see, the markets have dropped substantially again. There's a glut of supply side in the global markets. There is a big overhang on account of the large drop on the mustard that we had and the last soy crop that we had. And the prices have not been supportive at all.

The market continues to slide. Even as I speak today, the markets have further fallen. Last night at Chicago and at the Palm. But I can give an opinion. I can talk this is a technical chart. I can talk this is the considered view if one can take us to where the markets are headed. I think they're reaching a point where they should stabilize.

Having said that, the markets have a tendency to still be reaching a point of 2017, '18 kind of levels. So they could be further downside of between 5% to 8% from here. But there could be an upside of 15% to 20% because there is a big event, this grain corridor stoppage between Russia and Ukraine, Russia has already given a deadline that by this time they might stop. So suddenly there is a surge in offerings, which we are seeing on the sunflower side from Black Sea. They might tend to get impacted.

World has a lot of edible oil and the world is looking at homes to find that. So if you were to ask me, there is a less of downside from here, because markets have stabilized and dropped substantially. And there is more of an upside. But there could be windows in this. The timing is the big issue that we have.

So we have accordingly hedged our position. So specifically to our situation now, we continue to operate from long side by virtue of the supply chain that we have to build, especially for sun and soya and palm shortage, which is sun and soya 45 to 60 days and palm is lesser. We have hedged a lot of our exposure overseas. So there is a softness in demand typically in the summer months that happens. So we would, if you ask me specifically near-term for next one month, I expect the market to continue to be soft, probably slightly bearish. And, thereafter, markets will start picking up as we get into July, start getting into consumption months. So I don't know if I've been able to answer your question to the specifics.

The second part is in terms of the margin profile, as I mentioned, our target remains that we should make in a good situation when the prices are stable and we are able to pass on the price increase to our brand premium to our customers. We should make closer to 4%. And in the months when the challenge is there, we should be able to do 2%.

So last year, so I'll go one by one, so that you get the specific answer. Oil palm, I'm pretty convinced that 15% to 18%, but that's a small part of our business. It's not large enough. But oil palm will give us a very healthy margin of 15% to 18%. On palm, soya and sun, crush business is again fought with its own challenges, because soya and mustard seeds are sitting again at way below the MSP price right now. So that's a challenge.

But between palm, soya and sun, we are quite strong. We believe that we should be able to generate that margin. And I would retain at this point of time very much that we should be closer to the midpoint of 3%, because we are pretty confident of the steps that we've taken, both in terms of management of inventory, the prices, etc. So we should sound good on our margin of midpoint between 2% and 4%. We should do 3% this year.

Bharat Shah: Sure, that's a challenge. No, I think it has been an enormously difficult period for the edible industry, supply chain, price buttons. And in a relatively low margin business to manage that is never easy for the day-to-day consumption product. So really, this has been a very, very tough year, 2022-'23. But great to see that initiatives are in place to ensure that we come out of it, and managing that volatility in supply chain is, I must say, quite remarkable in the way that it's been dealt with.

On the plantation side, over four years, you said we should be about, I couldn't really get the picture entirely accurately. Can you, on the palm plantation side, describe from the last year to the next four years, what kind of outcomes are expected?

Sanjeev Asthana: So, Bharat bhai, just by way of this one, what I was mentioning was that our target is that over the next four years, because already one year has passed, we currently have about 65,000 hectares, which is under plantation, of which about 50,000 hectares continues to yield and we make about INR200 crores of margin in that.

So if the price points are higher, we make higher margins. If the price points are lower, that will tend to go lower. So that is one part, which we – where we currently stand. And out of this plantation, our revenues are about INR1,100 plus crores. We made a margin of, I think, about INR211 crores in the oil plantation business. So that is one part, which is of this year.

As we plant each year, so this year our plantations are going to be about, in the coming year, we are expecting that we should be close to about 25,000 hectares that we are planting, give or take 15%, 20%, because they're subject to farmers connecting or otherwise. And then we will keep on up ticking and build up a big momentum.

So we have imported, for example, the sprouts from all over the world of nearly 4.3 million. And this is fit about enough for -- in terms of the, for 25,000 hectares, 28,000 hectares is what the readiness of plantation is. So one is the global supply chain to bring in the sprouts, to put them in a nursery, convert them into seedlings, and then distribute to the farmers. That work has not only begun last year, it has started acquiring momentum.

We have set up 18 nurseries now in the Northeast, and the new nurseries I'm talking of, and the South of India. I was in Telangana recently in Hyderabad, where we signed with the minister the agreement for Suryapet and Nalgonda district. So that is a general level.

So what our expectation is that as we continue to plant, so the trees that we planted last year will start bearing fruit after four years at the beginning, and seven years' time they start to mature, and then after that, the next 20 years they continue to plant business.

So it will come in waves in terms of the business, the way it will grow in terms of the margins, but it is safe to assume that we'll have one big uptake in the year number four from here, where we, all the plantations that were done last year and this year, will start yielding fruits, a little lesser. They will start to mature in seven years' time, but between seventh and eighth years from today, the business should be generating nearly four to 4.5 times of the current EBITDA that we have, which if I were to just, without sounding directional, it should start generating INR1,000 crores of net EBITDA for the company, consistently seventh year onwards.

And fourth year onwards, these numbers will be lesser, but a specific number I can, like, how the exact revenues will start occurring, but it is very safe business that we have. And fourth year onwards, typically I'm expecting that between 15% and 20% spike you will continue to have, but between now and till the fourth year also, Bharat bhai, every year that we've been planting 5,000 to 6,000 hectares, that will keep increasing and we keep getting ease and benefit will accrue.

So it is very safe to assume that we should get -- if the prices of edible oil remain the same, we should get between, typically between 5% to 8% increase in the income every year.

Bharat Shah: I see. And per hectare, what kind of economics is there in terms of profits?

Sanjeev Asthana: So per hectare economics, typically we would be safe if I were to look at, you know, about, we would be making about per lakh hectare, just one second, let me pull out the exact number. So our economics would be about INR1,30,000 per hectare is what we should be able to make. This was last year, but on a lower prices, we should say, it is safe to assume that we should make about INR1,10,000 per hectare.

Bharat Shah: So roughly in four years' time, what is about INR210 crores profit should be somewhere in the territory of about four times from where it is now. And it will then be an annuity. Apart from that, whatever new hectares that you keep it, would continue to create an additional annuity based on those timelines, right?

Sanjeev Asthana: Not in four years, Bharat bhai, this might happen closer to seven years. But what -- I will just tell again that every year we should continue to improve by about 10% margin, our business for all the plantations that were done four years back, three years back. So it keeps coming into maturity and keeps doing it. In the year four to five, if I were to give a very specific number, we should certainly be almost nearly 70% of where we are today. So that should be starting to yield about INR300 crores to INR340 crores. We were doing quick math, while you are talking. And, thereafter, every year it will keep exponentially increasing. By the year seven, we should be closer to about INR800 crores to INR1,000 crores from the oil palm plantation business.

Bharat Shah: Got it. So in four years' time, roughly about INR500 crores of profit, about seven to eight years' time, about INR800 crores profit roughly. And whatever we keep adding to the kitty will accordingly follow a timeline and will keep generating the additional profit.

Sanjeev Asthana: Yes, the business will stabilize at INR800 to INR1000 crores. And, thereafter, we expect to maintain the same trajectory for next 20 years.

Bharat Shah: Sure. Thank you, Asthanaji.

Sanjeev Asthana: Thank you, sir.

Moderator: Thank you. Ladies and gentlemen, we have reached to the end of the question-and-answer session. I would now like to hand the conference over to the management for closing comments.

Sanjeev Asthana: So thank you for everyone who attended the call and asked a very insightful question. The only thing that we wish to say in the summary that last year on the oil side, we have faced challenges, but there have been a lot of positives which have happened to the company.

So the positive number one is that we acquired an extremely profitable business from Patanjali on the food side. We've had three quarters of good run that we had, and we continue to wish to grow that momentum.

The second positive news that we have of last year that in terms of the oil palm plantation, it started to gather momentum. We continue to plant aggressively. We have set up the base in the last 15 months for a big expansion in the oil palm side. We are very positive of the outcomes that we're going to achieve in fullness of time. And the company will be repositioned in the oil palm business entirely, both from the turnover side as well as the profit side.

The third positive step that the company has taken, and which are very decisive and clear steps of repositioning several product categories, which are amenable to premiumization, starting with the Nutraceuticals, looking at Nutrela, looking at biscuits and confectionery as we continue to evolve and grow.

So we are very positive that very immediately we'll start seeing an uptick in the premium end of the product categories that we have, where we'll be able to match the attraction consumers have at the premium end for our products like Nutrela, Patanjali, mustard oil, a whole lot of other oils that we have. A lot of good efforts that are happening and we should be able to reach in that direction.

And last but not the least, in terms of the leadership team, as I mentioned right in the beginning, we are working towards hiring of top talent, retention of top talent, and ensuring that they get rewarded handsomely. Just yesterday, the Board has approved ESOPs for the management team at Patanjali Foods. There are lots of people who will be beneficiaries of that. And the finalization of scheme, we are expecting that we will close it between 30 days to 45 days. And already agencies are working on it. So the finalization of the scheme will be done and that will get finalized.

We are working in terms of the leadership talent of training. We ran a series on social media and the company is in good hands. The company is in good management hands. And we continue to strive and remove all the kinks that we have on some of the businesses. And hopefully that will all be behind us. So the company should be on good path as we go forward. Thank you very much.

Moderator: Thank you. On behalf of Antique Stock Broking, that concludes this conference. Thank you for joining us. And you may now disconnect your lines.