February 18, 2021

To
The Manager
The Department of Corporate Services
BSE Limited
Floor 25, P. J. Towers,
Dalal Street, Mumbai – 400 001

Scrip Code: 539450

To
The Manager
The Listing Department
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex,
Bandra (East), Mumbai – 400 051

Scrip Symbol: SHK

Dear Sir/ Madam,

Sub: Submission of transcript of conference call under Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing the transcript of Q3 & FY 21 Earnings conference call for investors and analysts organized by the Company on Thursday, February 11, 2021 at 02:00 PM IST.

You are requested to take the same on record.

Thanking you,

Yours faithfully,

For **S H Kelkar and Company Limited**

Deepti Chandratre
Company Secretary & Compliance Officer

Encl: As Above

S.H. Kelkar and Company Ltd.
Q3 & 9M FY21 Earnings Conference Call Transcript
February 11, 2021

Moderator: Ladies and gentlemen, good day and welcome to S H Kelkar And Company Limited's Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing '*' then '0' on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Mit Shah from CDR India. Thank you and over to you, sir.

Mit Shah: Thank you. Good afternoon everyone and thank you for joining us on S.H. Kelkar and Company Limited's Q3 & 9M FY21 Earnings Conference Call. We have with us Mr. Kedar Vaze – Whole-time Director and Group CEO; Mr. B Ramkrishnan – (Head) Strategy and Mr. Shrikant Mate – VP and Group CFO of the Company.

We will begin the call with opening remarks from the management, following which we will open the forum for a question-and-answer session. Before we start, I would like to point out that certain statements made in this conference may be forward looking in nature and a disclaimer to this effect has been included in the earnings presentation shared with you earlier.

Now I would now like to invite Mr. Kedar Vaze to make his opening remarks. Thank you and over to you sir.

Kedar Vaze: Good afternoon everyone. Thank you for joining us on S H Kelkar and Company Limited's Q3 & 9M FY21 Earnings Call. I trust that you and your families are safe and maintaining all precautions against the spread of COVID.

To begin with, I am pleased to share that we have delivered healthy performance during the quarter driven by sustained uptake in demand across domestic and international markets. In addition, robust sales from our wholly owned subsidiary Creative Flavours & Fragrances SpA (CFF) further contributed to growth during the quarter. I would like to highlight here that this is the first full quarter of consolidation of CFF in SHK's performance. On the consolidated basis, our revenues from operations stood at Rs. 375.4 crore, higher by 31% on a year-on-year basis and on a like-to-like basis excluding CFF contribution, our revenues in Q3 were higher by 6% year-on-year.

As we have indicated in our earlier communications, the global F&F industry during the third quarter witnessed significant price increases in some of the key raw materials. We believe that this global surge in raw material prices transitory in nature and situation should normalize. In order to mitigate these near-term uncertainties, we have proactively built up our inventory levels. Our prudent inventory management enabled us to cater to the demand during the quarter, without any notable impact on our gross margin performance. In addition, our cost optimization measures assisted profitability. Accordingly, our gross margin during the quarter stood at 43% while EBITDA margins were at 19%. CFF also delivered a steady performance in its core Fragrance division driven by increasing demand and volume offtake in the Italian and other European markets. Gross margins in the core Fragrance segment remained strong at 54% in Q3 for CFF. PAT stood at 55 crore, higher by about 39% as compared to 25.2 crore in Quarter 3, which is excluding one-time exceptional cost.

Another encouraging point that I would like to highlight here is that even in a challenging and an unprecedented fiscal year, we have reported healthy growth in the nine months period. Our consolidated revenues grew by 10% year-on-year and excluding CFF contribution our like-to-like revenues were steady at Rs. 810.8 crore. On the profitability front, excluding exceptional income and loss our nine months FY21 PAT stood at Rs. 91.9 crore higher by 54%, Cash profit for the period was strong at Rs. 134.5 crore.

Coming to the segmental front, the Fragrance division witnessed normalization in demand and improved business wins, resulting in healthy volume off-take in the domestic market. New wins from the existing large and mid-size FMCG customers in the domestic markets, further assisted growth. In the Flavours division, continued traction with existing and new customers, both in the domestic and international markets, resulted in improved performance in the quarter.

Overall, our key hallmark of the F&F industry globally is its ability to sustainably churn out steady and consistent performance over long periods of time. We are confident of reporting such solid results in the coming quarters and years.

From a consolidated balance sheet perspective as on December 31, 2020, the Company's net debt position stood at Rs. 492 crore. This includes the consolidation of CFF debt and the payment of the second and final tranche of the CFF acquisition. Higher inventory levels on account of uncertainty in the raw material environment would impact working capital requirement in the near term. We believe that this would translate into higher than indicated debt position by March 2021. However the Company has no major CAPEX plans on hand and our focus remains on generating healthy free cash flows which will strengthen our balance sheet position going ahead.

On the whole, we have seen solid recovery in the domestic macro-economic environment and there are positive indications that consumption in the country will only strengthen in the months ahead. Our engagement with clients, especially the domestic FMCG, remained strong and we are registering steady wins across categories. This should enable us to sustain our growth momentum going forward.

On that note, I would request the moderator to open the forum for any questions or suggestions that you may have.

Moderator: Thank you. Ladies and gentlemen, we will now begin with the question-and-answer session. The first question is from the line of Alpesh Thacker from Motilal Oswal.

Alpesh Thacker: On this transitory raw material volatility environment, just wanted to understand what is the reason behind that and can you throw some light? And how much kind of price increase has happened due to the volatility?

Kedar Vaze: I think the price volatility is not across the board. It is in a few key raw materials, particularly on the lower cost products. This volatility is more linked to China, as it was sort of closed for the Chinese New Year plus there had been freight and logistics delays. There is a shortage in local stock and there is kind of a higher cost and time for freight in general from pretty much all locations and especially from China at this point. This has resulted in the spot prices or immediately prices going up in this period. We have seen in some cases, almost doubling of prices but this is not like any major factory shut down or force majeure situation but more a transitionary supply and demand, local stock reduction or change, mainly because of the freight. We have now enough inventory build-up and we see that these problems should ease up in 2-3 months.

Moderator: The next question is from the line of Rohit Nagraj from Sunidhi Securities.

Rohit Nagraj: The first question is, last year post fourth quarter results, you had indicated that we will be sizably reducing the R&D expenses for the next couple of years. The nine-month number, do they reflect the savings from R&D because I understand we had about Rs. 50 to 60 crore per annum of R&D expenses and you had indicated that it will come down to about Rs. 15 to 20 crore. So do the nine months operating margins and operating profit reflect this saving?

Kedar Vaze: Yes. I think, part of it is already factored, not the entire savings but it is on track. So this quarter, we will be online with the 4%. The last couple of quarters - we had some additional costs for the redundancy or where people have been reallocated or reassigned. There has been a change in the overall cost structure. And, yes, we will be at 4% this quarter.

Rohit Nagraj: FMCG is our major segment if I were to divide it between FMCG and non-FMCG. So how has been the environment over the last couple of quarters and what do we expect in the next foreseeable future? In the presentation, we have given those qualitative comments but in terms of both the segments, how much do FMCGs account for our overall top-line and non-FMCG obviously will be direct and what is the expectation in terms of the demand environment, the growth in domestic and international markets?

Kedar Vaze: Actually, all our demand is directly or indirectly because of the FMCG demand. I would say there is 90% direct demand from FMCG - both small and large players - across India and across the international markets. To that extent, barring the industries where we are a supplier to things like paints, varnish and textiles and so on and so forth which again indirectly are consumption items where they are typically not classified as FMCG. I think 90% of our demand comes from FMCG either directly or indirectly.

Rohit Nagraj: How has been the environment right now and what is the expectation?

Kedar Vaze: The environment on the FMCG consumption both domestic as well as Middle East, North Africa region, South-East Asia has a strong demand environment. We have seen a big uptick in the volumes and in the kind of activity level post the pandemic in these markets. Italy continues to run on a normal track. We are witnessing some early signs of what the effect of the second wave is. But there is no major disturbance to our business which is mainly in the home care and consumption items, which are a necessary and not linked to Fine Fragrance or very small part of our business is beauty or premium, where there is a direct effect of the pandemic. So overall demand situation is strong. If I take the top FMCG companies, we have done more than 20% of what we are today on these companies and the mid-size and smaller companies were lagging growth but now they are all coming back, which we had alluded in December, things are now more or less tracking business as usual, post pandemic, particularly in India and across Middle East, Africa.

Rohit Nagraj: Can you just reiterate our guidance for FY22 in terms of revenue growth, gross margin and EBITDA margins?

Kedar Vaze: We are confident to maintain the same guidance as before. We will look at approximately Rs. 1,300 crore, 15%-17%-18% growth from this year to next year on the existing business plus the CFF business, which we anticipate being around the €17.5 million for the next year.

Rohit Nagraj: And gross margins and EBITDA margins?

Kedar Vaze: We are confident of delivering 43% gross margin and around the 19%-20% EBITDA level.

Moderator: We will move on to the next question that is on the line of Viraj Mahadevia, an Individual Investor.

Viraj Mahadevia: I guess my question was partly answered by the previous questions. But given where your P&L is and given where you know the band within which raw materials will move, the only way to accelerate profitability really in your opinion is through revenue growth. What steps are being taken to accelerate that,either by capturing the share wallet of existing customers or efforts around new customers, both in domestic and overseas markets?

Kedar Vaze: As we have talked about many of our customers, so let me break this growth story into three or four different parts. We have obviously a good market share and presence in the domestic India market in Fragrances where our strategy is more value addition and product differentiation strategy. For the Flavours, where we have a smaller market share and our Fragrance business outside India, we have good headroom to take up the additional market share. We continue to grow and we have again built good technology platforms and new products, in terms of the R&D as I alluded already, we are ahead of the curve. We hope to monetize these products in the coming years. There is a good pipeline of innovation and there is a quick access to a large number of untapped customers, especially in the overseas market. In Italy, we are a strong player in the Italian market and we are looking to expand the footprint to other European countries and utilize our offices in Netherlands and Italy in combination to expand to other European countries. We are looking at geographic expansion in the low penetrated markets and we are looking at innovation and kind of value-added products in the current clients within the country.

Viraj Mahadevia: Now, do you see any benefit of this China plus One strategy, as people look for sourcing alternatives away from China in Flavors and Fragrances, particularly for European and US customers?

Kedar Vaze: Yes, we have seen some benefit from that. We are largely a formulation-based business. Our market is much more linked to the FMCG and the ingredient business which links to the Fragrance and Flavour manufacturers, in a way it is much more linked to the global demand. We have some benefit and some tailwinds on that front, that is only about 15% of our overall business. I mean that is already something which we have been factoring in our base plan, but we have strong market share of the products where we are the manufacturer already prior to this pandemic. So, we don't foresee any additional market share gains in these products as we are the market leader.

Moderator: We'll move on to the next question that is on the line of Deepak Poddar from Sapphire Capital.

Deepak Poddar: You mentioned about the higher–than-earlier-indicated net debt level position we are targeting in FY21, maybe because of the high inventory position. So, can you quantify what range we are looking at?

Kedar Vaze: I think we will be around Rs. 365 to 370 crore. We had originally indicated to bring it down to around the Rs. 300-crore level. I think we will be hovering around the Rs. 370 odd crore level and we will bring down the debt level, may be, one quarter or 4-5 months further down than what we had anticipated.

Deepak Poddar: By FY 22, what level are we looking at?

Kedar Vaze: I think by mid of next year, we should be around Rs. 330 odd crore in line with our long-term expectations.

Deepak Poddar: To one of the earlier participants, you mentioned about next year revenue growth at about 16%-17%. That 16%-17% includes the CFF revenue, right?

Kedar Vaze: No, 18% or 17% is on the domestic. I think we are seeing roughly 10% to 12% growth with the addition of an additional month this year. We are looking at 6% of delivery gap in this year, in month of April, and adding the full year growth of 12% so we should be somewhere like 18% growth for next year on this year's base. Then we will add CFF for about €17.5 million on top of that.

Deepak Poddar: Rs. 1300 crore, the number you mentioned was of domestic?

Kedar Vaze: That's right, for like–for-like business.

Moderator: The next question is from the line of Ujwal Shah from Quest Investments.

Ujwal Shah: Just wanted some more clarity in terms of Fragrance division. If you can talk a bit more about client acquisition, we are looking for, MNC players as well, we have opened up or rather expanded our sales team overseas, targeting those MNC customers. So where are we positioned right now. How do you see that panning out and FY22, if you can share some insights?

Kedar Vaze: Our first small win is actually a global MNC business, that's something which we have already started to see revenues in. That will be small, they are not significant to the overall bucket but we are already making head-way into that market and in 2022 probably, we will grow to some significant number. It will still be small in the overall context but at least we expect Rs. 4-5 crore of additional business in the MNC account and then from there on, we will build on that space.

Ujwal Shah: Also wanted to understand excluding CFF, we have seen a 6% kind of growth. If I see the Fragrance division's breakup that you have given, we have seen some decline in the domestic market as well on a year-on-year basis. Can you throw some light what led to this kind of a performance and how are our sales impacted by this global freight tissue that we are seeing currently?

Kedar Vaze: Our sales have not been impacted by freight. We have taken early steps to ensure that we have the inventories in our factory, and we bought out the local stock to ensure that we have continuity of our business. As alluding to the growth, I think we have one month of production loss in the sales in month of April. The growth has started post July-August scenario. It continues to be strong growth, but as of now we have not caught up lost production with the market and trade typically has some stock of our finished goods. At some point, there will be a re-stocking and we will see a big up-tick in that quarter. If you look at quarter-on-quarter underlying products, I think we are doing our business vis-à-vis last year at a good 10%-12% growth level. The bigger brands and the bigger products, in some cases, have already started to do double digit.. even 20% growth year-on-year, which is leading indicator because of the mid-size and smaller companies will start to grow as the overall market expands.

Ujwal Shah: In our Flavour division, we saw very strong growth year-on-year in the domestic business in 3Q around 40%-41%. What led to this kind of growth?

Kedar Vaze: No, I think there it's quarter-on-quarter, so you need to look at the average sales. There is a good amount of seasonality in the Flavour business. Last year same quarter versus this year same quarter is probably not the best way to look at it. There is a continuous demand and we are continuing to grow our Flavour business. We also have put additional resources to ensure that we keep this momentum particularly in the domestic Flavours.

Moderator: The next question is from the line of Nikhil Upadhyay from SIMPL.

Nikhil Upadhyay: I have just one question, you mentioned on the cost inflation on the RM side, I just wanted to understand whether some part of it was visible in Q3 or most of it is coming in Q4? That's a main thing which I want to understand.

Kedar Vaze: I think, the part is that we have taken the additional stock. We have neither seen a very big change in Q3, nor we will see a very big change in Q4. We expect that by the Quarter 1 of next financial year, these things will be back to lower levels than where they are today because there is no basic supply demand or basic production issue. It is more logistics and distribution of stock issue and post the Chinese New Year when all the Chinese plants are also back on full production, I think these issues will get resolved by that time. So we don't see any impact on our gross margins. We basically offset that risk of inflation or volatility by keeping higher inventory levels and working capital so accordingly, we don't see any net effect of this on our business this quarter or next quarter. And for Quarter 1 next year, we have ample time to look at how things pan out but next couple of weeks, we expect things to start getting back to normal. In the event that things remain difficult or there is higher pricing, then we will be in time to renegotiate or discuss with our clients for pricing.

Moderator: We'll move on to the next question that is on the line of Pavas Pethia for Enam Asset management.

Pavas Pethia: Just wanted some clarification on the guidance numbers for revenues, so you said Rs. 1300 crore, this doesn't include CFF but if I take this year sales numbers, it will be closer to Rs. 1300 crore minus whatever is of CFF, so that will be closer to Rs. 1100 crore. So on Rs. 1100 crore base you are giving guidance for 18% to 20%, is that right way to look at it?

Kedar Vaze: That's right. We are basically saying 12% ball-park growth rate and next year versus this year we will see additional one month of production, which we lost in this year. So this year Rs. 1100, we have to add Rs. 50-70 crore on top of that as a full year with the lost time and then on that base, there will be a 12% growth line which is what we are expecting.

Pavas Pethia: So, Rs. 1300 crore plus CFF that's the way to look at it for FY22 numbers.

Kedar Vaze: Yes.

Pavas Pethia: And secondly, what will be the steady state organic growth numbers for both the segment?

Kedar Vaze: We have already talked about a long-term or medium long-term CAGR of 12% which we want to maintain.

Moderator: The next question is from the line of Bharat Seth from Quest Investment.

Bharat Seth: What is our current gross debt and how much out of that is sitting in the CFF book and how much is in our book?

Shrikant Mate: Our gross debt is Rs. 560 crore and of that around Rs. 82 crore is sitting in the books of CFF. The net debt is Rs. 492includes CFF Rs. 83 crore.

Bharat Seth: And what is the average cost of borrowing?

Shrikant Mate: Average cost of borrowing is between 4% and 5% currently.

Bharat Seth: The other expenses QOQ has increased of course that is largely because of CFF full quarter is reserving, so is this the correct understanding or some additional cost has also come because the normalization on the business? Other expenses which were around Rs. 45 crore in Q2 and its Rs. 54 crore in this quarter.

Kedar Vaze: There is no exceptional cost in this quarter; everything is in the normal course of business.

Bharat Seth: This is a current run rate one should really, and staff cost and other expenses look at it, correct?

Kedar Vaze: This quarter is a good indicative quarter of generally where the business is headed and in terms of cost structures and good base. So last quarter was on the higher side than average and this quarter is basically average more or less kind of a revenue PAT percentage, EBITDA percentage and basis inching towards correct normal basis.

Moderator: The next question is from the line of Jaykumar Doshi from Kotak.

Jaykumar Doshi: Could you give us some idea of what is your gross margin outlook for the next 6 to 9 months based on RM price inflation that you are witnessing and if you are engaged in any price increase negotiations or discussions with your larger clients, what will be your base case consolidated gross margin? Let's say RMs remained at current levels for the next 6 to 9 months.

Kedar Vaze: I think the base case 43% gross margin which we have in this quarter more or less is our base case we will continue in this level of gross margin. We will see that there are increases in some cost as we have mentioned, we have covered with inventories and we don't expect these to be inflationary and remain high for a long period. These are mainly cost increases on the basis of the closure of plant during the Chinese New Year plus logistics and rate caution sort of stock location and mismatch of stock and demand. So this is what is causing the spikes. I don't see there is an underlying inflationary or basic production cost issue in these price increases. So they should come off, at least come down a bit, by first quarter next year and by that time, we will have negotiated with some of our clients in terms of the pricing and look at the trend going forward. We don't anticipate any large deviation from the 43% gross margin level.

Jaykumar Doshi: So you are essentially covered for the rest of the financial year and you expect raw material prices to normalize or to come off little bit by first quarter of FY22. Is that right understanding?

Kedar Vaze: Yes, so we are already in the half of the fourth quarter, we are seeing the trend right now and accordingly we will start to talk with the clients in advance to keep this, they're aware of the trend as well. So we will be negotiating the pricing for next year accordingly and I don't foresee these prices to remain elevated for very long to that large bulk products used in multiple industries not only fragrance industries. There is a trend to have a kind of shortage and price hikes but these are fairly transient in nature.

Jaykumar Doshi: Can you give us your debt reduction guidance for next year, where should we expect net debt level to be at the end of the FY22?

Kedar Vaze: I think we have talked about around Rs. 300-crore debt level end of March, that will be around the Rs. 370 crore level. We foresee that we will continue to bring down the debt by Rs. 20-30 crore per quarter thereafter and midyear next we should be around the Rs. 300-crore debt level. Barring any kind of investment or any change, which we don't foresee anything at the moment. And that is the underlying Rs. 30 crore per quarter of a reduction in debt starting this quarter onwards we should be looking at.

Jaykumar Doshi: If I may just one final one, when you indicate a 12% underlying growth in the business for next year, is it based on any logo wins, account wins or its general expectation that your clients will grow broadly in double-digit and to that extent your business being directly linked to their business?

Kedar Vaze: So it's a combination of both. I think in many parts of the Fragrance business particularly, we are already very connected with most clients. So, there'll be new clients which are smaller but we have new wins and additional market wallet share of the present clients. With the export international business particularly, we have new clients and new geographies where we are growing and in the existing geographies also there is good headroom and we will continue to grow aggressively in these markets.

Moderator: We will move onto the next question, that is from the line of Rajendra Shah, an Individual Investor.

Rajendra Shah: Regarding the reduction of EBITDA margin from 21.4% to 18.7% in the current quarter from Quarter 2 to Quarter 3, as generally we are guiding nearly 20% margin, why it has been reduced to this level?

Kedar Vaze: No, actually you are looking at last quarter to this quarter, if you look at quarter on quarter last 4-5 quarters, we have steadily increased it from around 13% to 15-18%. During Last quarter, as we had mentioned that gross margins marginally improved due to product mix on account of pandemic situation we had additional one and half percent EBITDA margins. This quarter is more in line with our normal expected trend. We have always guided; we will try to keep the EBITDA margin around 20% and invest additional margins for future growth. So we have continued last quarter, we have no investments in people or resources. This quarter, we have started to put back to some of the additional growth resources that we will meet in the next year. Some of those costs have started to come in this quarter but overall, we will be looking at between 20% EBITDA level, 19%-20% this is the range we want to be in.

Moderator: We will move onto the next question, that is from the line of Deep Kaur, an Individual Investor.

Deep Kaur: My question is regarding the different opportunities which are erecting into the FMCG segment in the Indian market like the modern trade where the private labels are being pushed into the market. So are we able to capture those opportunities where there is any kind of demand in these segments? Because we mostly speak about that the MNC's are difficult to get into current whereas there are different start-ups, which are creating different kinds of demands within the FMCG segments, mostly based on the organic theme. So how is our portfolio positioned to capture that market?

Kedar Vaze: Basically, for the MNC business, we are taking steps in terms of innovation and new products. For those things, we have already alluded earlier and we continue to keep our research and keep knocking doors on new products in new market in the MNC global clients. As far as the domestic clients are concerned, we are well placed, and we continue to grow our offering in terms of the wallet share. We have few smaller wins in the health and wellness and we have improved penetration in some of the Ayurvedic offerings and we will look at these areas as additional value-added products for the current clients.

Deep Kaur: And my second question is how difficult was it for us while passing the costs to the customer because overall cost of this Flavours and Fragrance is only 2%-3% of the overall cost of FMCG products. So how is the position of passing the cost to the customer?

Kedar Vaze: In a normal year, we have a good relationship and partnership approach. If there is an inflation on the basic raw material, we discuss with the clients and we agree to new prices. It's not very difficult, it's a process and it happens every year, year-on-year, there is nothing exceptional about it.

Deep Kaur: And last questions regarding the Flavour division. So since we have been in business for last 20 years, now we have reached the modest sales of around Rs. 100 Cr, so what's your expectation from this Flavor division? What would be the growth and the EBITDA margin in this segment?

Kedar Vaze: Again, the Flavour business is faster than the Fragrance business because it's a lower penetration market and we have a good traction on the food industry in general. The EBITDA level there again, we would like to look at around the 20% level and invest surplus margin in additional business growth initiatives.

Moderator: We will be taking the last question that is from the line of Rohit Nagraj from Sunidhi Securities.

Rohit Nagraj: One question is returns of the Netherlands facility closure, we were expecting about Rs. 12to Rs. 13crore of benefit. So have we received that and when you are saying that we will be having operating margins of about 19% to 20% this is based on the integration benefit of all of our acquisitions I mean, Netherlands has already been done but the integration of CFF and China. So we are giving the guidance based on the integration of these facilities, is the understanding right?

Kedar Vaze: So the 19%-20% EBITDA level is together with the CFF business as we have in this quarter and that is something that which we have seen that is sustainable and we will continue to grow the top line on this EBITDA level.

Rohit Nagraj: So just one clarification, do you think one of our Indian competitors have acquired one company globally. So what will be our timeframe in terms of next level of acquisitions? Because we have also grown both organically as well as through inorganic initiatives and given the current capacity utilization across our facilities. Now we have enough headroom for growth over the next 3-4 years. So what will be the timeline in case we are looking at acquisitions and what would be the debt level at those comfortable levels for such a moment?

Kedar Vaze: Yes, we just completed an acquisition in this financial year for CFF, so we will not plan to do any big acquisition in the near future. We are comfortable in terms of our growth at the moment and we will continue to grow in the markets we are present in. We have not been in any market where it feels saturated market, where we don't have growth opportunity. So we will continue to focus on our current markets within India and South-East Asia.

Moderator: Ladies and gentlemen, that was the last question. I now hand the conference over to the management for the closing comments.

Kedar Vaze: Thank you. I hope we have been able to answer all your questions. Should you have any further clarifications or to know more about the company, please feel free to contact CDR India or the company. Thank you for taking the time to join us on this call.

Moderator: Thank you. Ladies and gentlemen, on behalf of S H Kelkar and Company Limited, that concludes this conference call. Thank you for joining us and you may now disconnect your lines. Thank you.

-End-
