



Prataap Snacks Limited

Q4 & FY2023 Earnings Call Transcript

May 30, 2023

Mit Shah: Thanks, Lizann. Good afternoon, everyone. Welcome to Prataap Snacks Limited's Q4 & FY '23 Earnings Conference Call.

Today, we have with us Mr. Amit Kumat, Managing Director and CEO, and Mr. Sumit Sharma, CFO from the management team.

Before you begin, I would like to point out that certain statements made in this call may be forward-looking in nature and a disclaimer to this effect has been included in the earnings presentation shared with you earlier.

I would like to hand over the call to Mr. Amit Kumat for his opening remarks. Thank you, and over to you, sir.

Amit Kumat: Thank you. Good afternoon to all the participants, and thanks for joining our Q4 & FY '23 Earnings Conference Call. I trust all of you have reviewed our earning document which was shared with you earlier.

I am delighted to share that we have delivered a strong sales growth of 19% during the financial year ended March 31st '2023. Post the COVID disruption, this is the second consecutive year of strong growth with sales growth of 19% in the previous financial year. Our sales of Rs. 16.42 billion in FY23 represents the highest ever sales reported in the company's history.

One of the key contributors to this growth was the expansion in the average distribution reach by nearly 1.6 lakh outlets over the last financial



year to 21.8 lakh outlets across the country. This was supported by the initiatives like direct distribution and range selling resulting in increased volumes.

Another development that I wish to highlight is the completion of the merger of Avadh Snacks. Following our purchase of around 90% holding of Avadh, we sought to acquire the remaining around 10% by way of a share swap as we felt that the complete integration of both companies would enable us to unlock further synergies while contributing to streamlining and more efficient operations by reducing the reporting requirements.

Building upon these initiatives, we are well positioned to maintain this positive momentum in sales growth in the quarters ahead.

While we started the financial year strongly, we witnessed softening in consumer demand and sluggish rural activities in Q4 which impacted the revenue growth. Despite reporting growth of 19% year-on-year in sales for the full year, we have fallen short of the threshold revenue required to qualify for the Production Linked Incentive this year. Hence, the PLI recognized on an accrual basis in Q1 to Q3 this year has a reverse in Q4 impacting the total income from operations and the reported EBITDA in the fourth quarter.

The silver lining in our performance is that we have witnessed a sharp rise in EBITDA adjusted for the PLI reversal, which stood at Rs. 30.2 crore in Q4 FY'23 which was higher by 511% Y-on-Y. The adjusted EBITDA margin had improved by 620 basis points on a year-on-year basis from 1.4% in Q4 FY'22 to 7.6% in Q4 FY'23.

This margin performance is the highest in the last 12 quarters. This Improvement has been driven by our compressed distribution structure, cost optimization measures and cooling of input prices setting the tone for an improved margin performance in the next financial year.



In this regard, I would like to bring your attention to Slide 20, which gives a more granular view on the margin performance. The company has shown its resilience by maintaining and delivering a strong margin profile, despite the inflationary trends in the prices of key raw materials.

In that backdrop, let me now quickly take you through our financial performance during the period under review. In Q4 FY'23, income from operations was Rs. 398 crores, registering growth of 11% year-on-year basis. Adjusted operating EBITDA stood at Rs. 30.2 crore translating to a margin of 7.6%.

We reported PAT of Rs. 21.6 crore in the fourth quarter. This was aided by the tax reversal of Rs. 19.4 crore on account of completion of the merger with Avadh. In FY '23, income from operations stood at Rs. 1,641.7 crore registering growth of 19% year-on-year. Operating EBITDA was Rs. 62.4 crore translating to a margin of 3.8%. We reported full year PAT of Rs. 20.3 crore, again aided by the tax reversal due to Avadh merger.

The Board of Directors have recommended a dividend of 20% equating to Rs. 1 per share on a face value of Rs. 5. per share.

A quick word on our improving balance sheet. You would have noticed a reduction in borrowing from Rs. 30 crores as of March '2022 to Rs. 3 crores as of March '2023. This has been achieved despite the CAPEX undertaken across our facility this year. We continued to enjoy our debt free status on 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 23 days in FY'2022 to 13 days in FY'2023. Sumit, our CFO is alongside with me on this call for any further questions on our financials.



To summarize, we are optimistic of delivering a strong revenue growth and profitability on the back of continued emphasis on distribution expansion and range selling activities. We expect that consumer demand will be supported by increasing economic activities coupled with cooling off in inflationary trends.

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

Moderator: Thank you. Ladies and gentlemen, we will now begin with the question-and-answer session. We take the first question from the line of Nilesh Shah from Envision Capital. Please go ahead.

Nilesh Shah: My question is that we are targeting a 10% EBITDA margin over the long term. I have just two questions on this. How far do we think we are from this goal or this milestone? And second is, is this EBITDA margin more than 10% that we are targeting? Does that include the PLI incentives in future or not?

Sumit Sharma: We are on the path of this double-digit EBITDA margin, and which is already reflected in our Q4 margin that we have delivered 7.6%. So, even lot of changes over the period including squeezing our distribution network, and that has really helped us to improve the EBITDA margin. Our target is to be very close to double digit EBITDA margin by end of this financial year on a run rate basis. That is excluding PLI. So, we should be able to reach to somewhere around 9% EBITDA margin on a run rate basis by end of this financial year. That is what we are targeting for.

Nilesh Shah: So, target by the coming year end is to exit at 9%. Have I understood that correctly or it's going to be 9% for the full year?

Sumit Sharma: Yes. For the quarter.

Nilesh Shah: For the quarter.



- Sumit Sharma:** Yes.
- Nilesh Shah:** So, Q4 FY '24 we should look forward to something like 9% EBITDA margin.
- Sumit Sharma:** Right. That is what we are targeting for because we have already invested in our distribution. If you look at our increase in salary cost. That is primarily on account of increasing headcount in the sales force. So, whatever investment is required, we have already invested. Now we should get the operating leverage. With increase in revenue, we will be getting the benefit of operating leverage as well.
- Nilesh Shah:** The second is regarding the accounting policy for this PLI incentive. I mean, how appropriate was it for us to basically start accounting for it at the start of the year and not wait to cross the threshold?
- Sumit Sharma:** So, accounting standard INDAS allows to recognize the incentives on an accrual basis, and we feel that's more prudent to accrue on a quarterly basis rather than accruing at the year end because in that case you get a spike in one particular quarter, and that's why we took a call to recognize the revenue with respect to the PLI on a quarterly basis.
- Nilesh Shah:** And how would we be doing now going forward? Would we kind of wait for the milestone or the threshold to cross? How would it work going forward?
- Sumit Sharma:** Since there was a reversal in the quarter four and we could not meet the sales threshold, we might be slightly conservative with respect to the PLI accounting for the coming, for the current year, for FY '24.
- Nilesh Shah:** So, would we, when we say conservative, would we wait for us to hit the target and then account for it?
- Sumit Sharma:** Yes, absolutely.



Nilesh Shah: My second question is essentially on the business outlook, and we are targeting a 15% plus growth rate. How is the demand situation right now on the ground? Do we feel that the inflationary pressures that we saw in the last financial year and its impact on discretionary income and therefore on spending on a category like ours, do those pressure still persist, or those pressures have abated? And I am also saying this in context of how have we seen competitive intensity? Is that also playing a role in terms of our revenues?

Amit Kumat: You see our last year performance, H1 was basically the growth very good, close to 27% which dropped down to 11% in H2. So, demand was definitely reducing across the country, across the categories which is very evident from Nielsen data also. The April month basically was slow, but I think the things have started picking up. And this year market should be much better because the inflationary pressures have come down considerably. If you see all the prices across all the categories from laminate packaging film to edible oil, everything has gone down except one or two items like wheat probably which has gone up and down in recent few months. I think the demand should be better this year, much better than H2 of last year.

Moderator: Thank you. We will move on to the next question that is from the line of Dhwani Desai from Turtle Capital. Please go ahead.

Dhwani Desai: Sir, my first question is that in the earlier interactions, we have indicated that as we improve our margins beyond 8.5%, start ploughing it back on the A&P side because we are underinvested on that. So, when we are guiding for this 9% margin will it be sustained or then once we reach that threshold, we will start ploughing back in A&P for growing and then margins will stabilize at a lower level?

Amit Kumat: I think if you can get sustainable 8% to 9% margin for two quarters, we will definitely look forward to invest in A&P. But we are looking for at

least two, three quarters to get anywhere between 8% to 9% margin. Advertisements and promotion is must basically. And I think that can continue then. That can continue post that.

Dhwanil Desai: So, anything above 8% to 9% will get reinvested in A&P, right? That's the right understanding.

Amit Kumat: At least for the shorter run. Longer run probably we have to target double digit EBITDA and then invest in advertisement, but in the short term, we haven't done a lot of advertisement in the past few years. First, there was COVID period, and then probably we couldn't do anything, and the margins were bad for last three years. Since they have started improving, if we get to 8% to 9% margin, we should definitely go on advertisement, but consistent advertisement can only come once we cross double digit EBITDA margin.

Dhwanil Desai: And sir, if you can give us some sense as to category wise which categories are growing faster, which categories have performed below par? And also, we talked about in our presentation discontinuation and pruning of the product portfolio. So, if you can talk a bit more about that, that would be helpful.

Amit Kumat: I think last year if you see the 19% growth, most of the categories have done well for us, but one category which has done exceptionally well is Pellets - the Fryums business, which has probably outgrown by a big number compared to all other different all other categories. So, the Fryums fall into the Extrusion category where we are leader in one of the categories, but overall growth has come from Pellet category most last year.

As far as pruning of exclusive categories, we thought that we have done too many launches in past one to two years, and there was a big confusion in the distribution market and the marketing people and the sales guys. We thought it is better to concentrate on few items which are



doing well rather than keep offering everything to the retailer. There is a limit on which you can supply to a retailer number of ladis (Strips) what we supply to the retailer. So, it's better to keep basically ladis which can move faster from the retail shelf.

Dhwanil Desai: And just a follow-up on that. So, I think during COVID times we were facing challenges on the Rings side. So, have we come out of it? And is that segment again started to grow? You know, that was one of the major segments for us.

Amit Kumat: Basically, you were asking that Rings category was down during the COVID period. Has that has improved or not? I think that has started improving slightly. It was basically really down for over the three years during the COVID time. It has started improving and we hope to further improve going ahead.

Dhwanil Desai: Sir, the last question is on the Avadh side. So, I think now we will be merging it. We won't be providing separate numbers on that, right, but at least for this year if you can give us some sense how that business has been growing? We had initiated some changes in organization, and we were expecting that that business will grow at a decent pace. So, you can put some light on that.

Sumit Sharma: So, Avadh, in terms of bottom line, Avadh has delivered better margin than Prataap for H2 for quarter three and quarter four. Consistently, Avadh has delivered double digit EBITDA margin. The top line growth was in line with the Prataap's standalone top line growth.

Moderator: Thank you. The next question is from the line of Shrinjana Mittal from RatnaTraya Capital. Please go ahead.

Shrinjana Mittal: Sir, my question is regarding the margins only. So, in this quarter our margins have improved, and as you mentioned that partly part of the margin improvement has come because of the distributor like since we

have removed the super stockists. So, how like what I wanted to understand is how much percentage of the margin improvement is because of the due to the channel effect and how much is because of the raw material price correction? So, if you can just help us on that?

Sumit Sharma: Actually, we started compressing our distribution network somewhere in FY '22, and we completed that process by end of FY'22. So, most of the benefit has started flowing from FY '22. The overall savings what we got out of the compression of distribution network is roughly around 3.25% and for FY '23 specifically, that would be roughly around 1.6% to 1.7%.

Shrinjana Mittal: And this is just in gross margin or including the EBITDA margin? Because I think as I remember in earlier Con-Calls, you also mentioned in terms of freight costs also we got some benefits because of this super stockists. So, the freight cost also reduced. So, this 1.6% what you are mentioning that that is this gross margin or the EBITDA level as a whole you are saying?

Sumit Sharma: So, the entire saving has been routed through the gross margin because the reduction in channel margin has helped us to improve our price realization. So, that has improved gross margin as well as the EBITDA margin.

Shrinjana Mittal: And sir, in terms of growth, like, this quarter, we did see like a little on the growth front, it was a bit weaker, right? So, what would be the reason for that? And if you could help us understand little bit in terms of category, which category is doing well and which category are we seeing some weakness and where we can improve, that could be helpful?

Sumit Sharma: So, as Amitji has shared in his earlier answer that there was some softness in the market what we have felt, especially in the rural economy, and that was the primary reason for slowing down the growth for us. Things have started picking up from May. And in terms of product category, most of



the product categories have grown in high teens and Pellets particularly, the growth rate was significantly higher.

Shrinjana Mittal: And sir, just one more question, like for Avadh or Avadh subsidiary, what was the sales number for Avadh for the full year FY '23? What did we close at Avadh?

Sumit Sharma: Avadh revenue number was roughly around Rs. 215 odd crores.

Shrinjana Mittal: And in terms of EBITDA for Avadh, like, are we seeing any improvement because like last two quarters at least there was slight margin improvement even in that segment, right? So, is that also, because of that also the margins have improved? Is that segment is also contributing?

Sumit Sharma: Yes, certainly. Avadh, margin for Avadh has improved significantly. As I mentioned earlier, EBITDA margin for Avadh for H2 was in double digit even higher than Prataap's standalone.

Shrinjana Mittal: And this is at EBITDA level you are saying double digit EBITDA margin?

Sumit Sharma: Yes. This is at EBITDA level.

Moderator: Thank you. The next question is from the line of Bhavesh Chauhan from IDBI Capital. Please go ahead.

Bhavesh Chauhan: Sir, I would like to know what could be the margin levers that will take us from 7.6% to 10%, if you can explain a bit?

Sumit Sharma: Sure. So, there are two, three major items. First of all, we will be getting the advantage of operating leverage especially with respect to the salary costs because last year we invested heavily in building the sales force especially in our focus market. So, we appointed ASM, RSM and the sales officer in the focus market. Going forward the salary cost is going to remain constant, and we will get the operating leverage on account of increase in sales. We are also driving the cost optimization program what



we did in the past. We are focusing on some cost reduction planning, cost reduction program especially for the factory overhead where we are trying to automate some of the processes to reduce the recurring cost and operating costs. So, these things will help us to improve the bottom line by reducing the cost as well as getting the operating leverage.

Bhavesh Chauhan: Sir, at the same time, if there is spike in crude oil or palm oil, that should be considered a risk to our margins, right?

Amit Kumat: I think we have done sufficient changes to absorb any increase in pricing of raw material like edible oil or packaging film basically linked to the crude oil, but definitely there will be some impact, but with all the changes what we have done and all the changes what we have planned, I think we should be able to absorb it to the most possible extent.

Sumit Sharma: Bhavesh, I would like to refer here our presentation, especially the slide number 20, where we have highlighted what was the average EBITDA margin in FY '16 to FY '20 and when the oil price was pretty low. Now if I compare that period versus quarter four, there is a significant spike in the price of palm oil, which is around 60%, and also spike in some of other raw material, and there are also increases in the overheads. In spite of these things, we were able to enhance our margin, and that is primarily because of what changes we have made over the period. So, that gives us confidence that we can manage these kinds of price fluctuation and maintain the bottom line.

Bhavesh Chauhan: And sir, what is the contribution of Rs. 5 pack currently?

Amit Kumat: It was 90%, it has come down to 85%.

Sumit Sharma: 85%.

Bhavesh Chauhan: 85%. And we had an earlier plan to bring that down significantly. So, that will also play out in margin. So, any particular target that we could have for FY '24?

Amit Kumat: I think we are planning to bring it down to 70% probably by next two to three years.

Moderator: Thank you. The next question is from the line of Ankit Gupta from Bamboo Capital. Please go ahead.

Ankit Gupta: Sir, my first question was on top line growth. We are hearing that some of our larger peers have grown at a higher rate compared to us during FY '23 despite having almost two, two and a half times our revenue base. And even in FY'22, Q1 had a low base because of the second wave of COVID. So, anything you would like to comment on that?

Amit Kumat: I think we grew substantially well in the first half of the last year. That was close to 27%. Second half was not that good, but if you see the competitors, I cannot mention about one of the players, but probably we have been the first one or two companies in the country. There were only two companies who have gained market share last year out of which we were one of them.

Ankit Gupta: And which was the other one? Balaji?

Amit Kumat: You mentioned the name basically.

Ankit Gupta: So, what you are saying is the other companies have grown at a slower pace compared to us apart from the other one more company?

Amit Kumat: Apart from one or two companies, yes. I think that is basically what we understand from the Nielsen Data what we have subscribed to.

Ankit Gupta: Sir, second question was on the EBITDA margin of Avadh. So, what is happening there, there has been a substantial turn around in Avadh's

performance because as per understanding in FY'21 and FY'22, Avadh reported around two, two and a half percent kind of margins. And as Sumit was saying in Q4, we have almost double-digit margins. So, what is happening on Avadh? And why it has turned around?

Sumit Sharma: Yes. We did certain cost optimization programs at Avadh as well what we did in Prataap. So, we got certain savings on a few cost line items. In addition to that, there was also some grammage rationalization in case of Avadh.

Ankit Gupta: But grammage rationalization we have also done in Prataap if I am not wrong?

Sumit Sharma: Yes. But competition dynamics are different. Markets are different. Offerings are different.

Ankit Gupta: And is it that the freight cost has become a big dent for Pan India players like us compared to regional players like Avadh?

Sumit Sharma: Absolutely, definitely, there is a delta in freight cost for a regional player vis-à-vis the national player.

Moderator: Thank you. The next question is from the line of Shirish Pardeshi from Centrum Broking. Please go ahead.

Shirish Pardeshi: I was more curious, if I look back last five to six quarter, I think cost is one of the big issues which we have been facing. And if I remember we were trying to push a full truckload to the distributors. So, can you quantify how much is now that project has been successful, and maybe if you can say that full truck load, what is the contribution of sales?

Amit Kumat: I think more than 90% sales was governed directly through distributors and the full truck load goes to them. More than 90% has been already done.



Shirish Pardeshi: The second point what I wanted to check, though we have done a distribution, but when we look at the ground channel, the wholesale is still dominant part of our sales. So, would you say that during COVID period, what was the sales of wholesale contribution to the overall sales, and now where it is settled?

Amit Kumat: I think we don't see any significant movement from COVID period to this period, though there maybe 2%, 3% probably difference between the retail sales and the wholesale sales. As per our estimate, our more than 50% sales come from the direct distribution reach to the retail outlet and almost 45% of the sales come from the wholesale market. So, that probably there would be 2%, 3% difference, not more than that in the pre- and post-COVID era.

Shirish Pardeshi: The other question I was asking, I mean, generally, to my understanding, the Namkeen guys has delivered best growth in the current circumstances, and I think if I am not mistaken, to my understanding, industry is between 45% and 50%, while our portfolio in Namkeen is little lower or significantly lower. What are the attempts or what are the new launches? Or is there any thought that we have some right to win in Namkeen?

Amit Kumat: Namkeen overall category close to 50%, and in last few years if we see in the COVID era, the impulse purchase category was down and the Namkeen category was doing better which is definitely evident in last two, three years. Our Namkeen percentage sales probably overall in Yellow Diamond would be less than 12%, 13% compared to 50% overall industry average, and 60%, 70% of the major Indian players in this category. We are trying to increase Namkeen sales. We have added few products which can probably put on some sales, and I think this percentage should improve considerably probably next one year time.



Shirish Pardeshi: I just wanted to check, Amit, that why are we hesitant? Because Namkeen will definitely have a better margin profile, and there is a trading up opportunity also.

Amit Kumat: No. So, we are not hesitant. We are trying to do too many things in Namkeen. We have launched few products. We have put new plans basically to get few products which we are not manufacturing earlier. I think we are betting big on Namkeen for the coming year. It takes time. We have started focusing on Namkeen probably last six to eight months' time only. Some machines we have already installed and some machines we have ordered. I think we should have significantly different percentage sales in Namkeen probably in a year from now.

Shirish Pardeshi: My last question on PLI. What is the quantum or the money which we have received in FY'23? And what is the expectation? I think, Sumit gave some angle that how the accounting will happen, but in terms of your assessment, what will be the quantum of PLI which will come?

Amit Kumat: So, we haven't gained anything of PLI in the last year because we couldn't achieve the sales. This year if we can achieve the minimum target which needs around 14% growth for this year, we should get minimum quantum around Rs. 26 crores to Rs. 27 crores.

Shirish Pardeshi: 27 crores?

Amit Kumat: Yes. This year.

Shirish Pardeshi: Wonderful.

Moderator: Thank you. The next question is from the line of Shrinjana Mittal from RatnaTraya Capital. Please go ahead.

Shrinjana Mittal: Just a follow-up, sir, on what we discussed about the PLI scheme. So, next year if you are saying that we need 14% growth for the PLI incentives,



right? But like as per the presentation, it says that potato chips will be excluded, right? So, 14% growth, would that translate into like a 10% CAGR from the FY'20 base, like what share are we assuming for the potato sales in FY'24?

Sumit Sharma: Yes. Shrinjana, we are assuming the similar sort of product mix and with similar sort of product mix, if we grow by around say 14% or 14.5%, we should be able to hit the minimum threshold required for the PLI scheme.

Shrinjana Mittal: That is 10% CAGR, right, from FY '20?

Sumit Sharma: So, that is 10% CAGR over the base year. And the base year was FY'20.

Shrinjana: Like I was just asking, what was the share of potato chips in the base year? Because actually, I was trying to work out the math, and it was not tying back to the number. So, that's why I just wanted clarification, like what was the potato chips share in FY'20, the base year?

Sumit Sharma: That was roughly around 23-24 odd percentage.

Moderator: Thank you. We will move on to the next question that is from the line of Bhaskar Chaudhry from Entrust. Please go ahead.

Bhaskar Chaudhry: So, first question, you mentioned that you are trying to increase growth on the Namkeen side. Just to understand what's the financial profile of that business? Is it very different from the chips etc., business in terms of margin or in terms of working capital days et cetera? Or is it broadly similar?

Amit Kumat: It's very similar. Very, very similar.

Bhaskar Chaudhry: The second question was if I heard correctly, you said that once you hit a sustainable 8% to 9% EBITDA margin for a few quarters, you will look to reinvest in A&P. So, is there like a target A&P cost percentage of sales that you are looking for over the next four quarters or six quarters?

Amit Kumat: I think if you see, we do two kinds of advertisement. First is advertisement related to the toy what we offer in the ring category which we have been consistently doing for so many years. Other than that if we have to do any brand building exercise, minimum quantum required to do would be close to Rs. 25 crores for a year. It would be one burst probably. So, in percentage terms, that would be hardly 1%, 1.5% on the yearly basis.

Bhaskar Chaudhry: And just on the last question, can you give us a sense of where you are in terms of capacity or capacity utilization? Any significant capacity addition plan that you have for the next couple of years?

Sumit Sharma: The current utilization level for the overall capacity would be roughly in the range of 55% to 60%. I think we can optimally utilize 80%, 85% on an overall basis. So, there is headroom available or surplus capacity available in terms of production capacity. We are anyway investing under the PLI. We are putting up our new plant in Jammu, and that will also add the overall capacity. So, in next two years, the overall CAPEX we expect should be in the range of Rs. 100 crore to Rs. 105 crore including the investment which is required to be made under the PLI.

Bhaskar Chaudhry: And you know I am little new to the company. So, the question might be basic. But I mean, is it primarily all in-house manufacturing? Do you also do any job work? Or is it all in-house?

Sumit Sharma: So, it's a 75-25. So, 75 is roughly from our own manufacturing facilities, and 25% is contributed by the third-party contract manufacturer. They manufacture for us.

Bhaskar Chaudhry: And is there a product split also? Or is it, I mean, are some products under the contract manufacturing way? Or is it it's just a mix across?

Sumit Sharma: It's a mix across. So, in different regions, there are different arrangements.



- Amit Kumat:** And Namkeen category we do exclusive only at Indore.
- Sumit Sharma:** Namkeen is centralized at Indore.
- Moderator:** Thank you. The next question is from the line of Ankit Gupta from Bamboo Capital. Please go ahead.
- Ankit Gupta:** So, just wanted to understand one thing on the margins. And earlier we were guiding, we were looking at double digit kind of margins with PLI incentive, but I think we have thrown down our expectations on the margins of it. So, if you can tell us the reasons for the same?
- Sumit Sharma:** No, there is no change in the guidance. So, as I have mentioned in my earlier remark, that we are targeting roughly around 9% EBITDA margin by end of this financial year, and that is excluding PLI. If I add PLI, it would be more than 1.25%. With PLI, it translates into double digit EBITDA margin.
- Ankit Gupta:** And how are we planning to account for this PLI incentives? Will we continue our practice for FY'23 or as you were saying we might look to change that, so anything that we have decided on the same?
- Sumit Sharma:** Yes. We might be more conservative in terms of recognizing the PLI incentive going forward. So, this time, we might be recognized on an annual basis.
- Moderator:** Thank you. As there are no further questions, I now hand the conference over to the management for the closing comments.
- Amit Kumat:** Thank you everyone for spending time with us on this call today. We look forward to interacting with you again. Thank you.
- Sumit Sharma:** Thank you.



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

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