

“Tata Consumer Products Limited Q4 FY-20 Earnings
Conference Call”

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TATA CONSUMER PRODUCTS LIMITED
(Formerly known as Tata Global Beverages Limited)



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MODERATOR: **MR. JAI DOSHI – KOTAK SECURITIES LIMITED**

- Moderator:** Ladies and gentlemen, good day and welcome to the Tata Consumer Products Limited Q4 FY20 Earnings Conference Call hosted by Kotak Securities Limited. As a reminder, all participant lines will be in listen-only mode. And there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference, please signal an operator by pressing “*” then “0” on your touchtone phone. I now hand the conference over to Mr. Jai Doshi, from Kotak Securities Limited. Thank you and over to you sir.
- Jai Doshi:** Thank you Rio. Good evening, on behalf of Kotak Institutional Equities. I welcome you all to the 4Q FY20 Earnings Conference Call of Tata Consumer Products Limited. We have with us Mr. Sunil D’Souza – the new CEO and Managing Director, Mr. L. Krishna Kumar – CFO and Mr. Rakesh Sony – Global Head of Strategy and M&A.
- I would like to take this opportunity to extend a warm welcome to Sunil. Sunil joined Tata Consumer Products last month after a very successful five year stint as the Managing Director of Whirlpool India. He has over 25 years of experience in various leadership roles in India and Asia across Whirlpool, PepsiCo, Coca Cola and Brooke Bond Lipton. Sunil, we wish you the very best at Tata Consumer and over to you Rakesh.
- Rakesh Sony:** Hi everybody, good evening and welcome to the investor conference of Tata Consumer Products Limited. Last year was a momentous year for all of us and this is our first investor conference under our new name. So, thank you all for coming over for this conference at this time of the day. I will now request my colleague Sunil to takeover. Thank you so much. Over to you Sunil.
- Mr. Sunil D’Souza and Mr. L. Krishna Kumar took the attendees through the key highlights of the investor presentation.
- Moderator:** Sure, thank you very much. We will now begin the question and answer session. The first question is from the line of Percy Panthaki from IFM. Please go ahead.
- Percy Panthaki:** My first question is to Sunil. Sunil you’ve been with the company for about one and a half months. So just wanted to get an idea as to what your priorities and agenda is going to be for the next two to three quarters or two to four quarters in terms. Which areas will you be focusing on?
- Sunil D’Souza:** Okay, thank you very much for the question and I have been exactly 40 days in this company. The beauty is because of the COVID lockdown, I have been 40 days at home in Gurgaon and not even moved to Mumbai. The good part was though, that before the lockdown I had spent some time with the folks down in Bangalore, Mumbai, and visited some markets.. So, I’m fairly familiar with people and various parts of the business. So right now I would say I’ve landed up not into the frying pan, but straight into the fire with COVID. The critical focus right now is first to ensure health and safety of our employees and making sure that our plants are running. And

second, as we come out of the lockdown, we will need to make sure that we get into full operations effectively. These are the immediate priorities. After that, as L.K alluded to it, and I also allude to it, I think we have just brought the Food and Beverage businesses together. So, we've got a task ahead of us to make sure that this integration proceeds smoothly. And as we put the new integrated company together, we've got to be mindful about the future. Because as I mentioned, we are not only putting this together for today, we are creating a company for tomorrow with aim to become a larger FMCG company. Work is on on the four pillars I mentioned- Organization structure, S&D, Synergies and Defining our growth categories. Once we put that together and put the integration together, then we will move ahead to the next phase. Apart from that, the other priority is making sure that I work with the teams on the ground to understand the ground reality. Work with the most senior to middle level people to understand the people and the culture. And make sure that I integrate all of this as we build our plans going forward. That is the right now, the short term and the medium term priorities, if I can define it

Moderator: Thank you. The next question is from the line of Manoj Menon from ICICI Securities. Please go ahead.

Manoj Menon: First of all, wanted to congratulate you for such a detailed presentation. It was actually a pleasant surprise. Honestly, did not expect you to give you such a detail presentation in just a little more than a month of you being in the company. I have only two questions one long term and probably one short term. The only question on the long term is how do you look at the Tata Sampann brand. As an analyst, when I look at it, there is no better time to ramp up the Sampann brand, given the likely consumer behavior changes. So, just wanted to hear your detailed thoughts on that. Second, just wanted to understand from a short term point of view your exposure to the hot tea shop segment if any, and if at all, there's some impact, then how do you want to handle it in the next few months or so?

Sunil D'Souza: Okay, so to answer your Tata Sampann question, I think we already alluded to in our presentation saying that right on the first page, where we talked about Tata Sampann being a brand with great promise. Now just to give you the DNA of this company, whether it's the Food part of the business or the Beverage part of the business, both the businesses have been extremely successful in converting unbranded to branded. Right now, Tata Sampann is exactly playing in that space. So, it's the Tata brand name, it's the DNA of the company and it's getting into categories which have great promise for the future. That being said, right now Tata Sampann is in pulses and spices, and there is work to do to define the exact umbrella for Tata Sampann, What it stands for, and Which all other categories should we play in. But you're absolutely right and I would say watch this brand very closely, because you will see great results from this brand. That that's number one, and sorry Manoj I missed your second question?

Manoj Menon: Sorry, I will probably skip the second question actually, because I may ask a follow up on the Sampann itself. I'll tell you the context I asked this question. Given the propensity of the consumer to probably adopt e-commerce better, modern trade better and the fact that consumers are being little more health conscious and willing to pay or rather buy a branded product, even

in a stable category, the context I was asking was, if this is probably the best time to ramp up Sampann. It's not a normal time, but this is probably a brand which could see of multiplier sort of growth in the next two years. Is it the right way to think?

Sunil D'Souza: I would say if your hypothesis is right, I would be very, very happy. Right now, we are seeing significant changes in consumer behavior, whether it's moving to more trusted products, whether it is moving from unbranded to branded, whether it is shifting to digital and online. You're absolutely bang on. The only thing is, when we come out of the lockdown and life goes back to normal, whether it's in 30, 60, 90 days, I don't know, whether the consumer shifts and the shift in consumer habits will continue. That will determine the acceleration for the brand. But to your point, we are focused on growing Tata Sampann, we will stay close to the consumer habits and changes which happen, to make sure that we are leveraging everything to accelerate the speed of growth.

Moderator: Thank you very much. The next question is on the line of Gautam Trivedi from Nepean Capital. Please go ahead.

Gautam Trivedi: Thank you for an excellent presentation. Sunil, welcome aboard. We're very excited to have you on board and Rakesh has been a great ambassador of the company and we actually are happy shareholders. My question is more related to the supply chain right now and given the fact that there has been huge disruption within the country for the last 40-45 days of the lockdown. In fact, in my neighborhood, there is no Tata Salt available and hasn't been for the last several days. And one of my neighbors happens to be from ITC and he was recommending me to try ITC salt brand, and I didn't even know ITC had a Salt brand.. Point is, has that issue been resolved and where are we with that?

Sunil D'Souza: So, Gautam let me say that in the initial days of the lockdown, we struggled a bit because the rules were not very clear on who could do what. The way you could get passes was not clear, which factories you could start was not clear. But over a period of time, we've got clarity around that. The reason probably you're seeing some issues for Tata Salt is because of the way our logistics is structured. We ship in bulk out of our Mithapur plant and then pack in local C&Fs. So, if the local C&Fs are in the lockdown area, we've struggled a bit. That being said, over a period of time, as the lockdown has been eased or the rules to allow essential production have eased, we have ramped up our production. In fact, right now we're close to normal operations for our salt and most of our tea packaging units. So, I love the fact that you're looking for Tata Salt and I'm sure you'll be able to find it more regularly and you will probably not miss it going ahead.

Rakesh Sony: Rio, let's take a couple of questions from the webcast and we will then go back to the individual callers. So, there is a question from Jigar Shah from Maybank. And he has a question on, please comment on margin trajectory going forward in light of COVID-19, ongoing synergies, distribution expansion costs, and commodity cost?

Sunil D'Souza: So, on the margin piece, I did allude to lower commodity cost and the fact that we had good volume leverage. And that was one of the reasons for the margin. Going ahead, we've got to watch the trends on both costs and ability to translate that into consumer price as we go ahead. That's one piece, and sorry Rakesh what was the second piece?

Rakesh Sony: Second piece was the distribution expansion cost and commodity cost?

Sunil D'Souza: And synergies. On synergies we've already talked about INR 120 crore to 150 crore of synergies over the 18 to 24 month period. Right now, like I said, we've got a dedicated team working on the integration to put the synergies together. We remain confident that we can deliver the synergies which are a summation of both cost synergies as well as top line synergies. On the cost synergies, when we put it together, our back end efficiencies should come into play. And as we put our new S&D structures in the front end, I think you should see the top line synergies come into play. Distribution will be a focus and will be a key factor to make sure that the top line synergies are realized.

Rakesh Sony: Thank you. We'll take a couple of more questions from the webcast before we go back to the callers. There is a gentleman called Prasoon Agarwal - Hi Sunil, thank you for the great presentation., Any plans to expand the offering on the food side going ahead beyond Tata Sampann. Also any plans on acquisition using INR 1000 Cr. drawn cash from balance sheet. Thanks, Prasoon, Indus Capital.

Sunil D'Souza: So, let me phrase it this way. I think the ambition to grow is very clear. But there are different routes to achieve this ambition. First, I would say that we have got our work cut out in putting the two teams together and driving the integration and delivering the synergies. The second thing, I would say even in the categories that we play, and that's India specific right now, is that we've got enough headroom - whether it's tea, whether it's salt or recently we talked about Sampann, there is enough room to play. As we put our strategy together, we will look at which are the additional categories that we could play in. Just one rider though, that we will play for categories to make sure that they add value to all our stakeholders. We will shift through the funnel and narrow down on a few specific areas. We will evaluate both organic as well as inorganic opportunities to grow. Like I mentioned, I have been 40 days operating from home. So, as and when I get down to the ground level, interact with the troops, put the integration teams together, we will come out with a more holistic strategy and we will let everyone know.

Rakesh Sony: Thanks Sunil. I'll go back to the calls now. So, Rio, can you just move to the next caller please?

Moderator: Yes, thank you. We take the next question from the line of Parag Thakkar from ICICI Prudential Asset Management. Please go ahead.

Parag Thakkar: One part of my question is answered on Tata Sampann and how do you plan to expand this brand into various other categories. So that part is answered. Now coming back to the thing that we're seeing some disruptions in supply chain. So, how is this post March period going for Tata

consumer, because most of our categories are essential categories. So, there is no demand issue at all. The only thing which remains to be seen is - Are the workers coming, and factory running 100% or how is the logistics. So, how are we positioned in that, is my question?

Sunil D'Souza:

Yes, so as I mentioned earlier, in the initial days of the lockdown, in the last week of March everyone struggled a bit as things were not very clear. But over a period of time, all the authorities also got their heads around on how to get things moving, including the government Suraksha store campaign to assure consumers that it is safe to shop, etc. As I mentioned in my slide also, in India all the packaging units are up to speed. We've got a decent amount of inventory, but logistics and people are still a challenge. Depending on market-to-market, some places there are tighter rules, while some places it is relaxed. But the overall the situation is much better in April. Let me put it this way, we are landing up better than what we thought we would land up in April. That's for India. In the international markets as L.K mentioned, there are some markets where lockdown is severe and are still continuing on a high degree of pantry loading. There are other markets where as things ease, we are seeing the demand patterns taper off. So different phases across markets, every unit is dealing with it differently. Coming back again, reiterating in India, we've come a long way from where we thought it would be. Still some way to go, but yes, a far better situation.

Moderator:

Thank you. The next question is from the line of Karan Sharma from Prudent Capital. Please go ahead.

Karan Sharma:

I would like to ask you a little longer term question. So, we are a FMCG company but if you look at most of our performance metrics over the years, our EBITDA margins if you compare with a domestic FMCG company, or our growth rates, or even if we look at the ROEs that our company has. We are at a very lower level compared to most of our FMCG counterparts in the domestic market, which also have business globally. Now that you have come into the business, what are a few key areas that you are targeting, that we as investors could see changes in these parameters over the next three to five years. If you can outline some of those?

Sunil D'Souza:

So, let me put it this way. To drive up efficiency ratios, there are only two or three ways to make it happen. Number one is to drive the top line, number two is keep the costs tight, number three is watch the cash and make sure that your capital pays off. So, we have what it is on the balance sheet because of historical reasons. But beyond that as we move forward, like I said, one is to be bring the two businesses together to drive top line aggressively and we will continue to look for opportunities beyond what we have to drive the top line. The integration process is to make sure that we are creating a future ready organization and a structure to drive growth, so that as we launch more categories, we will get full leverage of the costs that we put in today. And we don't have to keep adding costs as we move forward. And third thing, most importantly is watching the cash and watching the capital flows right. That is the thing that you can do to continue to move the return ratios to the positive side as we move ahead.

- Karan Sharma:** Okay. So, sir any particular area that you are targeting on the EBITDA margin level or on the ROE level where in you would wanted to be above a certain level in the next three years or which we could look at, any particular number on that?
- Sunil D'Souza:** I don't think we have a number in mind but we need to get on to the benchmark of the FMCG space. I give you that and we will be trending towards that. Like I said, there are different ways to get there and different timeframes, but the objectives will be to continue to drive them up North.
- Moderator:** Thank you. The next question is from the line of Chanchal Khandelwal from Birla Mutual Fund. Please go ahead.
- Chanchal Khandelwal:** Looking at your experience in the past, you have worked with Unilever, PepsiCo and then Whirlpool, we've seen how you have turnaround the organization. But most of these companies had some advantage in terms of either strong parentage and you were able to dominate the category which you were present in. Just picking up the thought process on this Sunil, how do you look to change the company because food normally is a lower gross margin category itself and staple food is a lower gross margin category and consumers are not willing to pay much higher for packaged food in which Tata Sampann spices and pulses are present. What are the differentiation in processed food you can play out and what are the thought process you have to play in the entire space. Thanks.
- Sunil D'Souza:** So, again, I would reiterate what I said earlier in the call. 40 days without having walked the market, right. So, I'll give you my thoughts once I do that...
- Chanchal Khandelwal:** Sunil, where I was trying to pick your brains, your past experience and when you joined Tata Consumers, you must have some thought process as to what you can do from your experience and how you can turn around the business. I'm just trying to pick your brains from that?
- Sunil D'Souza:** No, it's a fair point. So, I'll tell you why I joined Tata Consumer. It was the vision of the board, which spurred me., When you have a brand like Tata which has got a 99.9% recognition across the country, probably the most trusted brand in the country and the group is willing to put resources and drive this company. Tata Consumer Products, which has brought together two great teams, great people, great brands, and willing to put resources to drive it to the next level. I don't think you can find a better match with that, that's one. Second thing, like you said, right now, the brands that you see are largely playing in the commoditized or moving from the unbranded to the branded segment. Work in process to make sure that we are adding value to the portfolio. As we move ahead, we are premiumizing the portfolio. And for that understanding consumer insights, crafting the right products, positioning them right and distributing them right is the critical piece. This will be the result of the work that the integration team is doing. Last leg of which I mentioned is the growth strategy. We will be laying that down and then you would start to see slowly, more and more value added products moving out of our stable.

Rakesh Sony: Thanks for the questions Chanchal. So, we will go to the webcast now, we'll take two, three questions from there, and then we come back to the call. So, there's a question from Aman Batra from Goldman and his question is - International business have seen margin improvement, yet there is impairment taken. Does this pertain to different pieces of international business?

L. Krishna Kumar: Yes, it does. We look at impairment from a cash generating unit perspective and the cash generating units are at the lower level right now and clearly, specifically are relating the impairment to Australia and to US market. And these are as far as Australia is concerned it relates to the MAP Business, which is coffee and a large part of that business is supplying to corporate and supplying to food service. Similarly, in the US we have a food service business, which is part of the US operation where Eight O'Clock is big, The tea business is much smaller and within the tea business we have got branded and food service. So, the impairment largely reflects the weakening of the food service and the impact of food service. So, we have taken a conservative view on the time it will take to recover and also in terms of market dynamics, we use certain rates to discount. And in the context of market moments because of COVID, there is need to take high discounting rates than we have done in the past, but largely it relates to outer home business and not to do with the core branded business. In fact, like in other markets, both Australia tea as well as tea in the US, I am talking about Tetley in the US, have seen good demand because of in-home consumption.

Rakesh Sony: Thanks. L.K. There's a question from Utkarsh Maheshwari from Reliance General Insurance and his question is - Sir, how do we read Starbucks path ahead, as social distancing may give much lower space to use upon. Also, are we doing any rework on rental agreements as possibly a good six months ago, before we see full swing resumption of cafes?

L. Krishna Kumar: So, overall yes, there is an impact on out of home and the stores did close in March. However, today we have over 30 stores operating and both doing a little bit of sales on a pickup basis as well as on delivery basis. Yes, we are looking to rationalize costs and when you look at rationalizing costs, it also looks at renegotiating some of the rentals. But what we are trying to do is to go to a model instead of it being fixed, link it with revenue and restructure it, so that it is linked to future revenue. So, it's not that they're asking people to forego, we are doing a bit of restructuring on the rental. And by and large, a large proportion of the owners seem amenable to that.

Rakesh Sony: Thanks L.K., just for the benefit of everybody I am ignoring questions which has already been answered by Sunil or L.K in some form of the other. So just bear that in mind. So, I'm just showing you the question that have not been asked. We have Ankit Jain from Mirae AMC and his question is – What is the extent of headwind to profitability in the near term because of Starbucks, Plantations and PepsiCo JV because of lockdown., I think this question has been answered. I'll go to Latika Chopra from JP Morgan and she is saying thanks for the detail presentation and that in your assessment so far about the various facets of the business, what will be the key challenge you foresee in achieving the vision that team has said though, you mentioned about portfolio expansion, distribution enhancement, etcetera. Which specific

capabilities you believe Tata Consumer team needs to build on and would be medium term focus for you? Sunil could you take this. I think you spoke about it already but can you please address this?

Sunil D'Souza:

Just to reiterate this, as we bring the two businesses together and create the integrated company, we are immensely focused on creating the right structure where people have enough focus on the specific areas that they control. We are creating a front end which is capable of addressing multiple categories as they're going to the same kinds of outlets. We are ensuring that the back end runs efficiently and is cost focused as we move ahead, while making sure that we're injecting the right capabilities in terms of digital, talent among others into the company. I do believe, that once we put this together and as we move ahead, we will add categories, either organically or inorganically. It would be a plug and play and therefore a high leverage on the structure that we have. So, that is the focus today. Multiplying distribution, faster innovation, ensuring cash focus, driving efficiency with superior terms of trade with channel, looking at supply chain opportunities and scale efficiencies in marketing, packaging. It's all part of the mix here.

Rakesh Sony:

Thanks Sunil. One last question we'll take from the web and then we'll go back to the callers for maybe last two. Prashant from Sundaram Asset Management. Are there any more opportunities left to divest in the international operation,, while Tata Sampann could be the brand to look out, for in foods apart from Tata Tea., What are the opportunities being discovered in beverage space? Sunil this is for you.

Sunil D'Souza:

So, let me put it this way. When you decide your portfolio, whether it is in product or in geography, it is contextual and at a point in time. As a company we constantly look at our portfolio from a geography perspective from time-to-time, so that's why for example we've divested our China, Russia and recently Czech Business. So whether it is an addition or a subtraction, it is not a decision made from longer term right now. It is a time-to-time decision as and when we see a business not fitting into the portfolio, we will take a call on it. Rakesh what was the other piece, Tata Sampann right?

Rakesh Sony:

Yes, Tata Sampann. The question was while Tata Sampann could be the brand to look out for in food apart from Tata Tea, what are the opportunities being discovered in beverages? So, he basically saying that tea and food we are aware, but what are the plans in the beverage space, liquid beverages?

Sunil D'Souza:

There is work in process both in packaged beverages as well as in the liquid beverages. On the packaged beverages, it is making sure that we give the consumers what they want in terms of health, taste and convenience. So, whether it is packaging formats or products with a twist on certain ingredients and health benefits. The R&D team has put stuff together and we are looking on whether to commercialize it and when to commercialize it. There is a detailed work being done on the profile of taste of the Indian consumer. And again, various developments in place. I guess as and when, we start putting the structure together, the lockdown lifts out and we get a bit of time, you will start seeing this playing out.

- Rakesh Sony:** Thanks Sunil, another question from Atul Mehra from Motilal Oswal. Could you talk about the CAPEX intensity of the business going forward. What is the direct reach of the consolidated distribution?
- L. Krishna Kumar:** Okay, so there are two questions right. Our overall CAPEX, in the normal course, is in the around INR 150 crores. And we talked about that in the past that with the Salt Business, we don't see any CAPEX because it's procurement led. There is not going to be high CAPEX intensity in the current model for pulses and spices, as the packaging is done through co-packers. So, at this stage that also helps us to be keep capitalized since there is some pressure on margin. But at this point in time, we're not looking at any capital intensity. As we scale up the business and we reach more critical mass, then we'll evaluate closely whether we need to put up some dedicated facilities. So, I'm not seeing too much of incremental CAPEX from where we are, in the short term for running the business as it is. On distribution, Sunil would you want to answer that question?
- Sunil D'Souza:** Yes, distribution we reach about 2.5 million outlets together as system.
- Sunil D'Souza:** Directly would be about, I would say about 400,000 to 500,000 outlets as of now. But the objective is that we want to reach more outlets directly. And then using the wholesale multipliers that we have, expand our coverage beyond the 2.5 million outlets that we have.
- Rakesh Sony:** Thanks Sunil. We'll go back to the callers. So last two questions before we end the session. Rio can you request Neeraj to ask his question.
- Moderator:** Neeraj Prakash from Nepean Capital. Please go ahead.
- Neeraj Prakash:** I just had a question, what I got from your commentary as well as the presentation is the focus on India FMCG. So, just looking at the segments, the Tata Coffee and the unbranded sort of B2B segment doesn't really fit in with that. So, is there any sort of strategic thinking for the longer term regarding maybe a potential divestment or demerging it. And just another small questions in terms of your operating cash and surplus of INR 1000 crores, what is your general sort of thought process in terms of capital allocation priority for that?
- Sunil D'Souza:** So, the Tata Coffee question let me put it this way. Right now, Tata Coffee is a subsidiary of TCPL and it is absolutely an integral in terms of trying to build forward play into coffee if I may call it and like L.K said, when you look at the Vietnam extraction, for example, the margins are quite good. So, it's a question of what part I ramp up and what part do you play down. So, I don't think we've reached that conclusion as of yet, like I said work in process. And as and when we get to it we will come back to you. And the second piece was?
- Neeraj Prakash:** Capital allocation?
- L. Krishna Kumar:** On Tata Coffee, basically we are with Sunil coming in and even otherwise, we are evaluating all parts of our business. Tata Coffee extraction, has strong relationship with customers and in

fact our Starbucks relationship started with Tata Coffee, which was first to establish relationship with them. So, we think there are certain parts of the business which are interesting, but we are taking a closer look at how we want to organize ourselves and take advantage of whether they will give us further impetus for growth. So, we will come back to you later in the year on what, as we outline our strategy, on what also we will do with some parts of the B2B business. As far as capital allocation is concerned, we are looking at, we opportunities for growth. So, there's no fixed plan yet, we have some idea of categories, but it's in exploratory stage and maybe later in the year we'll look at it. The overall idea in the short term is to focus on improving returns from whatever we've invested. But we will look at opportunities to deploy cash later in the year.

Rakesh Sony: So, Rio we go to the last question. I think Devika there.

Moderator: Yes, we take the last question from the line of Devika from Ratnabali Investments. Please go ahead.

Devika: I just had one question regarding the International Business. I wanted to know a few more details as to what resulted in such good numbers from the International Business?

L. Krishna Kumar: Yes,. Are you referring for the overall year or for the quarter?

Devika: For the quarter specifically?

L. Krishna Kumar: The yearly spend is more important but for the quarters specifically there is consumers stocking up because of COVID. What is happening as a trend because of COVID and you are aware that consumption for out of home is practically not there or declined significantly. So, people still consume the same amount of tea or coffee and they consume more in home. So, brands which supply in home have benefitted as in the initial phase of COVID, or whether it is lockdown, consumers stock up and they buy more. I'm sure you're doing that in India today. So, if your normal buying was one for a week, we'll probably be stocking up for a couple of months at least. So initially, you're buying more. So that impact of bump up in sales is there in quarter four. Independent of that, you're seeing that international performance even for the full years is an improvement from where it was. This has been driven by some amount of cost rationalization, softer commodity price and a little more incremental distribution compared to the past. That has further improved due to the COVID impact. Jury is still out as to how much of a demand and in home consumption will stay or to be reversed over a period of time. We'll have to watch and right now is a little early to predict on what will happen.

Rakesh Sony: Rio, let's go to the last question now.

Moderator: Yes, we take the last question from the line of Sumant Kumar from Motilal Oswal. Please go ahead.

Sumant Kumar: So, when we talk about the salt story is going to replicate to other India Business like pulses, besan and spices. But when we see the price point, the price point of pulse and besan is higher

compared to salt, and also the competition for pulse and besan is the private label. So how are we going to replicate the story of salt for other food business?

Sunil D'Souza: If you step back, I think the story in the pulses will have to be played slightly differently than salt because like you rightly said there are already semi branded products if you go out there in the market. But with the Tata brand name, there comes quality. Further, with the distribution and the marketing that we will put in and bring in efficiencies on procurement and logistics to make sure that it is at the right pricing point for the consumers. We can play a good game in this. Right now, everyone is selling pulses. But finding the right quality, adding the right ingredients, adding the right benefits and giving the product with all this to the consumer is important. So, work in process. We are right now starting backwards. We got to make sure we win with the consumer. Once we have done that, you will see more rollouts coming up.

Moderator: Thank you very much. We will take that as the last question. Now, I would like to hand the conference over to Rakesh.

Rakesh Sony: Just for everybody's information that all the questions that has been asked on the webcast, we will try to answer all of them. And we'll send them a reply. So, Rio now, you can go ahead.

Moderator: Thank you very much. I would now like to hand the conference back to the management team for any closing comments.

Rakesh Sony: Thanks Rio and thanks everybody, who have come and attended the conference, especially so late in the evening and till 8:30. I'm sure being at home you would have a lot of work to finish. So, we will not hold you any further and with this, thank you so much. Sunil, you would like to say any final comments.

Sunil D'Souza: Thank you everyone for attending this call. I think Rakesh said right at the beginning of the call, this is the first call of the Tata Consumer Products Limited. Also, I'd just like to reiterate comments which I made with an additional disclaimer on everything is 40 days working from home and giving you this answer. As we move through the quarter and the year, I think you will get much more clearer answers and much more clearer pieces of the strategy that we're going to play. I look forward to sharing that with you. And thank you very much.

Moderator: Thank you very much. With that we conclude today's conference. Thank you for joining us, ladies and gentlemen. You may now disconnect your lines. Thank you.