



# Prataap Snacks Limited

## Q2 & H1 FY2024 Earnings Call Transcript

**November 03, 2023**

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**Himanshu Nayyar:** Good afternoon, everyone. I welcome all the participants on behalf of Systematix Institutional Equities team and would like to thank the management of Prataap Snacks for giving us the opportunity to host them. We have with us Mr. Amit Kumat, MD and CEO; and Mr. Sumit Sharma, CFO.

The company delivered a resilient performance in second quarter in a challenging demand environment with continued improvement in profitability.

We would start with opening remarks from the management and then take questions from all the participants here. Over to you, sir.

**Amit Kumat:** Thank you, Himanshu. Good afternoon to all the participants, and thanks for joining our Q2 and H1 FY '24 earnings conference call. I trust all of you have reviewed our earnings document, which was shared with you earlier.

We have reported a resilient performance in Q2 FY '24, including a 12% increase in sales on quarter-to-quarter basis amidst the challenging macroeconomic environment marked by uneven rainfall, sluggish demand and heightened competitive pressure.

Urban area continued to perform better than rural area, which have proved to be over susceptible to inflationary pressure. Even within the



urban area, the lower income population have witnessed impact on the discretionary spend due to overall increase in costs. What we have seen is with the bit of cooling off input prices in the last couple of quarters, the localized players have become a bit more active. So, the increase in competitive intensity is visible in various pockets across the country.

On a year-on-year basis, we have reported a de-growth of 4.2% in sales compared to the level attained in Q2 last year. The silver lining in the top line performance has been a strong growth in the Namkeen category. As many of you know, we indicated a strategic focus on increasing share of Namkeen in the revenue mix through initiatives such as range selling. These initiatives are yielding results as we have seen improved traction in the Namkeen category this quarter.

Another important highlight that we reported our highest ever quarterly EBITDA of Rs. 38 crores. If you look at Slide 26 of our earnings presentation, you will see that we have consistently registered EBITDA above Rs. 30 crores for the last three quarters, demonstrating that the improved trajectory of EBITDA is sustainable. This has been accompanied by an enriched margin profile as we reported an EBITDA margin of 8.8% in Q2 FY '24. This marks an improvement of 400 basis points on a year-to-year basis from 4.8% in Q2 FY '23. Further, the EBITDA margin has improved by 30 basis points on a sequential quarter basis from 8.5% in Q1 '24 to 8.8% in Q2.

As we have shared earlier, improved margins have been realized primarily through the structural improvement in our business model due to the compressed distribution structure achieved on the back of efforts over the last 3 years. The EBITDA margin trajectory has been further augmented by cost optimization measures and cooling of input prices.

In order to strengthen our sales realization, we have been steadily building up data analytics within our organization. We have also implemented Salesforce Automation Tools to guide our sales team with



assisted order taking. This is helping to identify gaps in the market as well as optimize sales routes through geotagging of outlets. We have experienced significant benefits in the area where it has been implemented and we'll continue to roll this out across all markets. We are working on additional improvements in operational processes, savings in overheads as well as optimization in sales and distribution costs to realize further efficiencies.

PAT during the quarter stood at Rs. 16.5 crores, growing 4x when compared to PAT of Rs. 3.3 crores in Q2 FY '23.

A quick word on improving balance sheet. You would have noticed an improved cash position of Rs. 97.5 crores as of September 30 '23 compared to Rs. 60 crores as of March 31 '23. This has been achieved despite the capex commitment, the repayment of short-term borrowing as well as payment of dividend for financial year '2023. We continue to enjoy debt-free status on a net basis, and our balance sheet is strong to support our growth plans over the next couple of years. We have managed to drive further efficiencies in average working capital from a level of 13 days in FY '23 to 5 days as of H1 FY '24.

To summarize, we remain optimistic and believe the medium to long-term outlook is favorable on the back of sustained levels of economic activity and prospects for improved rural demand. In recent quarters, our focus was on implementing the steps to structurally enhance our margin. Now that margins have improved in a consistent and sustained manner, we have the headroom to make further investments into driving sales in an accelerated way.

On that note, I conclude my remarks, and we can open the floor for questions.

**Moderator:** The first question is from the line of Himanshu Nayyar.



**Himanshu Nayyar**

Sir, to start with, if you can give some more details on the demand environment that you are seeing, I mean, on the ground because we have seen in the results of other companies as well last two quarters, at least, inflation has been coming off. But we don't really see that benefit, I mean, flowing through in our numbers. So, do you think that benefit will come with a lag? And should we expect the volume numbers and revenues to improve in the near term and at least in the next couple of quarters or so?

**Amit Kumat:**

You see Himanshu since last few quarters, we have been seeing pressure on the demand side, especially in the rural market and for lower income class in the urban markets on account of rising cost and inflation. We feel things should improve as inflation is going down. We are very optimistic about medium and long term. Further, we are now also using technology like Salesforce Automation to increase the range selling for driving the sales growth. We feel our H2 should be better than H1 of this year with sustained operating margins.

**Himanshu Nayyar:**

Understood. And can you also talk a bit about the competitive intensity in our core markets. Core markets, have you seen any increased competition. And what is your sense whether we would have grown in line or ahead or below the market growth rate, at least in our segment, sir?

**Amit Kumat:**

So, I think the overall market is definitely growing, no doubt about that. But since the raw material prices have come down considerably across all the categories and all the sectors, very smaller players have come out in the market so that competitiveness has definitely increased quite a bit.

But going further, I think this was the first initial six months basically when the competition increased so much, now it has reached to a level that this can't increase beyond this level. And most of the players, we see have lost some market share in last two quarters. Most of the big players in fact.



**Himanshu Nayyar:** Understood. And sir, I mean, as you said that second half, you see a better revenue performance growth picking up, this was a credible performance on the margin side from you. Despite a year-on-year decline in top line we have managed to increase our margins so significantly despite negative operating leverage. So, with the growth coming back, I mean positive operating leverage itself can make us go towards double-digit margins. Is that a fair assumption to have?

**Amit Kumat:** Sumitji, if you can take that question.

**Sumit Sharma:** Yes, sure. Himanshu definitely, there will be an advantage of operating leverage, and that will also flow in the bottom line, and that's why we have been guiding for double-digit EBITDA margin.

**Himanshu Nayyar:** And finally, on the PLI side, I mean I think it looks challenging, right, that we'll be able to reach the threshold revenues and get any PLI incentives, at least for this year. But what's our outlook going forward? I mean do you think we will be able to get these PLI incentives in FY '25 now?

**Sumit Sharma:** Certainly, we are chasing for the PLI incentive for next year, definitely. As we mentioned on our earlier call as well, we are now very conservative in terms of accounting the PLI incentive. Now we are not accruing on a quarterly basis and the income will be accrued only at the end of the year once that is certain that we are eligible for PLI incentive.

**Moderator:** The next question is from the line of Dhwanil Desai from Turtle Capital.

**Dhwanil Desai:** So, my first question is, so I think in FY '23, we ended the year with Namkeen contributing 16%. So how do we see this in the next 2, 3 years, where do we see that number?

**Sumit Sharma:** Namkeen is a focus area for us because you see Namkeen is about 43% for the industry. However, it's hardly 16% for us. So, we see huge growth potential in the Namkeen category and that is also reflected in the quarterly number. We have seen a strong growth in Namkeen category.



We are targeting Namkeen to take to at somewhere between 20% to 22%- 23% in coming years.

**Dhwanil Desai:** So, if Namkeen has grown strongly, then I'm sure some part of the portfolio would have degrown. So, can you give some color on that?

**Sumit Sharma:** I think barring Namkeen, there is no significantly different performance for any of the product category. Namkeen has definitely outperformed because of our efforts, which we have been consistently putting in the last few quarters.

**Dhwanil Desai:** Okay, okay. And in terms of contribution margin or gross margin is Namkeen any different than other categories, it is lower or higher, any sense on that?

**Sumit Sharma:** Not very significantly different from rest of the categories. Namkeen has slightly lower gross margin, I would say. But again, there is a saving in freight cost because Namkeen has a better weight to volume ratio. So, it ends up with relatively lower freight cost when compared to rest of the categories. So, I think post freight cost, not significantly different from rest of the categories, largely aligned with the rest of the categories.

**Dhwanil Desai:** And there are some players who are extremely focused on this category and have a very large scale. So how do we intend to compete with them and grow. What are the growth levers? Why will the competitive intensity not kind of challenge our growth if you can talk a bit about that?

**Amit Kumat:** I think we are already available on 2 million outlets and our reach has almost increased by few percentages in last two quarters. So, I don't see any reason in growing. And secondly, probably to break up in our coverage across the country, product wise, so still there is a lot of headroom available in Namkeen category where probably we are present only in 30% of the outlets where Yellow Diamond is available as of today.



**Dhwanil Desai:** Okay. So mainly it would be the existing distribution channel, we're putting more SKUs on the Namkeen side is what we will try to do.

**Amit Kumat:** Yes. That's the target, yes.

**Dhwanil Desai:** Okay. So how many distribution touch points that we've added in the last 2 years? And what's the plan going forward?

**Amit Kumat:** I think it is currently around 2 million outlets, we don't have the exact number. That is both inclusive of direct and indirect reach, and that should increase by almost 5% to 7% every year.

**Moderator:** The next question is from the line of Alisha Mahawla from Envision Capital.

**Alisha Mahawla:** So, my first question is we have shared a historical performance on Slide 18 where we said the growth and it used to be 18%. When do we feel we'll be able to go back to that growth? And what will it take? What initiatives, what steps, where is the gap?

**Amit Kumat:** If you see basically, we haven't grown this quarter mainly because of the market conditions and the competitiveness. I think we should be back on the growth trajectory from the current quarter. And probably the next year probably we can be on the same growth trajectory we have been in the earlier years. But in the near term, we definitely see a little bit of growth in the coming quarters.

**Alisha Mahawla:** Sir, even during this long period from 2014 to '2020, there was competitive intensity from local players, from larger players, and we still managed to grow. But currently, we are struggling a little bit. Has anything changed?

**Amit Kumat:** I don't see anything has changed except the macro-economic conditions in the country and the competitiveness. And we feel very confident that we should be back on the growth trajectory from the current quarter.



**Alisha Mahawla:** Okay. We were changing our distribution structure over the last couple of quarters. Is that largely complete now or do we expect that to continue for another quarter or two?

**Amit Kumat:** It's largely complete. All the change in distribution is largely complete as of now.

**Alisha Mahawla:** So there should not be any incremental disruptions because of that?

**Amit Kumat:** No. There should not be.

**Alisha Mahawla:** And sir, H1 FY '24, what has been our ads and marketing spends and where do we expect it to be by end of this year and aspirations for next couple of years?

**Sumit Sharma:** For H1, the marketing trend is roughly in the range of 1.25% of the overall revenue. Though we increased slightly in quarter 2, especially for Gujarat market, where we have hired a brand ambassador, Dilip Joshi to promote Avadh brand particularly in the Gujarat market. So, we have spent some money to advertise Avadh in the regional market. But yes, on an overall basis, it is roughly about 1.25% to 1.3% basically.

**Alisha Mahawla:** And we expect it to be at that range for the end of the year into next year also?

**Sumit Sharma:** For this year, I think that should remain in the same range. Next year, certainly, we are planning to increase our ad spends as we have communicated earlier as well that once we see the sustainable EBITDA margin for a few quarters, we would like to invest some amount for brand building. So next year, we are planning to increase our ad spends to invest for brand building. But yes, for this year, this would remain in the similar range of 1% and 1.25%.

**Alisha Mahawla:** And just one last question. You had a long-term aspiration of going back to double-digit margins. But what we have so far seen the finding is that



now that the margins are slightly sticky, we would want to reinvest in the business for growth. So, by when do we expect to go back to the 10% margin.

**Sumit Sharma:** Next year anyway, we are targeting double-digit EBITDA margin. So, we just wanted to ensure that we are almost at a double-digit EBITDA margin on a sustainable basis for few quarters. And then only we wanted to invest for the brand building. So now this last three quarters give us confidence that we are now close to double-digit EBITDA margin. And with the scale of operation and the rest of the things, the other process improvement measures, what we are managing today will definitely take us to double-digit EBITDA margin.

**Alisha Mahawla:** And the J&K plant, how is the ramp-up over there, that has started, right?

**Sumit Sharma:** The J&K plant will get commercially operated by, I think, by January '2024.

**Alisha Mahawla:** There has been a delay in the J&K plant?

**Sumit Sharma:** So initially, we were targeting by end of December. And I think by first week of January it should be operational.

**Moderator:** The next question is from the line of Manan Madlani from KamayaKya Wealth Management.

**Manan Madlani:** So, my first question was around top line. So, I just wanted to know the decrease in top line that we saw, how much proportion of that would be contributing towards volume rather than the impact of inflation?

**Sumit Sharma:** Around 1.5% would be the pricing impact and rest is the volume impact.

**Manan Madlani:** Okay. Yes, because I was back calculating. So, and correct me if I'm wrong, so if we want to pursue the PLI I benefit for this year, we'll have to do somewhere around Rs. 1,200 crores of top line for H2 which would be approximately 50% jump compared to last year. So, are we confident that can we achieve that?

**Sumit Sharma:** No, we are not we're not guiding for this kind of growth as Amitji has also mentioned that because of the macroeconomic condition especially rural market and even in urban markets where we are serving essentially the lower income class people. We are seeing some pressure on account of higher inflation and cost pressures of the demand side.

So, things are improving, and we are also driving our sales growth by using the technology like Salesforce Automation. But we are not guiding for kind of extraordinary growth. I think the growth will be gradual over the period in the next couple of quarters. So, we don't recognize PLI incentive on an accrual basis.

**Manan Madlani:** Sure, sure. Okay. And what would be our utilization for the half year?

**Sumit Sharma:** The overall utilization level is roughly in the range of close to 60%- 62% on an overall basis.

**Manan Madlani:** Okay. And what would be the contribution across the categories for H1?

**Sumit Sharma:** I think the proportion has not materially changed as compared to the last year, largely in line with the last year.

**Manan Madlani:** Okay. And can we assume that with the J&K capacity coming into January, FY '25 we can utilize approximately 80%?

**Sumit Sharma:** Utilization is a function of sales growth. So it depends on how are we able to drive the growth. We are targeting for at least 15% growth on a year-on-year basis. 80% would be very aggressive number.

**Manan Madlani:** Okay. No. I mean down the line. So if I'm not wrong, with the adding capacity of J&K, the potential revenue we can generate is somewhere around Rs. 2,600 crores, Rs. 2,700 crores if I'm not wrong.

**Sumit Sharma:** Absolutely right, with J&K facility and the upcoming Rajkot expansion. So, there are two projects going on. We are also adding capacity in Rajkot, which will be operational by end of this financial year. So, including both



the proposed expansion, the revenue potential would be roughly about Rs. 2,600 crores to Rs. 2,700 crores. and that's why we feel the incremental capex would be much lower and it will also help us to improve our return ratios, return on capital employed.

**Manan Madlani:** Sure, sure. And any gradual improvement have you seen, especially in the rural market in these last couple of months?

**Amit Kumat:** Not really. I think as we were expecting that closer to Dipawali the market will improve, but don't see any significant improvement in the rural market.

**Moderator:** The next question is from the line of Namit Arora from Indgrowth Capital.

**Namit Arora:** So, my question was, since the IPO, it could be macro, it could be micro, it could be a combination. But any learnings that you had as a company that you think you may have done differently, or you would do differently in the future? I'm just trying to see at the time of the IPO, you had a solid foundation, brands and the potential. But perhaps the delivery has been softer than maybe your own expectations or the market expectations. So there some reflections from you and how you are learning from that to do things differently going forward?

**Amit Kumat:** Very good question. First, if you see the COVID times were really tough. We are basically an impulse purchase product selling company in the Rs. 5 segment. So, we were definitely hit a lot in the COVID period. So, if you have to go back, I will definitely think that if we have more planned purchases or home purchases, it would have been much better.

But since the COVID has gone probably again that is out of mind. But definitely would love to be at a home purchase segment where people can buy and take it home rather than just consume on the road. That's the first thing we would like to change. Secondly, the modern trade and



e-commerce sales is very negligible in our segment, if we can improve that. These are the two factors probably where we are missing right now.

**Moderator:** The next question is from the line of Jagjyot Singh from India SME Investments.

**Jagjyot Singh:** Sir, just wanted to understand, we are actually already catering to the lower middle group and rural customers. Just wanted to understand what would be the next leg of growth? I mean we have already catered these people and the geographies and do we have plans to launch new categories and new products to cater to the more urban environment where you have been seeing traction and growth.

**Amit Kumat:** I think India is a huge enough market as far as potential is concerned. We are present only in 2 million outlets out of the 8 million outlets where snack foods are available. And secondly if you see our portfolio, barring apart the Extruded Snacks, most of the category, we are present only in 30% of the outlets where our brand is available. If you take example of Sweet Snacks and Namkeen, we are available probably only in 500,000 outlets compared to overall 2 million outlets. So there's a huge headroom available.

Second, we are definitely trying to get into upper markets with Rs. 10 , INR20 packets. There has been some improvement in chip sales in that segment, which used to be around 10% to 15% of other than INR 5 segment, which is currently around more than 30 percentage sales which comes from INR10 and Rs. INR20 segment in the chips category.

**Jagjyot Singh:** Right. And secondly, have you been facing competition from these regional players?

**Amit Kumat:** Definitely, we are facing competition from the regional players. Everyone else is facing in this sector, everyone.



- Jagjyot Singh:** Got it. And you had mentioned that you have taken some cost optimization measures which have been getting some improvements in the EBITDA margins. So, I just wanted to understand, can you throw some light on it?
- Amit Kumar:** So, if you talk about the total cost optimization from the sales side and the production side, Sales we have definitely cut down one channel cost, and we have almost saved 3%, which we were doing for the last 2.5 years. As our production side is concerned, we have done enough to improve the yield and get better productivity out of the existing staff and labour.
- Moderator:** The next question is from the line of Naitik Mohata from Sequent Investments.
- Naitik Mohata:** Yes, sir, my question is on the guidance, which you have given of 15% growth in FY '24 or in FY '25? Because if we are targeting the growth in FY '24, I believe we have to do 30% growth in second half compared to last year second half.
- Sumit Sharma:** I said FY '25.
- Naitik Mohata:** Okay. Okay. And what kind of growth in FY '24?
- Sumit Sharma:** FY '24, I mentioned that there will be a gradual recovery as there are challenging macro environments. But we feel that there should be gradual recovery and H2 should be better than H1.
- Naitik Mohata:** Okay. Okay. So, we are not going to see degrowth in this year, right? I believe we can do like a flattish kind of growth this year?
- Sumit Sharma:** We are certainly chasing for a decent positive growth for FY '24.
- Naitik Mohata:** Okay. And sir, our margins will be similar, somewhere between 9% to 10% in H2, right? This is going to be a bottom.

**Sumit Sharma:** I think margin we should remain in the similar range, what is there in H1. With scale of operation, there will be an advantage in the bottom line, but largely should remain in this range, 8.5% to 9% sort of range.

**Moderator:** The next question is from the line of Yash from Equitree Capital.

**Yash:** Sir, my question is regarding the revenue contribution from the East and South market. So, sir, as of now, we earn more than 70% of our revenue from West and North market. So sir, what market more competitive and how are we trying to increase the market reach in the East and South India?

**Amit Kumar:** Within the South market we were the late entrant in the South market. We're definitely now started focusing on the southern market. We are developing few products especially for the South India market, and we see good growth coming probably after a few quarters from the South India market.

East market, we have been doing good basically, we already have plant in Guwahati and Kolkata and we have started one 3P facility in Patna probably a few months back only. So, we are confident to grow in both the markets in times to come. Rest is the contribution of North, West and Central is much more than South and East as of today.

**Moderator:** The next question is from the line of Chirag Fialoke from RatnaTraya Capital.

**Chirag Fialoke:** I understand that broadly split across the segments have been the same across our product segments, could you just rank in terms of pressures, which segment, is it Extruded Snacks, Chips, Namkeen where you're feeling the maximum and where is it that sort of you are feeling the least amount of competitive pressure and macro environment headwind, that's all I wanted to know. If you just have to rank the three product segments and where is it that you are taking the most pressure?



**Amit Kumat:** So, the least pressure is in Namkeen and it goes other way round and probably the maximum pressure would be in Potato Chips.

**Chirag Fialoke:** Understood. But the splits have broadly remained the same as last year, is what you are saying?

**Amit Kumat:** The percentage of probably Namkeen has increased a little bit from last year.

**Moderator:** The next question is from the line of Tushar Khurana.

**Tushar Khurana:** My first question is on the we were going aggressive on entering into the modern trade for Namkeen and Chips segment. So I understand what steps are we taking on that front? And as I understand, for now it contributes less than 1% to our overall revenue, but what is the end goal that we have in our mind for this?

**Amit Kumat:** We started with Reliance two months back that is giving us decent volumes right now. We are trying to get into DMart and other one external outlets across the country. I think it will take some time. Getting entry into modern trade is not easy. We used to supply in DMart probably two years back, but because of the inflationary pressure and availability of raw material, we discontinued the supply. Now we are trying again to get into DMart probably post Dipawali we'll try to get into DMart.

**Tushar Khurana:** Okay. And Amit sir, if I recall right, few months ago you were guiding for Rs. 500 crores kind of revenue that we may be able to achieve in Q3. So, I just want to understand, given the current situation in the rural market and everything is that still achievable?

**Amit Kumat:** I don't think it is achievable right now, but probably one or two quarter down the road, we should be able to get to that number.

**Moderator:** The next question is from the line of Ankur Gulati.



**Ankur Gulati:** A quick question. A couple of quarters back, our EBITDA margin used to be 5%, now you have saved 3% from channel. So how much savings do you expect from cost optimization from this point onwards?

**Sumit Sharma:** So, in medium term, we are expecting to have saved roughly about 1.5% to 2% from various process improvement and optimization in selling and distribution costs.

**Ankur Gulati:** This is incremental from this quarter onwards.

**Sumit Sharma:** Yes, this is incremental from this quarter onwards, but it is in medium term, not immediately. We have started working on this direction and this will start flowing in a gradual manner.

**Ankur Gulati:** Quick question. So if I look at 5% EBITDA, 3% savings came from sales and distribution, right? That is already achieved. What about the savings from raw material cost decline?

**Sumit Sharma:** No, I'm not sure which quarter particularly you are referring at 5% EBITDA. But let me take you through our Slide 19 and Slide 20. If you refer our Slide 20, you'll see that our pre-COVID average EBITDA margin used to remain in the range of 6.9%, which is currently 8.6% for H1 current year.

And if you compare the key raw material pricing between these two periods, there's been inflation of about 44% in palm oil price. There's an inflation of about 30% in corn, these are key raw materials for us and there is saving in packaging laminate about 3% reduction in the laminate over this period.

So, palm is the key raw material, which is a common raw material for all the products and with the severe inflation of, say, 45%, we could able to expand our EBITDA margin from 6.9% to 8.6% and that is primarily on account of changes what we have made over the period and that includes compression of our distribution network, which has given us about 3.25%



incremental margin and then other process improvement, including various cost optimization at operations level, changing the recipe, changing some of the manufacturing process to get better yield, better utilization of our other resources, optimizing logistic costs primarily, so these kind of changes we have made. So, that's how we could able to get to this improved EBITDA margin.

**Ankur Gulati:** Sir, if I look at same slide, your third quarter financial year '23 5.5%, correct?

**Sumit Sharma:** Yes.

**Ankur Gulati:** If I add sales distribution cost saving of 2.5% on top I reach 8%.

**Sumit Sharma:** No. No, FY '23 includes the saving of 3%. Yes, that already exists, yes.

**Ankur Gulati:** Can you give us any volume and pricing growth on average year-on-year and quarter-on-quarter please?

**Sumit Sharma:** Generally, we have a volume growth because for us volume is the number of packets because we sell our products in a packet. So generally, in our business it's all volume-led growth.

**Ankur Gulati:** So year-on-year decline is why because volume fell down?

**Sumit Sharma:** Year-on-year decline is because of two reasons. One is some decline is on account of the pricing, which is about 1.5% and rest is volume.

**Moderator:** The next question is from the line of Amit Kumar from Determined Investments.

**Amit Kumar:** Just one question. You mentioned for palm oil, laminate and corn, I think it's there in the presentation as well. How are potato prices and spices, these are also sort of important raw materials for you? If you can just highlight what are the kind of trends that you are seeing in these, possibly more from a second half perspective.

**Amit Kumat:** Yes. Potato is basically a fresh crop basically which comes during the month of December. So very difficult to predict the price of the new crop. But as of today, potato pricing are in line with basically what the target was and we're using the potato price which we kept in the month of February and March.

After Dipawali, the old potatoes basically cannot be consumed, the fresh crop is basically, which is coming from Manchar, Pune and then Punjab and then Indore. I think spices it is basically in line with what the target is. The spices prices have gone up considerably, but the impact is not much. I think basic spices prices have gone up by 10% to 20%.

**Moderator:** The next question is from the line of Ankur Gulati.

**Ankur Gulati:** Follow-up question, If I look at quarter-on-quarter, the revenue growth is largely volume driven, so any views on what kind of market share gain we had?

**Sumit Sharma:** Market share, I think it largely would be flat. I don't have the exact data, but to my estimate should be largely flat.

**Ankur Gulati:** So, then it implies that the whole industry volumes have grown by the same percentage.

**Sumit Sharma:** No, I said I don't have the exact data. So difficult to give the exact answer.

**Ankur Gulati:** Let me rephrase. Do you guys have geographical split, if you have added new geographies. So how much of that growth came from new geographies?

**Sumit Sharma:** There is no addition of new geography.

**Moderator:** As there are no further questions from the participants, I now hand the conference over to the management for closing comments.



**Amit Kumat:** Thank you, everyone, for joining us on this call today. We look forward to interacting with you again. Thank you.

**Moderator:** Thank you. On behalf of Systematix Institutional Equities, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.

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