

"Essel Propack

Q2FY2019 Earnings Conference Call"

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Moderator:

Ladies and gentlemen, good day, and welcome to the Essel Propack Q2 FY2019 Results Conference Call hosted by Emkay Global Financial Services. We have with us today from the management, Mr. Ashok Goel, Chairman and Managing Director; Mr. M.R. Ramaswamy, Chief Operating Officer; Mr. Vinay Mokashi, Chief Financial Officer; Mr. Amit Jain, Head, Treasury; Mr. Deepak Ganjoo, Regional Vice President, AMESA; and Mr. Ashok Vashisht, Finance Controller, AMESA region. As a reminder all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference please signal an operator by pressing "*" and then "0" on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Varshit Shah from Emkay Global Financial Services. Thank you, and over to you!

Varshit Shah:

Thank you. Good afternoon, everyone. I would like to welcome Mr. Ashok Goel and his entire management team and thank them for giving us the opportunity to host the call. I will now hand over the call to the management for their opening remarks. Over to you, Sir!

Ashok Goel:

Thank you, Varshit, and, Emkay, for hosting this call. Ladies and gentlemen, good afternoon. Welcome to Essel Propack's September quarter investors call. I am sure all of you have already received the info pack that has been sent. So therefore, I believe that all of you have had



the chance to go through them. Specifically, if I were to talk on these numbers for September quarter, India's story on pharma was known; we had spoken in detail about it last quarter. Last quarter, we also talked about the transport strike that was ensuing at that time in India. And we also talked about Assam ramp-up, the costs of Assam, which have been there this quarter and now the ramp-up benefit that we expect to happen and the new laminator, which is now under commissioning. And we hope that by 15th of November the new laminator will be commissioned in India, thereby more than doubling our capacities for laminates. That should also help to sell more laminates, apart from consumption for the increased volume for tubes.

India numbers have seen negative growth. This, coupled with one specific customer we alluded to even last time, has not yet come back in terms of their demand. Our wallet share has not changed. So if I were to report based on exception, then India was an exception.

Going forward, as I see the numbers spanning out for India, I can say that India, on an annualized basis for this year, shall grow at about 12% in revenue terms. So it will more than compensate the loss in the first half of this year.

I would limit my comments on the numbers only to this extent. Then of course, we will all be very happy to answer the questions that you may have.



Last time in the call, we talked about the new challenges that were there in the market, the volatility involved. We talked about e-commerce, about forecasts becoming more and more volatile, our having to respond fast to customers and, therefore, the need to identify the bottleneck processes in our system. And to address those, we were to identify improved processes and newer technologies. I also mentioned that we were in the process of developing certain technologies, and that some technologies were identified. We also talked about '0' defect and how that will help; and about availability of human resource in certain geographies, etc.

So in a nutshell, what we talked about last time was the new set of learnings and new business dynamics that are there, more so when we embark upon the journey of Non Oral Care growth. So these learnings become even more, shall I say, stark or more pronounced.

I am happy to say that we have taken certain steps and moved ahead. We have moved ahead on 2 fundamental points. One is how do we improve on our engagement with the customers. For this, we strengthened our business development teams. We have also strengthened our new product development teams. That is on the human resource side.

On the technology side, we have worked upon a lot of main bottleneck processes that we have. I cannot mention details for competitive reasons in this call, but a lot of work has been done in that direction.



An example I can give is that for quick turnaround of our orders. The process involved in handling the artwork that comes from the customers. Is quite complicated. So we have invested in a unified artwork processing system across the world, which has been deployed.

And on, 0 defect, we are now starting to commercially order the inspection systems'. Therefore, a lot of work has gone in and all this has resulted in our having ever-stronger business development pipeline. And that gives us even more confidence on our growth for the coming period, specifically for the second half of this year, and in the next financial year; the stronger pipeline that we see gives us a good amount of confidence. Therefore, we are doing everything that we can to make ourselves ready to deliver on our numbers.

Sometimes I get feedback from you when we meet off-line one to one, that it looks like the business has got complex and is becoming more and more complex. To some extent, I agree with that comment. And that set me, actually, honestly, thinking. We have, every 4-months, a global leadership meet, where we all meet personally at one location. We have had a lot of discussions around how can we simplify our business. If we cannot simplify the business in terms of front end - that means in terms of engaging with the customers - then in the rest of the things that we do, how can we systematically identify things and processes whereby we can simplify life for all of us working in the company globally.



We have also identified some things - I am not saying we have identified everything at this stage- but we have identified certain things like simplifying some of the processes in our Information Technology, software intervention etc.

Now let me give you an example, so that I can be more clear about what I mean by that. And again, this is not very technical. So probably it will be easier for you to understand.

Let us take an example; we have so many colours of inks that we need to have to cater to various print requirements of the business. What we typically have been doing was that every time a new color of ink came, we were identifying it by the Pantone shade number. (Pantone is the shade card used universally for colour development.) Then we have to custom order that ink from the ink supplier. Now imagine the amount of churn that happens, particularly in Non Oral Care, more and more colors coming in and, therefore, more and more ink SKUs we have to keep and specifically order; and some that are not available, we have to get our suppliers to mix match colours to get the exact right color of the ink, so that they can produce the tubes.

We have now started to do this in partnership with ink suppliers. In other words, what I'm also saying is that we have not invested money in this, but, on the guarantee that we will buy certain volumes from those ink suppliers, they have invested in our factories in what is called ink



kitchens. This basically means that we get 10 or 12 colors of ink. And there is software and instruments that, on a click on to the shade card in the computer, the computer will give the instruction, will come up with the recipe. And once you click okay, the machine will automatically draw that many grams of different basic inks. And they will mix and deliver your ink-desired color.

So what does it do for us? What it does is for the printers, for the guys in the printing department, they do not have to waste time in mixing the inks themselves and going back and forth to get the right shade. And it reduces their pain. It reduces the number of SKUs ink inventory that has to be kept. It simplifies the task for the supply chain guys because they have to source only 10 -12 colours of inks; and it helps meet the targeted timeline for the customers. So this is one example.

I think as we speak, we have ink kitchens in 6 factories right now. So this is an example of how, as the business is becoming more complex, we also simultaneously have to find ways to simplify tasks of our people, so that they can continue to do value added jobs.

So with these learnings and all the capabilities that we have built, that's what I alluded to last time, our front-end teams are more confident. One, they are a seasoned team. Two, they are more confident and are more energized and as a result, we see a much healthier business development pipeline. I had already explained last time that we have 6 stages of



customer development, which is standardized globally. And therefore, we are confident that we will continue to grow our business.

So with that, I will hand over the session to you for your questions. Thank you.

Moderator:

Thank you very much Sir. We will now begin the question and answer session. We will wait for a moment while the question queue assembles. We have our first question from the line of Agastya Dave from CAO Capital. Please go ahead.

Agastya Dave:

Sir, one question. This is like Sir, I just saw a flash in city, and this is some time back, and they were reporting that the probability to exit the business. Any comment there, Sir? Where are they getting this info from? What is your reaction to this?

Ashok Goel:

So let me say what I have already said to stock exchange in city, alright. So as a company, we always look for opportunities to increase the stakeholders' value. As a result, have been, as far as I remember I have been in the business, engaged with somebody or the other for potentially acquiring some companies or potential mergers with each other so that we could grow the business. And some people also come with a proposal that would you consider getting in a strategic partner or something. So all these discussions are part of our normal life, I would say. And therefore, I cannot say that we have not engaged with anybody at any



time; we may be. If I deny now, I may be engaged by Monday. Who knows? So that's what my response to this is.

Agastya Dave:

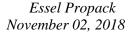
Okay. Sir, on the Non Oral Care business in the Americas - there was a slump in the share of revenues. Sir, any commentary on that? And finally, sir, you have given certain adjustments across all geographies. The extraordinary items, for example, the impact of the strike and the problems in India. Could you translate that into an adjusted PAT number or an adjusted EBITDA number. You have given the revenue impacts, could you somehow, I mean, if it is possible, either qualitatively or quantitatively give the corresponding EBITDA and PAT-level impact? And finally, sir, you mentioned qualitatively that the pipeline looks very good. And in the first quarter, you accepted we strive to achieve 15% CAGR revenue and 20% PAT. So are we again heading back into that groove of achieving those numbers?

Ashok Goel:

Okay. The Americas Non Oral Care is 4.8% improvement in the composition. So yes, that's the fact. So I'm not sure what you want to know about it. Can you repeat that, please?

Agastya Dave:

Yes. Sir, so obviously, there must be some new business that has come in. So have you reached, for example, the full potential of the business already in this quarter? Or we see more subsequently we will see bigger rises or we have reached that level? I mean, just a commentary around that, Sir. What exactly happened? And what is expected to happen?





Ashok Goel:

Okay. Good. So the 4.8% so far is composition change that has come, obviously, from the initial start up, meaning the beginning of the new contract wins. It obviously, therefore, is not fully factored in as we expect more and more business to come in. So this specific comment is about U.S. Now we are doing a similar thing in Mexico. In Colombia, what we did was what is called' tail cutting'. What that mean is that any business, which is low margin, we will ask the team to stop taking those businesses, and replace the business with those that has better margin. And those better margins, typically would have some, in the case of Colombia, from Non Oral Care business. So this, obviously, is not the full potential as far as Americas is concerned in Non Oral Care. And as we keep sampling more and more new product development as we call it new products that are coming in slowly, gradually, we will keep ramping up the commercial supply for the rest of the year apart from other more wins that we are still expecting in the U.S. and which may spill over in terms of commercial supply over next year.

Agastya Dave:

Okay, Sir. And just finally, the EBITDA level impact or PAT-level impact if you are comfortable sharing that, after disruptions in India due to pharma and the impact of strike. You have given the revenue impact, what would it have translated at the EBITDA level?

Ashok Goel:

Amit will answer that.



Amit Jain:

Basically if you see in Info pack on Page 2, we have given the impact on EBITDA and EBIT – both given the disruptions: Pharma and the transport strike.

Agastya Dave:

I am sorry I missed that. Sorry about that, Sir, I will be more than happy to follow up, sir.

Moderator:

Thank you. We have the next question from the line of Nihal Jham from Edelweiss. Please go ahead.

Nihal Jham:

Sir, my first question was on the India operations We think last quarter you did mention about the disruption in Pharma and do you still expect growth in the remaining part of the year to be around 10%? Sir, just wanted to understand that this quarter will the impact that we saw lead to a negative growth coming in? And secondly, if I am right, are you still expecting the whole year in there to do 12%? And if that is the case, what gives us that confidence?

Ashok Goel:

Yes, Nihal, you are right. So first half, we saw negative growth. So second half, we are not saying second half will grow at 12%. We are saying the full year will grow at 12%. Which means that the second half will be performing far better than first half.

Nihal Jham:

Sure, sir. So is it that you're expecting the customer to come back? Or there are certain initiatives that will fortify in the second half?



Ashok Goel:

So a couple of things. One- Pharma is already beginning to come back, right? And by next month, probably we will see more or less everything getting cleared out. That is, for both regulatory changes and Pharma; one is on the generic change, another one is on the combination drugs. So I think most customers have come up with their own solution of reformulation and new artworks, which we have been continuously turning out. So therefore, pharma business, and that pharma business is not just the existing business that we have, we also have the new business that is coming in on pharma. So therefore, that is one confidence. Second confidence is Assam ramp-up will happen. Assam, as you know, we started commercial production in July this year. That means, so far, the revenue from Assam has come from August and September. So as we progress, the ramp-up of Assam will happen. And some bit of extra sale from laminate sale will also come from the new laminator.

Nihal Jham:

Okay. Sure. So we've acquired new customers in the Eastern Region one of the plants in Assam has come up?

Ashok Goel:

In India, yes. The new plant in Assam has come up, which we started the commercial production in July this year. There are some Pharma customers there, but there are also some Non Oral Care customers. Now that does not mean they are new customers; they could be all existing customers. But because we were earlier supplying them from plants which are closest to Assam from, let's say, Baddi, now we have a



factory there so as a result we will have a better wallet share from those customers.

Nihal Jham:

Okay. Sure, sir. So just on the other region in Americas you're seeing that at least in the constant currency trend was pretty good for the last few quarters. In this quarter there has been a bit of a marginal dip in the trend. So any specific reason why this has happened?

Ashok Goel:

On the Americas region? On the currency you said? Constant currency.

Nihal Jham:

Constant currency growth.

Vinay Mokashi:

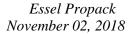
Constant currency, 2.8%.

Ashok Goel:

Margin is lower than the growth, yes. So U.S., if you see the Info-pack t primarily, the costs in the U.S. particularly has gone up because the wages have gone up in U.S. And wages have gone up across the levels, so right from the shopfloor to the management levels. And this is a general trend in the U.S. it's not just for Essel Propack. And so therefore, that has impacted the margin a little bit. But as we increase more volumes, that would get compensated.

Nihal Jham:

Right. So growth in America what I was mentioning is the constant currency growth is more closer to 6%, 7% in 2018. And I think we did 21% in 2019. And you mentioned about all the units in that region, but





what is it is that this quarter has come in at 2%, so just trying to understand that comparison.

Ashok Goel:

There you see basically the growth mainly has come from U.S. in the Americas region. Mexico has remained where they were. Colombia has stayed more or less where they were. Of course, we expect them to do better in the second half, for Mexico and Colombia as well, while the U.S. ramps up their new business pipelines.

Nihal Jham:

Okay. Sir, could we get the one-off income that was there in the European region in last year? Because I remember that in 2017 that we had this one-off income coming from the royalty or the lease payment that you mentioned. So what was that amount last year?

Ashok Goel:

See this has been coming, I think, for last 2 or 3 years, which is why it doesn't qualify as exceptional income. This was mainly, just for everybody to recollect, coming from a licensing agreement we had of a patent, which we gave the right to use to some printing and other manufacturers. So last year, we had got this money which was about \$500,000.

Nihal Jham:

I think I remember in the Q2 2017 you mentioned that \$35 million you got upfront and INR 30 million was recurring amount that you were getting. So is that figure something we've got this year also in the European region or it stopped accruing this quarter?



Ashok Goel:

No. So there are 2 parts to this question. One, I do not know that number. I do not remember this rupee number that you are talking about. This year, we have not received this income. Whether we are not going to receive, whether we have stopped getting this income, we can't say because if the machine manufacturer is able to sell more machines, then we get more income. But the agreement is still valid.

Nihal Jham:

So is the margin correction in the Europe region primarily related to this income, this royalty income aspect?

Ashok Goel:

So this year, we haven't received this licensing income. And therefore, we have seen a dip in the margin there.

Nihal Jham:

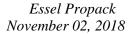
Sure, Sir. Sir, one last question to the participant we mentioned earlier about certain rumors and new slash rules, which are coming in. I understand that there are always discussions happening. But is it certain from our side that we want to keep management control of the business going forward also?

Ashok Goel:

Honestly, we outlined this growth speculation, I cannot comment anything more. It's life. It's ever changing right? Anything can happen.

Moderator:

Thank you. We have our next question from the line of Ritwik Sheth from Deep Finance. Please go ahead.





Ritwik Sheth:

Sir, just a couple of questions. First of all, on the Europe part, we've done around INR 150 crores, this is the highest ever since we have acquired EDG. So do you think that this is sustainable going forward? And if we exclude the INR depreciation gain, what is the peak revenue that we can do quarterly?

Ashok Goel:

Ritwik, Europe, according to me, can only do better from here. So if it is a peak, I think we seem to be picking up, you analyze the data quite well, it looks like the last 4, 5 years, even last time you had a similar question. So is it a peak? I do not think so.

Ritwik Sheth:

No, I am asking you, Sir, what can we do at peak revenue?

Ashok Goel:

I understand it. So you are saying it's likely the peak for now. But I am saying, looking ahead, whether it's peak, I am saying it is certainly not a peak looking ahead. So we obviously, in other words, I am saying we will do much better even than this.

Ritwik Sheth:

Right. Okay. And so ex of this licensing income, what is the EBITDA margin that we can expect from Europe?

Ashok Goel

If you look at what we have this time Ritwik, you have looked at EAP, EAP, the last bullet point, we have sequentially 20.1% revenue growth resulting in 74.3% EBIT growth, and we have also said is a clear example of operating leverage, right? We made sure that we put it this time and this is applicable not just for EAP but for Europe also. Europe





also you have seen a similar thing. So obviously, after certain scale of volume, the entire [GC] margin tends to flow to the bottom line.

Ritwik Sheth:

Okay. So we can do somewhere in like early teens or something?

Ashok Goel:

Yes, I think last time also I have answered this question extensively. No geography has a target which is less than 20% EBITDA margin, right? And we will continue to work every geography, we will keep pushing and we will keep supporting them to achieve those to move in that direction. And we believe it can be done. The question is, how quickly can we do that? That we can only say that as the volume grows higher, the EBITDA margin or other margins will keep improving faster.

Ritwik Sheth:

Okay. And Sir, we will stick to our guidance of like 12% to 15% for FY2019 and similar for FY2020?

Ashok Goel:

2019, I assume that the revenue growth will be about 12% annualized on constant currency. And profit margin number, the similar number.

Moderator:

Thank you. We have the next question from the line of Atul Mehra of Motilal Oswal. Please go ahead.

Atul Mehra:

Good afternoon. Thanks a lot for the opportunity. Sir, just one question on raw material inflationary environment and this passing it on further to our clients. So how is it like? And what is the kind of timeline that we could expect like the transition to come about? Because the concern here



is a lot of oil-related industry we have seen that on the way down, a lot of industries benefited, but on the way up the pricing power is not getting translated, so any comment from your side on this?

Ashok Goel:

Yes, two good points. So let me first answer this on a fundamental basis rather than answering directly. I will come to that also. If you look at Essel Propack, our value addition is 50% or more, right? So that is first fundamental difference that you should see when it comes to raw material prices. Second, the raw material prices, I think, at the cost of repetition let me say, on a longer-term horizon has a direct correlation with the oil prices, but on a shorter time horizon, it is not necessarily linked, which means that from oil to other building blocks like naphtha to ethylene to polyethylene or other polypropylene, whatever. So 2 basic building blocks are naphtha and ethylene. As oil has its own orbit of price and demand and demand cycle, ethylene has its own different orbit of demand and supply cycle, so naphtha and then ethylene. Then it droplets into polymers, let us say. So therefore, it is not directly immediately that the changes happen. But let's assume that the raw material prices have gone up. In our case, it is mostly because of the rupee depreciation. Now if you see rupee depreciation, rupee depreciation has not come to the 73 today or 74.50, whenever it did not go in one go, right? It went into stages. So every stage it went up, we went to our customers for price increase. So the first stage of price increase we have already got. Second stage from INR 69 to a dollar to 73



or 74, we have already put in a request to some customers. Some we are doing now. So that's the only lag otherwise there is no impact. So to my mind, if your question is, how much of the raw material price pass-through could have impacted my margin, I would say not more than 0.3%.

Moderator:

Thank you. We have the next question from the line of Vikas Sharda from NT Asset Management. Please go ahead

Vikas Sharda:

So one question on the income from associate this quarter, it has shot up quite nicely. So could you explain that?

Ashok Goel:

Yes. This is from Indonesia. Indonesia in the same period last year, had a loss. This year, they have pumped up profit; so we are 30% shareholdesr. So that's the share of profits.

Vikkas Sharda:

So is this from operational profits? I mean no one-offs there?

Ashok Goel:

It could be. I think they had a fire last year, they had shown a loss. And therefore, we also reported loss. This year, they've got some insurance claim, is it? Yes, insurance claim and therefore that's the share.

Vikas Sharda:

And one thing on this gross debt which the investor basis on a constantcurrency basis it stands at a certain number. So I mean is that the number, which we should look at? Or I mean it is adjusted number.



Ashok Goel:

So Vikas, actually the published number will be different because if you translate at the current rate, 72, 74 on which the balance sheet is getting translated. That number is higher. But for the comparison purposes, September rate converted at March exchange rate the number that is given in the information pack, which is Rs.770 Crores. It is Rs.816 Crores.

Vikas Sharda:

Rs.816 Crores. Okay.

Moderator:

Thank you. We have the next question from the line of Harsh Shah from Emkay Global. Please go ahead.

Harsh Shah:

Yes. Sir, I have a question on the balance sheet side. The capital employed has got a little bit under in the business. So could you just highlight the working capital stretch on that side? Or inventory?

Ashok Goel:

Vinay will answer that.

Vinay Mokashi:

So particularly working capital has gone up in India because of the Assam factory we have put in. And also we have invested in laminator, and that is why the working capital has gone up, capital employed has gone up.

Harsh Shah:

So if I were to understand correctly, so then I think the revenues will then normalize going forward. So will so it has become again in the similar proportionality it used to be?



Ashok Goel:

As explained earlier said that Assam factory ramp-up is on the way so that revenue will be generated from those investments. Then to laminator will get commissioned in this month, so we can expect additional revenue from new laminator as well.

Harsh Shah:

Sure, Sir, could you please give us a summary of the cash flows taken for H1, I mean the headline numbers, if possible?

Ashok Goel:

Cash flow we can give you offline, if that's okay?

Harsh Shah:

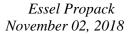
That is absolutely, okay. And Sir, overall, any margin outlook on a consolidated basis for the full year? You mentioned you are still maintaining more or less. So that I heard it correctly, right?

Ashok Goel:

Yes. So this year, every time I have been saying the profit to grow faster than topline. This year, I am saying we will probably our profit line will be same as topline growth, because as I mentioned in my opening remarks that a lot of investments that we have make on the 0 defect, on simplification of things and other stuff that we are putting in, so there will be a little higher charge on interest and probably depreciation.

Harsh Shah:

Sir, one more last question. So you mentioned that you are already in talks with customers for a subsequent increase to cover up the INR depreciation. Assuming that happens, so what is the approximate margin improvement on an overall basis that you are expecting because of this?





Ashok Goel:

As I said, if it had to impact me negatively, it would have impacted me only 0.3.

Moderator:

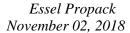
Thank you. We have the next question from the line of Ankit Gor from Systematix. Please go ahead.

Ankit Gor:

Thanks for giving the rundown on measures you have taken to improve overall operation. Sir, my first question with regards to if you can give us some view on the competitive scenario globally. I understand that we have the largest probably 35%, 36% global market share there. And second, with regards to even after becoming so large and huge, we still make all customer engagement activities and all these things. Is it very frequent in our case? Or it is one-off? Or this time was the first time we changed our entire design in our production guide in that case? Thanks.

Ashok Goel:

Yes. Ankit, on global competition, we all know that we have one global competitor, Albea, which is a Paris headquartered company. Then we have of course regional competitors and local competitors everywhere. The difference being, by and large, about 60%, 60-odd percent of our revenue still comes from emerging markets or Asian market; from emerging markets, it could be even higher because we have Mexico and Colombia also there. Whereas Albea, is primarily a first-world market company .So unless you have more specific question, that is what I think I can tell you right now on competition. On the customer engagement, I think it is quite deep question in the sense that we engage with the





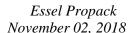
customer at multiple levels. Let us pick customer A, whatever the name that comes to your mind, provided it is a global customer. So we engage with the global customer at their global headquarter levels, at their regional level and then at the country level and at the unit levels. So different people engage with the same customer at their different levels. And we continue to maintain that engagement. Now the engagement in my opening remarks that I mentioned was for the business development. That means that one is the relationship building, other one is specific knowledge exchange, which means that we have now teams, which are engaging with the brand owners - I mean, the brand in charge within that customer and this packaging development and also the sourcing guys. So this level of engagement helps bring about clear understanding on what are our capabilities, what we can do new and, therefore, what customers can do new, what they have not been doing already. If they were launching a new product, let us say, a year from now, if our guys are engaged with them at this stage, then the chances are we will get that business because we start to engage them, the customer, at that engagement level. So that was the difference that I meant by increased engagement levels.

Ankit Gor:

Okay. And nothing related with the intense competitive or whatever pressures?

Ashok Goel:

Those have always been there, will always be there.



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Moderator:

Thank you. As there are no further questions, I now hand the floor back to the management for closing comments.

Ashok Goel:

Ladies and gentlemen I am pleased to mention a few more things - one is that with Russia unit being shifted to a new improved facility, all our factories globally would have been upgraded to Class 100000 clean room. Now this sound very technical; what it means is basically that all our factories would be equivalent to producing packaging material for pharmaceutical applications. So that means that every tube that we make, we make in an environment, which is suitable for production for pharmaceutical grades. Second, we had talked about Project Liberty, and I am happy to say that that plant, even though Essel Propack has not invested, is under commissioning and immediately after Diwali, that will start commercial production. That will be a big step towards environment sustainability. So with that, I wish all of you a very happy Diwali and best of the season. And thank you, all, for joining us today.

Moderator:

Thank you. On behalf of Emkay Global Financial Services, that concludes this conference. Thank you for joining us. And you may now disconnect your lines.