To, Date: 10.08.2026

BSE Limited, P.J. Towers, Dalal Street, Mumbai-400001 Scrip Code: 538920	National Stock Exchange of India Limited, Exchange Plaza, Bandra- Kurla Complex, Mumbai 400051 Symbol: VINCOFE

Sub: Transcript of the Earnings Conference Call on Un-audited Financial Results of the Company for the quarter ended June 30, 2026

Unit: Vintage Coffee and Beverages Limited

Dear Sir/ Madam,

In continuation to our Letter dated 03.08.2026 and pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of the Earnings Conference Call on the un-audited financial results (Standalone and Consolidated) of the Company for the quarter ended June 30, 2026. The transcript is also available on the website of the Company at https://vcbl.coffee/.

This is for the information and records of the Exchanges, please.

Thanking you.

Yours sincerely,
For Vintage Coffee and Beverages Limited

TATI BALAKRISHNA
Digitally signed by TATI BALAKRISHNA
Date: 2026.08.10 23:51:52 +05'30'

Balakrishna Tati
Chairman & Managing Director
DIN: 02181095

Encl: as above

"Vintage Coffee and Beverages Limited
Q1 FY27 Earnings Conference Call"
August 03, 2026

MANAGEMENT: **MR. BALAKRISHNA TATI – CHAIRMAN AND MANAGING DIRECTOR – VINTAGE COFFEE AND BEVERAGES LIMITED**
MR. SAI TEJA TATI – EXECUTIVE DIRECTOR – VINTAGE COFFEE AND BEVERAGES LIMITED
MR. KRANTHI KUMAR YARKALI – CHIEF FINANCIAL OFFICER – VINTAGE COFFEE AND BEVERAGES LIMITED
MR. JAWAHAR CONJEEVARAM – HEAD, SALES AND MARKETING – VINTAGE COFFEE AND BEVERAGES LIMITED

MODERATOR: **MR. PALASH KAWALE – NUVAMA WEALTH**

Moderator: Ladies and gentlemen, good day and welcome to Q1 FY27 Conference Call to discuss Operational and Financial Performance of Vintage Coffee and Beverages Limited, hosted by Nuvama Wealth.

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. Palash Kawale from Nuvama Wealth. Thank you, and over to you, Mr. Kawale.

Palash Kawale: Thank you. Good morning, everyone. I welcome you all on behalf of Nuvama Wealth. I thank the management of Vintage Coffee and Beverages Limited for the opportunity to host their Q1 FY27 Earnings Call.

We have with us today, Mr. Balakrishna Tati, Chairman and MD; Mr. Sai Teja Tati, Executive Director; Mr. Kranthi Kumar Yarkali, Chief Financial Officer; and Mr. Jawahar Conjeevaram, Head of Sales and Marketing.

I will now hand over the call to Mr. Balakrishna Tati to take us through the quarter. Thank you all, and over to you, Bala sir.

Balakrishna Tati: Thank you, Palash. Good morning. everyone. Welcome to Q1 FY27 Earnings Conference Call of Vintage Coffee and Beverages Limited. On behalf of the management, I would like to thank all investors, analysts, and stakeholders for joining us today for your continued trust and support. Q1 FY27 is an important quarter for us because this quarter we have achieved a great milestone marked by strong financial performance, successful capacity expansion, and disciplined execution.

Just I'll give a small glance about the financial performance of Q1 FY27. Q1 was another strong quarter for the company, reflecting healthy demand for improved operating scale despite the seasonal lean period. Revenue for the quarter stood at INR161 crores, registering a robust year-on-year growth of 58.4% compared to INR101.6 crores in Q1 FY26. EBITDA increased to INR31.6 crores from INR18 crores in the corresponding quarter last year, representing a growth of 75.2%.

Profit after tax stood at INR20.8 crores compared to INR14.2 crores in Q1 FY26, reflecting a healthy growth of 46.1%. Our PAT margin remained strong at 12.9%, demonstrating our ability to sustain profitability while continuing to invest in future growth initiatives.

Alongside our strong financial performance, the company also made significant progress in expanding its manufacturing capacities. As many of you may recall, we commissioned an additional 2,000 metric tons of production capacity in January 2025, taking our total installed capacity to 6,500 metric tons. Further, we increased the capacity by another 4,500 tons at the end of FY26, taking the total installed capacity to 11,000 metric tons, representing an increase of approximately 69%.

The most important factor is that the entire expansion has been carried out completely through the internal accruals reflecting the company's strong cash generation capabilities and disciplined capital allocation approach. The expanded capacity became fully operational in Q1 FY27 and positions us well to support future demand while enhancing operating leverage.

We are pleased to inform our stakeholders, as we have already communicated, that the National Company Law Tribunal (NCLT) has approved the amalgamation of our wholly owned subsidiaries, Vintage Coffee Private Limited and Delecto Foods Private Limited, with Vintage Coffee and Beverages Limited, effective July 21, 2026.

This strategic consolidation brings all business under a single corporate entity, enabling us to optimize manufacturing facility, equipment, and human resources. The merger is expected to improve operational efficiency, reduce administrative costs, strengthen the profitability, achieve greater economies of scale, and create long-term value for all stakeholders.

With regard to the upcoming expansion of freeze-dried coffee, we continue to make steady progress on our proposed expansion plan, with an installed capacity of 5,500 metric tons per annum.

The company has secured the land from the Telangana Government under the Food Processing Zone and has also paid substantial advance amounts to the equipment suppliers, and the construction operations are being started. With this additional 5,500 metric tons of freeze-dried coffee capacity, the company is going to have a significant increase in its total capacity, from 11,000 to 16,500 metric tons per annum.

With regard to the coffee market, prices are now more or less stable at a level of around 3,500 to 3,800 per metric ton. Based on the current market outlook, we expect prices to remain broadly within this range during the current year. Brazil is expected to witness a healthy crop, which is a positive factor for supply. On the other hand, weather-related risks, including their potential impact, could affect production. Considering these offsetting factors, we believe green coffee prices are likely to remain relatively stable over the near term.

On the logistics front, geopolitical tensions in the Middle East resulted in higher LPG and diesel prices and led to a modest increase in transit times during the disruption. However, the situation has stabilized to a considerable extent, and the overall impact on our business remained negligible, as our exposure to the Middle East market is relatively limited. Our continued focus on strategic expansion, customer-centric innovation, operational excellence, and disciplined execution continues to drive strong business performance. Thank you once again for joining us today.

We will now open the floor for questions. Thank you.

Moderator: Thank you very much, sir. Ladies and gentlemen, we will now begin the question-and-answer session. The first question is from the line of Priyanshu Jain from Growth X Infimity. Please go ahead.

Priyanshu Jain: Hi, am I audible?

Moderator: Yes, you are. Please proceed.

Priyanshu Jain: Hi sir, congratulations on a great set of results. So, I have a few questions. First will be on the utilization side. So, from the capacity which we have added recently, the 4,500 metric tons, so like from that capacity, we started the production after Q1, or like we have some revenue we gathered from in Q1 itself? First this question.

Balakrishna Tati: Yes, Jain, we commenced these 4,500 metric tons of capacity in March 2026. So, in Q1 FY27, we had full capacity utilization of this additional 4,500 metric tons.

Priyanshu Jain: Okay. So, like we are running at 100% or 95% utilization from the 4,500 metric tons?

Balakrishna Tati: It should be in the range of around 90% to 95%.

Priyanshu Jain: Sir, so on a sequential basis, if I have a -- that is the question that if on a sequential level, like our revenue declined. So, can you like brief up on that aspect, that like on what levels like our revenue declined?

Balakrishna Tati: Yes, Jain, if you see, Quarter 1 always has slightly lower revenues, traditionally, if you look at the history of companies in the soluble coffee industry. This is because it is a lean period during the summer months, i.e., April, May, and June. The second quarter will also show slightly better improvement than the first quarter, but the third and fourth quarters will be in full swing.

However, we continue to produce at full capacity and stock it, and then we continue, because this is basically the lean period. Quarter 1 is the lean period, but it will start improving from the second quarter onwards.

Priyanshu Jain: Okay. Got it sir. Sir, second question will be on the margin side. As we are seeing improvement in our margins, so like from here onwards as well, we should expect a increase in margins? And till at what level, like, efficiency can be improved for margins?

Balakrishna Tati: Yes. Since the capacity has increased, obviously, there will be a slight improvement in the margins. I can only say that, percentage-wise, it should increase by around 1% overall.

Priyanshu Jain: So, around 21%, we can expect going forward, 20%-21%?

Balakrishna Tati: No, not 20%–21%. If you look at the current Q1 levels, I think it is more or less the same, but there may be an incremental growth of 0.5%–1%.

Priyanshu Jain: Okay, got it. And sir, on the capacity expansion side, like when we are expecting our -- because I think I missed the initial remarks, so I'm sorry for that. But when we are expecting the freeze-dried coffee to be commercialized?

Balakrishna Tati: No. We are planning to be ready by the middle of next year. By June, we should be able to complete the trials and then start from the second quarter onwards. This is what we are anticipating as of today, and things are going in accordance with our expectations. If everything goes well, then we should be able to start production in the second quarter itself.

Priyanshu Jain: Okay. Got it sir. Thank you. That's all from my side. All the best.

Balakrishna Tati: Yes. Okay. Thank you.

Moderator: Thank you. We'll take the next question from the line of Vibhanshi Jain from Veer Growth Fund. Please go ahead.

Vibhanshi Jain: Am I audible?

Moderator: Yes, you are, ma'am.

Balakrishna Tati: Yes. Please go ahead.

Vibhanshi Jain: Okay. So, despite one of your peers have relatively more premium product mix, your EBITDA per kg is around 160 to 170 per kg compared with roughly 137 per kg for the peer company. So, I want to understand like what specifically enables us to generate this higher EBITDA per kg? Or like, is it the geographical presence or packaging mix or something raw material procurement? Or like I want to get a brief on what enables us to have a higher EBITDA per kg?

Balakrishna Tati: Vibhanshi, you know the EBITDA per kg can be viewed in a different way. See, it is all depends upon the product mix, then pack mix, and also the country which we are exporting. It's all depends upon that. So, it will be definitely vary from company to companies obviously. So, that is the only major things which I think it can maybe in a product mix and pack mix.

Vibhanshi Jain: Like, it's the product mix and the geographical presence in which we are like sending the coffee? Hello?

Balakrishna Tati: Sorry, come again?

Vibhanshi Jain: Like, I want to understand, like, what is driving this EBITDA per kg? Like, is it a product mix or a country mix? Like for example, your peer company has a premium product mix despite it is having a lower EBITDA per kg, but we are commanding higher. So, is it because of the geography in which we are exporting, something like that?

Balakrishna Tati: Yes, Vibhanshi, see, I'll tell you. It all depends, as I mentioned to you, on the product mix and pack mix. Combined, they will make some change in the realization, obviously, and then EBITDA proportionately will change.

But the point is that if the pack mix is on the slightly higher side, and we are doing more consumer packs and all, obviously, then the EBITDA level will be better. And if we are doing more in bulk, then the EBITDA level will be on the slightly lower side. So, that makes a difference.

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Vibhanshi Jain: Okay. So, like, if our packaging mix remains broadly similar, so it is, like, our 160 to 175 per kg EBITDA is a sustainable run rate, right?

Balakrishna Tati: No, I can't give any comment on this. But the point I can only tell you is that, as I mentioned, it depends upon the mix. Bulk sales, obviously, if there is bulk sales and bulk packaging, then the realization will be slightly lower and the EBITDA will be slightly lower. But if it is in packs, obviously, then it will be on the slightly higher side.

But we never know that, because it's very difficult for us to give an answer for this. Because tomorrow, when we grow to bigger capacity levels, obviously, it depends upon the mix factors, you know.

Vibhanshi Jain: Okay. Like in going forward, if we do a bulk packaging, then our EBITDA per kg may slightly reduce. It depends upon the bulk and consumer packaging, right?

Balakrishna Tati: Yes, Vibhanshi, I'll tell you. Ours is a cost-plus margin. So, obviously, we have fixed profits on a per-kg basis. So, if bulk sales increase, obviously, the realization, EBITDA, and profits will drop slightly. And if consumer packs increase, then there will be higher realization on the price, and the profit levels will also be slightly better.

Vibhanshi Jain: Okay sir. Thank you.

Moderator: Thank you. We'll take the next question from the line of Ganesh Rao from Punarvi Capital. Please go ahead.

Ganesh Rao: Thank you. Am I audible?

Balakrishna Tati: Yes, Ganesh.

Moderator: Yes.

Ganesh Rao: Awesome. Thank you. Sir, I have 3 questions, but I'll try to limit it to 2 and I'll join back the queue. First is on the order visibility. Is it possible for you to quantify how much of our FY27 volumes are already backed by our annual contract or customer commitment? And additionally, like, how should investors think about the visibility for FY28 also, sir? Particularly with the freeze-dried capacity coming in, right? How does FY28 also look for you from a commitment perspective?

Balakrishna Tati: Okay, Ganesh. I'll just explain to you. We always procure the coffee beans on a back-to-back basis. When we get an export order, we immediately place an order for coffee beans. And we have the commitment from the customer for the whole year regarding their tentative requirements and all, but the prices are fixed on a quarterly basis.

So, with regard to the current year, we are more or less through with the arrangements with the customers regarding the quantities they are going to buy from us, and those projections are already with us.

So, with regard to the freeze-dried coffee, which is coming up next year, we also have visibility on that because we have taken Letters of Intent from a few customers, and they have agreed to pick up around 70% to 80% of the total installed capacity of freeze-dried coffee, subject to the quality and price.

So, that all depends upon what happens once we start the production. But otherwise, we have the visibility, we have the focus, and we know exactly which markets we are going to sell it in. There is a business plan, and we are going in accordance with the business plan.

Ganesh Rao: That is fantastic, sir. So, just to rephrase, you're saying for FY28, when the freeze-dried capacity comes in, you have roughly 70% to 80% of commitments and/or Letter of Intent, right?

Balakrishna Tati: That's right.

Ganesh Rao: And for FY27, sir, are you completely booked out? Can you quantify with a rough ballpark number?

Balakrishna Tati: More or less, we have a volume commitment from the customers for the entire quantity. But then again, as I mentioned to you, it depends upon the prices, how the market prices escalate and all, because we fix the price on a quarterly basis. Otherwise, we have received the volume commitments for the whole year, FY27.

Ganesh Rao: Awesome. That is great to hear, sir.

Balakrishna Tati: Thank you.

Ganesh Rao: And one follow-up question on the freeze-dried capacity. In this 70% to 80%, how much of that is the existing customers versus any new customer relationship that you guys have built?

Balakrishna Tati: We are adding the new customers also. In fact, the last -- this Q1 we have not added any new customers because it's a lean period. So, obviously we'll keep adding the new customers. And you're talking about the existing capacity, or talking about freeze-dried coffee?

Ganesh Rao: On freeze-dried capacity, sir.

Balakrishna Tati: No, freeze-dried capacity, we have the existing as well as the new customers also.

Ganesh Rao: Okay. Because I was wondering if it was new customers and they are coming in for your freeze-dried capacity, that would be like even more beneficial, because, we'll have a lot more tailwind. And hence I was trying to kind of double-click on that. Okay.

And sir, kind of piggybacking on the previous participant's questions, right? I mean, I just want to understand broadly, right? What is the right to win, right? What is our competitive advantage, right?

As we scale our capacity to say 16,500 metric tons in the near term, can you share some light on what is our company's right to win in the business, right, against the large global players. I don't want to name the peers over there. Is it our customization, customer relationship, or pricing? I mean, if you can just expand on that, that will be really helpful for all of us.

Balakrishna Tati: It is a combination, Mr. Ganesh ji. What happens, you know, it all depends upon the geography, the quality, the blend that the customer is taking, and also the pack that they buy. It all depends upon these factors.

If you see, if it is in glass jars and if we use more Arabica, then it is different—the price will be quite different, and the quality is completely different.

And this all depends upon the customer-centric requirements, you know, whatever they are looking for in their geography and the sales, the brand that they are doing. Absolutely, it all depends upon that and their sales prospects.

Ganesh Rao: But our right to win is, like, we are able to make it according to the specification, right sir? And we have heard, our peers also say that they can make it according to the specification that they want. So, like, what is really niche in our space, sir?

Balakrishna Tati: I'm sorry, last w sentence little -- can you speak little louder, if you don't mind? Little louder.

Ganesh Rao: Yes, sure. I mean, like for example, if I take like product customization, what blending do we want? What specific ratios of blending do you want, right? Even our peers can do that in some sense, right, as you kind of alluded to. Is there any kind of differentiating factor with us that specifically kind of giving us guarantee or good visibility into what capacities we have?

Balakrishna Tati: No, the blending ratios and other things are not given by the customers. It is done by our internal R&D and quality development department. They do that. So, it is not recommended by the customer, and we don't get any information from the customers with regard to that.

And whatever recipe we have, we don't normally share it with any customers. So, we develop a blend, and that particular blend is made exclusively for the customer, and we don't sell it to any other customers.

Yes, it's possible that the customer may go to some of our competitors or peers and try to get the product, but that is really not workable. Why? Because they may not be able to make the same, exact blend. So, obviously, they don't normally go elsewhere.

Because our customer retention is almost 98%. For the last so many years, they have been with us. I have never seen a customer going to somebody else for the same blend.

Ganesh Rao: Okay, perfect. Thank you, sir. I think sir, that probably the relationship that you have built over many years with them. Thank you, sir. I have a few more, but I'll come join back in the queue. Appreciate it.

Balakrishna Tati: Okay, Ganesh. Thank you.

Moderator: Thank you. The next question is from the line of Ishan Modi from AMC Assets. Please go ahead.

Ishan Modi: Yes. So, I joined the late a bit call. Can you let me know what was the volume this quarter we did and what was the EBITDA per kg we got this quarter?

Balakrishna Tati: Ishan, can you speak little louder, please?

Ishan Modi: Yes. Am I audible now properly?

Balakrishna Tati: Yes.

Ishan Modi: Yes. So, I was saying like I joined the call little bit late. Can you let me know what was the volume this quarter and what was the EBITDA per kg? Hello?

Balakrishna Tati: Yes. EBITDA per kg for the Q1 is 157.

Ishan Modi: And what was the volume, sir, this quarter?

Balakrishna Tati: 1,856 metric tons.

Ishan Modi: Sorry, what?

Balakrishna Tati: 1,856 metric tons.

Ishan Modi: All right. And sir, just one request here. So, like when we give the press release during our results, can we also mention its volume and EBITDA per kg in the press release, because it gives the more visibility earlier than we declare that in a con-call?

Balakrishna Tati: Noted, okay, noted. I will ask my finance department to -- when they give it then they will include that also. Well noted, Ishan.

Ishan Modi: Thank you That would be very helpful from my side.

Moderator: Thank you. We'll take the next question from the line of Onkar Ghugardare from Shree Investments. Please go ahead.

Onkar Ghugardare: Yes, good morning, sir. My question is regarding at 100% capacity utilization, what would be the revenue you can clock in the newly commissioned capacity? And because of the maintenance last quarter, how much revenue you would have lost? That's the first question.

Balakrishna Tati: Hi Onkar. Now, this question -- you're talking about for 100% capacity FY27, is it?

Onkar Ghugardare: Yes, in the newly commissioned capacity of 4,500 metric ton.

Balakrishna Tati: Yes, okay, fine. Understood. So, out of the total capacity, we may end up with around 10,500 metric tons, compared to the total capacity of 11,000 metric tons. This is what we are planning now.

So, considering today's price, today's realization, and all, you can calculate on the basis of the capacities, and you will get the figure.

But, you know, it all depends, again, as I mentioned, because we are fixing the prices on a quarterly basis, and they keep varying. Maybe, for example, if I say INR 1,000 crores, INR 500 crores, or INR 800 crores, but again, if the coffee prices move upward, then the revenues will increase proportionately.

So, it's very difficult to say the revenue. But I think if you have the Quarter 1 figures, then you can calculate based on that, and you will know.

Onkar Ghugardare: Correct, okay. And the second part of the question, how much you would have lost because of maintenance?

Balakrishna Tati: Maintenance, you are saying? No, no, this is annual maintenance for 15 days, which we undertake every year. So, we have already taken this into consideration, and there is no production loss. Because the plant runs 24x7, we run it round the clock. So, in a year, we take 15 days for annual maintenance. We have already taken that into consideration in the production capacity. After taking that into consideration, only then will it come to 11,000 tons.

Onkar Ghugardare: Okay. The second question is on -- with all the initiatives like shifting to premium products like freeze-dried coffee and selling more in consumer packets, can we expect the consolidated margins to be at say 22%-23% in next 2 year, by FY28 or FY29?

Balakrishna Tati: Yes. We have already mentioned it in our business plan. The freeze-dried coffee realization will be better than the spray-dried coffee. And the consolidation should be in the region of around 23%–24%, if I'm not mistaken. That's the one.

And second is that we may not be able to go fully with consumer packs for the freeze-dried coffee. We may go with both bulk as well as consumer packs. So, obviously, the EBITDA level will not be as high as what we are expecting, but it will be much better than spray-dried and agglomeration.

Onkar Ghugardare: But we can consider around 23%-24% consolidated EBITDA margins, right, in the next 2 years?

Balakrishna Tati: Yes. That's what we have considered it in our business plan.

Onkar Ghugardare: Okay. I am done with the question. Just a small suggestion. Can you -- earlier 2 quarters back you used to provide presentation, but now you have stopped giving the presentation. Because in that you used to mention the capacity utilization and all that.

So, can you please start uploading presentation once again? And is it possible to do the conference call like immediately after the results are declared? Those are the 2 suggestions, sir.

Balakrishna Tati: Onkar, perfect, okay. Normally, every quarter, we give a presentation. So, I think the presentation is also in the pipeline now, and we are going to upload it any moment.

And with regards to the con-call, sure, we'll give it the next day only. I think this time there were some holidays, or I was traveling or something, so we could not make it. But otherwise, we'll give it the next day only. Well noted your point.

Onkar Ghugardare: Sure. Thank you, sir.

Moderator: Thank you. The next question is from the line of Ankush Agarwal from Surge Capital. Please go ahead.

Ankush Agarwal: Yes, hi. Thank you for taking my question. So, just firstly the volume number that you mentioned, I missed that number. Hello?

Balakrishna Tati: Quantities you are talking about, volumes?

Ankush Agarwal: Yes, the volumes for the Q1.

Balakrishna Tati: Is it Q1 or the whole year?

Ankush Agarwal: Q1.

Balakrishna Tati: Q1,1,856 is the sales, 2,402 is the production.

Ankush Agarwal: 2,024.

Balakrishna Tati: 2,402

Ankush Agarwal: 2,402, okay. And sir, generally with FDC, for example, currently our EBITDA per kg is roughly around 150. With FDC, what is the differential that one can expect between spray-dried and FDC in terms of EBITDA per kg?

Balakrishna Tati: No, no. Sorry, come again this? What you're saying is that SDC and freeze-dried coffee? You are saying the percentage of...

Ankush Agarwal: No, currently with spray-dried, we are doing around INR150 EBITDA per kg.

Moderator: Excuse me, Mr. Agarwal, can you use your handset please? There is some disturbance which is coming along with your voice.

Ankush Agarwal: Just a second.

Balakrishna Tati: Okay.

Ankush Agarwal: Is it better now?

Balakrishna Tati: Yes, now better.

Ankush Agarwal: Yes. What I'm saying is currently with our entire capacity being spray-dried, we are doing about INR150 per kg of EBITDA. So, with FDC, what is the differential? Like say, is FDC a INR200 per kg kind of EBITDA product or 220-250? If you can provide some relative guidance on that?

Balakrishna Tati: As per the current price levels, because now I am not doing any FDC right, but as per the current market prices and all, if I take that into consideration, it is around 28% to 32% difference is there between SDC and FDC.

Ankush Agarwal: 28% to 30%.

Balakrishna Tati: 32%, yes.

Ankush Agarwal: Okay. And lastly, sir, our packaging capacity, which was 5,000 metric tons, we was looking to increase that. So, have we increased that?

Balakrishna Tati: Yes, now we are doing 5,000 metric tons of packing for the spray-dried and agglomeration. For freeze-dried coffee, we are targeting maybe around 70% in bulk and 30% in packaging, glass jar packing.

Ankush Agarwal: Right. No, actually last quarter you said that the capacity for packaging has increased to 5,000 tons and that you're looking to add one more line. So, have we added that line, or that will come later?

Balakrishna Tati: No. We added the line. Now Q1, we did around 45-55 ratio. 45% bulk and 55% consumer packs.

Ankush Agarwal: Okay. That was all. Thank you.

Balakrishna Tati: Okay.

Moderator: Thank you. We'll take the next question from the line of Pranay Chatterjee from Burman Capital Management. Please go ahead.

Pranay Chatterjee: Hi, thank you. Am I audible and clear?

Moderator: Yes.

Balakrishna Tati: Yes, Chatterjee, audible. Please go ahead.

Pranay Chatterjee: Great. Sir, so I did some work on -- I was doing some work on Vintage and the coffee industry in general. And my question is specifically on the demand visibility. I know you've answered this question already, so let me just tell you quickly the 2 observations I had.

Firstly, sir, from what I understand, in spray-dried, at least the largest exporter in India says that the spray-dried, the customer only gives visibility for 3 months, whereas in freeze-dried, the visibility is probably more than a year.

And secondly, if I were to think about the annual volume growth guidance given by you and the largest exporter, the incremental volumes they plan to add in FY27 versus what you plan to add, the number for you is half of their number, which basically what I mean is, your growth, the growth that you are planning for is not immaterial anymore. So, it's a material number versus the largest player also.

So, if I combine these things, sir, where is the demand coming from? Because it's not that other players don't have capacity, they also have capacity. So, if you can give some more color on which geography is your stronghold, if there is specific type of clients, who are giving you longer than 3 months visibility?

Because if I were to think about diversity of blends, then definitely you'll keep improving, but it cannot be at the level of the largest player. If I think about economies of scale or the ability to offer a low price, that also fundamentally will improve over time as you scale. It can't be at the level of the largest player. So, I'm just utterly confused as to where you're seeing such strong demand and which other players in India with capacity available are not able to capitalize.

Balakrishna Tati: Mr. Jawahar, our Sales Director, will talk to you. He will explain more in detail, yes.

Pranay Chatterjee: Sure.

Jawahar Conjeevaram: Am I audible?

Pranay Chatterjee: Yes.

Jawahar Conjeevaram: See, with regard to what others are doing, we cannot comment. But we have a strategy for our growth, and we are focused on that. We have a geographical mix that we are planning and moving ahead with. And we are also scaling up in the existing geographies, and we are entering new geographies. See, that is our strategy for expanding our volume base.

Pranay Chatterjee: Okay. So, is it possible for you to be slightly more specific as to which geography is stronger than others for you? Because sir, what you just said is applicable for any coffee producer, right? So, is it possible for you to give some insight?

Jawahar Conjeevaram: Yes, it is applicable for everybody, but I'm talking specifically about ours. And we have been doing it for the last several years. So, we have been scaling up. If you look at our initial geographical mix, it was concentrated in 2–3 geographical areas. But now we have broadened it.

So, we are more or less, say, for example, about 30% in West Africa, Russia/CIS about 22%, and Southeast Asia about 20%. Similarly, we have more or less broadened it. Now we are looking at scaling up the volume in these geographies. So, we have also entered new geographies in the last couple of years.

Pranay Chatterjee: Got it sir. Sir, my second and last question is on effectively who are the type of customers you're selling to? Are you like selling directly to coffee brands, or are you selling to a aggregator, or distributor? If you can just explain if INR100 is your total exports, how much rupees is directly to the brand? How much is to distributor or someone else?

And what is the nature of contracts you have with these people? Because sir, if someone else is saying it's 3 months only and you're saying you have visibility for the entire year, there is a gap somewhere, right? So, if you can just explain me these 2 points?

Jawahar Conjeevaram: See, brand -- we are selling to direct brands to 90% of the customers who are direct brand owners. About 10% would go to traders-kind of people, okay? Yes, so that's the mix.

Pranay Chatterjee: And what is by contract how much -- how many months of visibility do you get in the volumes?

Jawahar Conjeevaram: As our MD has already told you, we have the visibility on the volumes from our customers, but we will be reviewing the prices every quarter.

Pranay Chatterjee: Got it. Okay. Thanks.

Jawahar Conjeevaram: Thank you.

Moderator: Thank you. The next question is from the line of Deepali Bansal from Ventura Enterprises. Please go ahead.

Deepali Bansal: Hello everyone. My first question is, how much of the capex out of 550 in FDC has already been spent, as this figure was roughly INR150 crores in quarter 4?

Balakrishna Tati: Out of INR550 crores, we almost spent INR114 crores during that thing.

Deepali Bansal: Sorry, sir.

Balakrishna Tati: Out of INR550 crores...

Deepali Bansal: In quarter one?

Balakrishna Tati: Yes, INR114 crores we have paid till now.

Deepali Bansal: But we quoted INR150 crores in quarter 4 con-call. What is the current -- did we spend INR114 in quarter 1?

Balakrishna Tati: Total is the one. Total till date is INR150 crores, correct. You are correct.

Deepali Bansal: Okay. Did we spend anything in quarter 1 for the FDC project?

Balakrishna Tati: Quarter 1, INR25 crores we spent.

Deepali Bansal: Okay. What was the product mix between import and export for quarter 1?

Balakrishna Tati: Product mix is that -- 20% is the imports and 80% is the domestic beans.

Deepali Bansal: Okay. Are we still in line with the INR400 crores debt for the year FY28, or are there any deviations?

Balakrishna Tati: No deviation, same thing.

Deepali Bansal: Okay. The input cost for aluminum was high last quarter. Is it still the same, or is it affecting us in any other way?

Balakrishna Tati: Almost same in that.

Deepali Bansal: Okay. My last question is regarding the geographical data. Could you give us the geographical bifurcation?

Balakrishna Tati: Yes, geographical bifurcation, our sales director will give.

Jawahar Conjeevaram: Yes. So, continuing on my previous explanation, we are about -- 30% we are getting from West Africa, about 22% from Russia and CIS, 20% from Southeast Asia, and Europe about 10%, Central America about 15%, and India about 5%.

Deepali Bansal: All right, sir. Thank you so much. That's it from my end.

Moderator: Thank you. We'll take the next question from the line of Paras Chheda from Purpleone Vertex Ventures LLP. Please go ahead.

Paras Chheda: Yes, thank you sir for this opportunity and congratulations on a strong set of results. Sir, my first question is just, I mean, you've guided but basically basis the current or Q1 average coffee prices and assuming that 10,500 volumes for FY27, right sir?

Can we sort of ballpark the revenue number between INR850 crores to INR900 crores? Would that be fair? I mean of course, I know, the coffee prices will be volatile and keep fluctuating, but I'm just at the current levels for Q1 basis, can we expect that kind of a revenue number ballpark for FY27? About INR850 crores to INR900 crores?

Balakrishna Tati: Yes, yes. If you take the Q1 average realization, realization it should be the same what you are saying is that same, it should be in the region of around INR850 crores to INR900 crores.

Paras Chheda: Understood, sir. And the margins in any case you've said, okay. Sir, for FY28, now assuming, end of June the FDC capacity is now ready for commissioning, what capacity utilization do you expect in the second half of FY28, sir? I mean, beginning Q2?

Balakrishna Tati: We are targeting to around 60%-65% of the installed capacity.

Paras Chheda: Of the 5,500 that will be coming?

Balakrishna Tati: Yes, but as I mentioned that we are going in a second quarter only of the FY28 we are going to start the production, so obviously, you can consider for almost 8 months to 9 months, out of which you will take a 60% to 65% capacity utilization, not on 5,500.

Paras Chheda: Sir, your exit FY28 will be at 100%, or near about at that 65%?

Moderator: Sorry, Mr. Chheda, your voice broke, sir.

Paras Chheda: Yes, no. What I was saying is your exit FY28, the capacity utilization will be about 100%?

Balakrishna Tati: You're talking about the current year or next year FY28.

Paras Chheda: I was talking about FY28, we will see this FDC capacity utilization picking up from July of 2025. So, now you said 65% or whatever, two-thirds of almost approx. utilization. But at the exit FY29 or FY28, would you -- should we assume close to 90% or 100%, or you'll take...?

Balakrishna Tati: Understood, understood. I just explain you. 5,500 metric tons is the capacity, out of which I said that we are going to use it for only eight months or nine months of the production we may get it. So, in that case it is 3,600 metric tons -3,700 metric tons on that 0.65% capacity, it should be in the region of around 2,300 metric tons to 2,400 metric tons FDC will add in FY28.

Paras Chheda: About 2,800 metric tons odd.

Balakrishna Tati: 2,400 metric tons.

Paras Chheda: 2,400 metric tons, okay. Out of the 5,500 metric tons for the nine months that we -- understood. Right sir. And sir just last query from my end. You broadly you've guided for a positive operating cash flow in FY27 as well and further improvement in working capital. So, now after Q1, are you still confident of delivering positive annual cash flow from operation? And what working capital days do you expect FY27 end?

Balakrishna Tati: Yes, working capital days, I think see our CFO can give you an answer.

Kranthi Kumar Yerkali: The working capital days are between 120 and 130 days. So, we will maintain the same levels, or it will be at a slightly lower level, around 125 days or so. Next question.

Paras Chheda: Operating cash flow will be positive for FY27?

Kranthi Kumar Yerkali: Yes, yes, sure. The operating cash flow for FY27 overall will be positive..

Paras Chheda: It's likely to be positive, okay.

Kranti Kumar Yerkali: Yes, overall FY27 is positive only.

Paras Chheda: Correct. Understood, sir. Fine. Thank you so much, sir.

Moderator: Thank you. The next question is from the line of Uttkkarsh Chanana from SMC Private Wealth. Please go ahead.

Uttkkarsh Chanana: Hello, am I audible?

Moderator: Yes, you are.

Uttkkarsh Chanana: Thank you. So, I have a couple of questions on the supplier side of our business. I wanted to understand which is the route our company is most dependent on for exporting the products?

Balakrishna Tati: No, I think your question is not clear. Can you again can you repeat?

Uttkkarsh Chanana: Sir, we export our products, so I just wanted to understand if we are dependent on a particular route for more volume of our export business?

Jawahar Conjeevaram: If I understand your question correctly, you are asking whether we are dependent on a particular route for our exports. No. As mentioned already, our strategy over the last few years has been to broaden our sales base. So, we know where our growth is going to come from, and we are focusing on that.

Uttkkarsh Chanana: All right, sir. Thank you so much. That's all.

Moderator: Thank you, sir. The next question is from the line of Aaditya Singh from Multi-Bagger Stocks. Please go ahead.

Aaditya Singh: Good morning. I had just one question regarding the wholly owned subsidiary, the Delecto. Could you please share some more details about that?

Balakrishna Tati: Again, your voice split actually.

Moderator: Sir, your voice is not clear actually. Mr. Singh, may I request you to kindly use your handset?

Aaditya Singh: Okay, I'll use my handset. Is it clear now?

Balakrishna Tati: Yes, now it's okay.

Aaditya Singh: Okay, I was just asking more about the subsidiary, the Delecto. Can you give shed a little more light on that?

Balakrishna Tati: Delecto, we are doing the chicory things, we have the capacity of 2,000 metric tons per annum.

Aaditya Singh: And what is the revenue?

Balakrishna Tati: Revenue is that per annum basis it's INR42 crores to INR45 crores.

Aaditya Singh: Is it profitable or not?

Balakrishna Tati: It's a profitable.

Aaditya Singh: Okay, thank you. That was all from my side.

Moderator: Thank you. The next question is from the line of Preet Shah from BlueStar Capital. Please go ahead.

Preet Shah: Hello, am I audible, sir?

Balakrishna Tati: Yes.

Preet Shah: Sir, my question is what was the utilization in Q1 of the whole capacity?

Balakrishna Tati: Q1 we utilized 100%, and only 15 days we took annual maintenance. Otherwise, we utilized 100%.

Preet Shah: Okay, so the 4,500 metric tons which we have added, it is also at 100% utilization. Is that understanding, correct?

Balakrishna Tati: Yes, we are utilized 100% which is the 2,402 metric tons produced.

Preet Shah: Okay. And sir, from Q2 we can expect good growth in our numbers as 20 days-25 days was what we can say maintenance period and also coffee prices are also going up?

Balakrishna Tati: Yes, volumes will grow, definitely, for the further quarters.

Preet Shah: Yes, okay. Thank you, sir, and all the best.

Moderator: Thank you. The next question is from the line of Ankur Gulati from Genuity Capital. Please go ahead.

Ankur Gulati: Thanks. Am I audible sir?

Moderator: You are, but I would request you to kindly use your handset please.

Ankur Gulati: Better now?

Moderator: Yes sir, please proceed.

Ankur Gulati: Okay. So, quick question on freeze-dried. There was some discussion in last call that eventually you will go from 5,500 MT to 11,000 MT in financial year 29. Sir, that plan is on, right? There's no change in that longer-term view.

Balakrishna Tati: The current capacity is 11,000 metric tons. We are adding 5,500 tons, so it will be 16,500 metric tons. Another additional line is likely to come soon after the completion of the first 5,500-ton line.

Ankur Gulati: Perfect. And can you give us the volume sold again for this quarter, sir?

Balakrishna Tati: This quarter 1,856 metric tons we sold, and the realization INR161 crores.

Ankur Gulati: Okay, fine. Thanks.

Moderator: We'll take the next question from the line of Mayank Agarwal from Scientific Investing. Please go ahead.

Mayank Agarwal: Yes hi, thank you for the opportunity. I had few questions. The first question is regarding the CFO conversion. Like as we go ahead with the FDC project commercialization and the working capital improvement, what should be the sustainable CFO to EBITDA conversion over the medium term?

Balakrishna Tati: Yes, one second, Mayank. CFO will give an answer.

Kranthi Kumar Yarkali: Our EBITDA levels will be that sustainable will be 150 to 160 range with the current product mix.

Mayank Agarwal: I am talking about the conversion rate, like how much we will be able to convert to cash flow.

Kranthi Kumar Yarkali: We are converting 100%.

Mayank Agarwal: And it should be sustainable going ahead, correct?

Kranthi Kumar Yarkali: Yes, yes, yes.

Mayank Agarwal: And okay. And the second question is regarding the debt. So, like after the phase one of FDC project is commercialized, like earlier management had guided like debt should peak around INR400 crores to INR450 crores. And since the past expansions were funded through a combination of equity dilution and debt, so will the incremental operating cash flow will be used towards the debt reduction or it will be regarding the phase 2 funding for the FDC project?

Kranthi Kumar Yarkali: For the Phase 2 FDC project, we will be using whatever incremental cash flow comes in FY28.

Mayank Agarwal: So, like going ahead, like the debt should not increase over INR400 crores, like INR400 crores-INR450 crores once the phase one is commercialized?

Kranthi Kumar Yarkali: Correct. We are in the same range, at a maximum of INR 450 crores. That is the maximum peak debt that we are expecting.

Mayank Agarwal: Okay and like this one follow-up question on this. Like the phase 2 project since like -- it will be -- the incremental cash flow will be used, so it won't be requiring any equity dilution which were the part of the past expansion plan by the company?

Kranti Kumar Yarkali: At this point in time, I cannot comment, but at maximum, we will not go for any further equity dilution. We'll see, based on the incremental cash flow in FY28, and then we will take a call. But as of now, as per the plan, it is not required.

Mayank Agarwal: Okay, okay. Thank you so much. That's it from my side.

Moderator: Thank you. The next question is from the line of Utkarsh Somaiya from Eiko Quantum Solutions. Please go ahead.

Utkarsh Somaiya: Thank you for the opportunity. Sir, if I take your EBITDA of INR32 crores and divide it by the sales volume of 1,856, I get an EBITDA per kilo of 172. And I think you mentioned you did 157. So, can you please explain this gap?

Kranthi Kumar Yarkali: Yes, the coffee-chicory volumes are also included in this. If you reduce around INR 11 crores for those chicory sales, then it will be in the same range.

Utkarsh Somaiya: So, if I remove INR11 crores from these INR32 crores?

Kranthi Kumar Yarkali: No, no. INR 11 crores from the sales. So, otherwise, you can calculate it like this. Out of INR 161 crores, you can reduce INR 11 crores, and then you can calculate it. That will give you the figure.

Utkarsh Somaiya: No, but how much of the INR32 crores EBITDA comes from chicory?

Kranthi Kumar Yarkali : Yes, that that will be around INR2 crores -INR2.1 crores.

Utkarsh Somaiya: So, let's say INR2 crores. So, out of INR30 crores are from -- I still get 161.

Kranthi Kumar Yarkali : If you minus 2.2 crores from EBITDA, then it will be coming the same number.

Utkarsh Somaiya: Okay. So, now for the whole year FY27, how much chicory sales and EBITDA should I assume?

Kranthi Kumar Yarkali : It is INR 40 crores to INR 45 crores in sales, and the EBITDA levels will be similar to coffee.

Utkarsh Somaiya: And around INR8 crores to INR10 crores EBITDA, right? And sir, the remaining of your sales volume, can I assume you'll do 9,000 out of the total 11,000 for the whole year?

Kranthi Kumar Yarkali : Whole year we are expecting that 95% of the capacity utilization.

Utkarsh Somaiya: 95% of the capacity. So, it's fair that you'll easily do 10,500.

Kranthi Kumar Yarkali : Yes, yes, correct.

Utkarsh Somaiya: And INR157 to INR160 EBITDA per kilo.

Kranthi Kumar Yarkali : Correct.

Utkarsh Somaiya: Okay, so 10,500 and 160. And sir, you said that next year you'll do around 2,500 tons of the new FDC capacity, no? Correct?

Kranthi Kumar Yarkali : 2,400- correct

Utkarsh Somaiya: Yes, so basically if I combine the two, it will be around 13,000 in FY28 your volume. Am I right? And the EBITDA per kilo will be 20% higher for FDC?

Kranthi Kumar Yarkali : Yes, 20% to 30%, correct.

Utkarsh Somaiya: So, what will be the consolidated EBITDA per kilo for FY28 given you'll do 2,400 tons -- 2,500 tons of volume?

Kranthi Kumar Yarkali : So, we we'll be sharing at the later stage.

Utkarsh Somaiya: But if mathematically I do that the 2,500 takes 160 into 1.2 which is 192 EBITDA per ton and that 10,500 does 160, so I'll get the number, right?

Kranthi Kumar Yarkali : Correct, correct.

Utkarsh Somaiya: Okay, thank you and best of luck. And one more sir, last question. How...

Moderator: Sir, I'm sorry to interrupt, sir, there are others who are waiting for their turn.

Utkarsh Somaiya: Okay, no worries. No worries. Thank you so much. Thank you.

Moderator: Thank you. We'll take the next question from the line of Piyush Jain, an Individual Investor. Please go ahead.

Piyush Jain: Hello. Am I audible?

Balakrishna Tati: Yes, yes. Please proceed.

Piyush Jain: Yes, I have two questions. One thing, with this capacity incremental started which is 4,500 odd, what could be the ballpark number revenue we can achieve in the 2027, the how much it can add in the revenue in incremental?

And second, these entities which we are merging, like a Delecto and Vintage Coffee, what is their capacity and revenue potential or revenue they are generating? Can we say Vintage Coffee business right now what we are doing and whatever the entities which we are merging which will add to the incremental topline of the business when this overall process of NCLT and everything done through?

And what is the type of revenue and margin they are doing it? So, I just want to understand once these entities merged and a consolidated basis, what will be the jump in our revenue from these entities which we are bringing in? Am I clear with my questions?

Balakrishna Tati: Yes, Piyush, I'll explain to you. I understand your question. I'll just brief you.

This Delecto Foods Private Limited is a 100% subsidiary of Vintage Coffee and Beverages Limited. So, whatever consolidated figures we are taking into consideration and declaring now, that will remain more or less the same because there is no additional revenue being added to the VCBL P&L, okay? Because this is a 100% subsidiary.

And with regard to Delecto Foods Private Limited, this company is purely into manufacturing chicory products, chicory and chicory-mix products. And it is already operating at optimum capacity levels, and the revenues are now around INR 40 crores to INR 46 crores year-on-year. And there won't be much growth in that unless we go for further expansion.

At this point in time, we don't have any plans to expand the chicory production capacities, but we'll continue to have revenues of, say, INR 42 crores to INR 45 crores. And this company has been making a profit continuously for the last several years, and it will continue to make a profit because there is good demand for chicory in the domestic market as well as the international market.

So, we'll continue to operate this company at these levels. In the event of any further demand coming up, then we will plan to expand the capacities, maybe after one or two years.

Piyush Jain: Okay and on first question.

Balakrishna Tati: Yes, go ahead.

Piyush Jain: Yes, first question, I asked, with this incremental capacity coming in current year, what could be the revenue potential we can have? Because see last three quarters before this, we were doing

INR150 crores to 160 crores and we were optimum utilised only. So now this new capacity coming in, what could be the additional revenue?

And just second follow up on this Delecto, is the margin profile is similar to what Vintage is doing right now 18% to 19% or with this incremental revenue adding up the margin blend will decrease?

Balakrishna Tati: No, chicory product. First, I'll answer your question. We had 4,500 metric tons, and we are now adding 6,500 metric tons. With this addition, the incremental revenue we are going to get is around INR 360 crores to INR 380 crores, which will bring the total revenue to approximately INR 890 crores to INR 905 crores.So, these are the revenues that we are anticipating if we operate at full capacity, maybe around 95% utilization.

Piyush Jain: Current year, you're talking about current year FY27?

Balakrishna Tati: Yes, yes. And it's because Delecto is a chicory plant. The profitability of a chicory plant is more or less the same as coffee, maybe slightly better than coffee. But since the chicory crop is not available this year, there will be some incremental profitability in chicory because of the acute shortage of chicory. The prices have shot up, like coffee did earlier three years back. So, obviously, there will be a higher realization in chicory also this year.

Piyush Jain: Okay, just to understand, I didn't hear properly what you said. You said this 4500-capacity coming in this year, which can add around INR350 crores to INR360 crores of additional revenue. Am I saying, correct? Am I understood, correct?

Balakrishna Tati: Yes, you are right.

Piyush Jain: So, ballpark we are saying – you are saying INR500 crores to INR600 crores which existing we are doing, and INR300 crores to INR350 crores we can add in this current year. Correct, my understanding is correct?

Balakrishna Tati: Yes, you are right. INR350 crores to INR380 crores we'll add on the existing turnover. Yes, you're right.

Piyush Jain: Okay, thank you for the patient answer, sir. Thank you and all the best for the future.

Balakrishna Tati: Welcome, welcome.

Moderator: Thank you. Ladies and gentlemen, we'll be taking two last questions for today. The next question is from the line of Kumar Saurabh from Scientific Investing. Please go ahead.

Kumar Saurabh: Hello, sir. Hope I'm audible.

Balakrishna Tati: Yes, little, little louder, please.

Kumar Saurabh: So, congratulations on good set of numbers, sir. My question is, sir, we have around 130 days of working capital days, which means on every INR100 of sales, maybe we will need INR35 crores of working capital, which should ideally give us good operating cash flow. But so far, we have not done that. The only reason I can think of is because we are in a very good growth phase. And hence, we need a lot of inventory for the growth. Is that the reason?

Balakrishna Tati: Yes, that is the one reason and we are expanding the strategies and adding…

Kumar Saurabh: Okay. So, sir, my question is, let us.

Balakrishna Tati: Yes sir. Please go ahead, sir.

Moderator: Sir, it's lower. Yes, please proceed sir.

Balakrishna Tati: It is better sir now.

Kranthi Kumar Yarkali: Yes. Actually, your point is correct. So, in the future years, definitely that benefit will come. So, the working capital cycle will remain at the same level of 120 to 125 days.

Kumar Saurabh: Okay, sir. So, my question is, sir, let us assume if we didn't need this growth inventory, let us say we were growing at 2%, 3%, 4%. Then the kind of EBITDA number which we have done, how much of operating cash flow we would have generated on that?

Kranti Kumar Yarkali: Whatever the profit plus the depreciation that will be generated. Last year is that INR71 crores plus INR8 crores, almost INR79 crores are that we can generate if growth is not there.

Kumar Saurabh: Okay, got it, got it. And sir, we are in the B2B space and our working capital days is around 130 days. We have another listed company, of course it is of bigger size and they're listed for a long time, but they work around 40 days of working capital days and also, they have a B2C business.

But my question is as we grow in terms of revenue, first why both of us being in B2B, why our working capital days is almost three times of the bigger player? But do you see a scope of improvement going forward and what could reduce the working capital days, if you can just give some kind of comparison of industry dynamics between these two companies?

Kranti Kumar Yarkali: So, normally, the working capital cycle in the entire instant coffee industry is around 100 to 120 days, or 130 days. We are also in line with that. We are also at around 120 to 125 days.

Kumar Saurabh: Okay sir, that's all I had. Wish you all the best, sir.

Moderator: Thank you. The next question is from the line of Nirvana Laha from Badrinath Holdings. Please go ahead.

Nirvana Laha: Hi, am I audible?

Moderator: Yes.

Nirvana Laha: Great. So, two quick questions, sir. The first one, you said Q1 you produced about 2,400 metric tons and you have sold about 1,800 metric tons. So, which means you've built inventory and you have a quarterly price reset. So, I just want to understand, maybe coffee prices won't go down right now because of the cycle, but if coffee prices went down, you would have to book inventory losses, right, with this kind of higher production compared to sales?

Balakrishna Tati: es, it is like this. In the first quarter, normally, we can't operate at under-capacity utilization because we have the capacity, we need to run the plant, and it is a 24/7-running plant. So, we have commitments from the customers for the whole year. As I said, we take volume commitments for the whole year.

Obviously, for the volumes that we have produced, we have some sort of understanding with the customers that they are going to pick up these volumes in the second quarter. So, whatever quantities we produce, the surplus quantities will move into Q2.

Nirvana Laha: Understood sir. Just to clarify, I understand the volume commitment bit and therefore you have to produce, but if coffee prices move against you, you have to book inventory losses, right? That is mechanical accounting process.

Balakrishna Tati: No, as I mentioned to you that we always stock some around 40 days to 45 days coffee beans in our factory on our side. So, when we replace this material with the new orders, so obviously we take that there won't be any price advantage or price gain or loss on this. So, we use it is like a back-to-back basis.

Nirvana Laha: Okay, understood sir. The second one, sir, many participants have asked you about freeze-dried coffee. On same lines, I want to understand little in depth if you can just patiently answer this, sir, because lot of participants want to understand this.

Sir, in freeze-dried, can you help us understand who are the largest suppliers globally? Like which countries are the largest suppliers and your 5,500 metric ton capacity, right? What percentage market share is that of the global demand in freeze-dried coffee? That is one.

Second, sir, we have heard that even your larger listed peer, right, in India, they have not been able to crack the USA freeze-dried market because US customers really prefer the best blends and all that. So, given this, if you can detail out whether US is a target geography or which geography specifically, you're targeting? You haven't mentioned the countries, if you can mention that it will be cool.

Also, whether under Mr. Jawahar you've hired specialist sales people who will in different geographies who will help you sell this premium product? Because if I understand correctly, freeze-dried coffee is a very developed market product versus spray-dried coffee which goes to all kinds of countries. So, if you can tell a -- and you also mentioned that you have signed LOIs, right?

So, on what basis were the LOIs signed because they have not tasted your product or have seen your product? So, if you can help us understand all these aspects in a little more depth, sir, because everybody wants to know about the freeze-dried coffee market and what your plan there is?

Balakrishna Tati: Okay. As per the information available, I can say that it is around 2,50,000 metric tons for the freeze-dried coffee market, out of which our 5,500 metric tons is around 2.2%. It's a very negligible percentage, if you see.

And with regard to the market geographies that we are now targeting for freeze-dried coffee, and where we have got some sort of commitment by way of LOIs and all, at this point in time, I can explain it to you in a generalized way.

The commitments have come from Russia, Europe—I don't know, but I also got that from the US—as well as Southeast Asia. So, these are the commitments that we have received for the volume.

And with regard to the quality and the price, these are commitments that we have received through the LOIs we entered into. The reason is that they don't want us to sell it to somebody else and then they don't get the material.

So, we have signed an agreement, a letter, that we will supply them with freeze-dried coffee as soon as we start, subject to developing the blend as per their requirements and agreeing on the prices. So, these are subject to quality and subject to price.

Nirvana Laha: Understood, sir. And these are the same customers that you're supplying spray-dried coffee to? The brands, coffee brands that you're supplying, are they the same set of customers?

Balakrishna Tati: Two are the new customers.

Nirvana Laha: Okay, and how many old customers, sir?

Balakrishna Tati: Five customers.

Nirvana Laha: Five, okay. Sir, and one more question I had asked was can you tell us about the internal sales force strengthening initiatives or business development initiatives that you've taken, if any, for freeze-dried coffee specifically?

Balakrishna Tati: Freeze-dried coffee, we have not initiated any sort of the new sales team. The existing team under the sales head, Mr. Jawahar, is he has three managers and one general manager and they are only handling it. And we are quite comfort and these people are capable of handling the things for freeze-dried coffee also.

Nirvana Laha: Okay sir, understood sir. And one last request, sir. Some investors would like to visit your plant and interact with you in person if that's possible, so kindly facilitate something like that. We would all like to visit.

Balakrishna Tati: Sure, most welcome. We always invite the people to factory to see and discuss in person also. Welcome, no problem. You can send a communication to us by email, so we'll give you your time and all. So, accordingly we allocate our officer who will be taken to factory and show you.

Nirvana Laha: Thank you, sir.

Moderator: Ladies and gentlemen, we'll take that as the last question for today. I would now like to hand the conference over to the management for closing comments. Thank you and over to you, sir.

Balakrishna Tati: Thank you so much. Thank you for joining, and we really appreciate your concern and we are very glad, and we are always available to give an answer 24/7. Any doubt, any clarification, please do contact us. Thank you.

Moderator: Thank you, members of the management. Ladies and gentlemen, on behalf of Nuvama Wealth, that concludes this conference. We thank you for joining us and you may now disconnect your lines. Thank you.