OMKAR
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OMKAR SPECIALITY CHEMICALS LIMITED

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Ref. No.: OSCL/SE/2016-17/116 **Date: November 22, 2016**

To,

Corporate Services Department **BSE LIMITED** P.J. Towers, 1st Floor, Dalal Street, Mumbai – 400001. BSE Code: 533317	Corporate Services Department **NATIONAL STOCK EXCHANGE OF INDIA LIMITED** Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai – 400051. NSE Symbol: OMKARCHEM

Ref.: Transcript of Conference Call – Reg. 30.

Dear Sir / Madam,

In furtherance of our letter dated November 16, 2016, Ref.: No.: OSCL/SE/2016-17/115, we are enclosing Transcript of Q2 and H1 FY17 Earnings Conference Call held on Thursday, November 17, 2016, at 04.00 p.m. to discuss Quarterly and Half yearly Financial Performance of the Company.

This is for your record and reference.

Thanking You,

Yours truly,
For **OMKAR SPECIALITY CHEMICALS LIMITED**

Omkar Speciality Chemicals Limited ★ Badlapur

SUNNY PAGARE
COMPANY SECRETARY & COMPLIANCE OFFICER
M. NO.: F8896

"Omkar Specialty Chemicals Limited Q2 FY17 Earnings Conference Call"

November 17, 2016

MANAGEMENT: MR. PRAVIN S. HERLEKAR – CHAIRMAN & MANAGING DIRECTOR, OMKAR SPECIALTY CHEMICALS LIMITED
MR. PRAVIN AGRAWAL – CFO, OMKAR SPECIALTY CHEMICALS LIMITED

Moderator: Ladies and gentlemen, good day and welcome to the Omkar Specialty Chemicals Limited Q2 FY17 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. Pravin Agrawal – CFO, Omkar Specialty Chemicals Limited. Thank you and over to you, sir.

Pravin Agrawal: Good evening, thank you and good afternoon friends. I have with me Mr. Pravin Herlekar – Chairman & Managing Director of the company and our Investor Relation team, Bridge Investor Relations. On behalf of Omkar Specialty Chemicals, we would like to welcome you all to Q2 and H1 FY17 earnings conference call to discuss the unaudited financial results for the second quarter and half year ended FY17. We have uploaded the presentation on our website and the stock exchanges. Hope you have had a chance to go through it.

We will begin with the quarterly financial performance followed by half yearly performance.

Revenue from operations stood at 129 crores in Q2 FY17 as against Rs. 101 crores in corresponding period last year, witnessed a year-on-year growth of 28%.

Exports contributed to 21% of our Q2 revenues.

Coming to segmental revenue breakup, till today we were disseminating the segment wise breakup, but this quarter onwards, we have decided to distribute segment wise information in two broad categories only which is API segments and specialty chemical segment in line with the demerger process.

Breaking down the revenues as per our business segments; the API segment contributed 34% of our total revenue in the quarter and specialty chemical segment contributed 66% of the total revenues in this quarter.

The EBITDA for the quarter stood at 25 crores as against 18 crores in the corresponding quarter last year which recorded a year-on-year growth of 39%. Our EBITDA margin increased by over 153 basis points to 19% over the corresponding previous period.

PAT stood at 12 crores as against 9 crores in Q2 FY16, an increase of 28% year-on-year.

Now I come to half yearly performance.

Revenue from operations stood at 242 crores in H1 FY17 as against 192 crores in corresponding period last year, witnessed a year-on-year growth of 26%.

Exports contributed to 16% of our first half revenues.

Breaking down the revenue as per our business segments; the API business segment contributed 35% of our total revenue for the first half year. The specialty chemical segment contributed 65% of the total revenue in first half of FY17.

EBITDA stood at 48 crores in H1 FY17 as against 35 crores in the corresponding period last year which recorded year-on-year growth of 37%. Our EBITDA margin for H1 FY17 increased by over 153 basis points to 20% over the corresponding previous period.

PAT for H1 FY17 stood at 22 crores as against 17 crores in H1 FY16, growth of 31% year-on-year.

In recent developments, our growth momentum has continued this quarter. Our business segments have contributed to this growth. We continue to focus on achieving higher operating efficiencies and optimizing productivity that is resulting in improved profitability. This has also enabled us to gain greater control on our operations thereby improving our working capital cycle days. I am happy to share that our exports during quarter witnessed significant increase further expanding our global market. As discussed earlier, the management is completely focused and committed towards depledging of balance split shares. For this, we recently had our concall last week itself.

We are moving smoothly with our demerger process also. We will keep our investors updated on any development in this regard. As stated earlier, we continue to focus on higher operating efficiencies, increased productivity, innovation and process excellence to steer the company into the next level of performance excellence. This quarter's numbers are reflections of the same. Thank you so much. We can now take the questions from the investors. Thank you.

Moderator: Sure, thank you very much. We will now begin the question and answer session. The first question is from the line of Sagar Shah of SK Analytics. Please go ahead.

Sagar Shah: My first question was actually I wanted to know what will be our debt position at the end of FY17, how much debt will be running on our books including the short term as well as the long-term borrowings?

Pravin Agrawal: As on 30th September 2016, our total outside debt position including loans from directors is at 243 crores. Out of this, Rs. 27 crores has been funded by promoters. So the total outside debt is just 216 crores which was 228 crores as of 31st March 2016. During this half year, the company has repaid Rs. 12 crores as a term loan or reduction in other facilities.

Pravin S. Herlekar: Similar amount will be spent during the second half that is H2 and to that extent, outside debt will come down.

Sagar Shah: The debt will come down as compared to the H1, you are saying.

Pravin S. Herlekar: Around 12 crores minimum will come down.

Sagar Shah: My second question was as you told our contribution from the API business was 35% and already as per our CAPEX plan, the unit V which is a manufacturing of veterinary APIs is going on as per my knowledge. So after this CAPEX program is over and after the unit 5 has already built up, so how much contribution more do you think the API business will contribute to the overall business segment.

Pravin S. Herlekar: We have already indicated about the growth coming in from API as well as the specialty chemicals. So we expect we still maintain that it will be somewhere between 15%-18% or at most say 20% will come in from API segment as well as specialty chemicals.

Moderator: Thank you. Next question is from the line of Aniket T who is an individual investor. Please go ahead.

Aniket T: Sir, I like to ask the other current assets which are now reflecting as 20 crores, are these the promoter infuse capital, is that how it has been reflected in the balance sheet?

Pravin Agrawal: Their current assets are not these; it is other current liabilities where it will be.

Aniket T: What exactly are these other current assets than 20 crores?

Pravin S. Herlekar: See, it could be some drawbacks etc.

Pravin Agrawal: Duty drawback receivables and other receivables, deposits and other things because margin money and other things are also there.

Pravin S. Herlekar: So like when we are working with the bank with the LCs and all that, we are required to maintain margins for those LCs, 10% margins. So all that contributes to the other current assets.

Aniket T: I thought the promoter capital whatever has come in, those have been parked for a short term whatever liquid instruments and so that is what it is and also it is good to know that the receivables are down to 113 crores from 130 crores despite a 28% increase in revenues, so that is something that is a positive and I must commend you for that.

Pravin S. Herlekar: Thank you so much. As you must be aware that we have been fighting this issue about working capital management for last almost 3 years and working capital in terms of number of days stood at more than 200 days to begin with and then that time itself we had declared that we will be taking this issue on full task and gradually we have been able to manage it by properly controlling our receivables for which maybe at times we had to take very harsh decision but then we have been able to manage with convincing the customers to bring down the payment periods. Similarly on the inventory level also, we have been able to regulate on the holding of inventory and that is how we have managed. Second another important factor which has helped us is the iodine factor that is iodine which is normally imported material. We had to maintain huge stocks, but then fortunately for us the suppliers now have got warehousing facilities in Mumbai. So we can draw the material as and when required. So from that perspective also, our holding of inventory has reduced. So all these factors have contributed to this working capital management.

Aniket T: One last comment from my side would be that I really appreciate the fact that every time there is some kind of a meaningful development that happens, you come and arrange for a conference call to clarify whatever doubts or whatever could be on the investors mind, so that is I think first like to again appreciate and take on record.

Pravin S. Herlekar: Thank you sir.

Moderator: Thank you. We have the next question from the line of Mohit Bansal of Ajinkya MPL. Please go ahead.

Mohit Bansal: Sir I had 3 or 4 questions. My first question is any impact on due to demonetization on production or sales that you foresee?

Pravin S. Herlekar: Honestly sir, we are dealing with most of the pharma corporates and MNCs where most of the business is already through the regulatory markets and we hardly have or maybe nil cash transactions with anybody for that matter. So demonetization essentially does not affect us at all.

Mohit Bansal: Commodity aggregating business which primarily would be through distributors, would that be impacted sir?

Pravin S. Herlekar: No, it is not commodity item in that perspective like other consumer goods, it is specialty product only and it has proper channels. We buy directly from the producers, it is not retail buying.

Mohit Bansal: So you do not see any impact on raw material?

Pravin S. Herlekar: Not at all.

Mohit Bansal: Movement of goods or something?

Pravin S. Herlekar: Because our business itself is not connected, it is B2B only. So we buy from the producers of raw materials and then our sales are also happening directly to the actual consumers.

Mohit Bansal: So at the moment there is no impact felt and you do not foresee any impact as well?

Pravin S. Herlekar: We do not foresee any impact at all.

Mohit Bansal: Sir I wanted to understand what is driving the exports and how do you see it in the medium term?

Pravin S. Herlekar: As I have been maintaining in our earlier concalls also, we have been developing new products and those products were in the validation stage with the different customers, so all those approvals are gradually coming in from various customers and that is driving our exports. These exports are mainly to European countries with different customers.

Mohit Bansal: And which markets are these sir, in which currency does it happen?

Pravin S. Herlekar: Countries like Germany, France, Spain and Belgium, so most of these are European countries.

Mohit Bansal: And the billing happens in Euro or in dollar?

Pravin S. Herlekar: It is mostly in dollars. Exceptional cases, there is Euro.

Mohit Bansal: But can I assume that 75% is dollar?

Pravin S. Herlekar: It is more than 75, it must be around 90% in dollars.

Mohit Bansal: Will you be able to give me a breakup of the total debt and the cost on that debt?

Pravin S. Herlekar: As Mr. Pravin Agrawal just mentioned, the total debt is of 243 crores.

Mohit Bansal: For long term?

Pravin S. Herlekar: Long term and short term, both and then the average cost is about maybe around 12%.

Mohit Bansal: And will you be able to give you the status on unit 5 sir, those of construction status?

Pravin S. Herlekar: As we mentioned last time, we are hoping to start it by Q4, but otherwise as we have been always maintaining that delay what has happened in unit 5 has not accepted our performance in anyway because all our other units have already become operational and sufficient capacity is already ready with us to cope up with the targets what we have decided for ourselves.

Mohit Bansal: Q4, there is a high chance that the production can commence?

Pravin S. Herlekar: Yes, there is every chance that we will be able to launch this, but then there are many factors which are beyond our control on which even if we wish, we cannot do certain things. So it is always probability, but as of now we stand a very good chance of commissioning this in Q4.

Pravin Agrawal: I would like to just clarify on that demonetization, the question which you have raised as we have mentioned that we are dealing all our transition as in B2B. Due to this liquidity crunch which is created in the market, there are always chances that the business will have an impact on the shorter term. Whereas in long term, it makes maybe a good business opportunity for everyone, but in short term since the consumers are not going into the market for buying any item or anything, that will have some kind of impact on our business, the receivables and everything. So whatever the performance we have been trying to achieve may have some kind of impact on our performance in the coming quarters just for these reasons, otherwise there is no impact on our performance or operations on these counts.

Pravin S. Herlekar: I will just like to add little bit on this. Our major business is with pharma and pharma business is not at all affected on account of this factor, demonetization whereas rest of the business like glass, ceramics, electroplating etc. with products where they are going into consumer market to some extent, maybe even there we do not foresee much of a problem, but to some extent they can be affected, but our major business is still with pharma and we do not foresee any major impact of this.

Moderator: Thank you. We have the next question from the line of Siddharth Bhattacharya of Suyash Advisors. Please go ahead.

Siddharth Bhattacharya: Sir, I have a couple of bookkeeping questions if you could help me with those. I just wanted to know what is the current maturity of debt on our books as of 30th September?

Pravin Agrawal: Current maturity would be around Rs. 10 crores of the remaining period of this year.

Siddharth Bhattacharya: And could you help me with the gross block and the CWIP numbers separately?

Pravin Agrawal: CWIP, total net block 338 crores. Out of which, 140 crores is the CWIP.

Moderator: Thank you. We have the next question from the line of Manish Shah of Vajani Securities. Please go ahead.

Manish Shah: I have some basic questions regarding capacity utilization, the unit 5 you have mentioned has not yet started and you said that you are using the production from the existing units, so what would be the capacity utilization for the current units which are on?

Pravin S. Herlekar: Unit no. 1 is 87%; unit 2, it is 85%; unit 3, it is 75%; unit 4 is our centralized warehouse. So unit no. 5 we are yet to start. Unit 6 is only working for our internal consumption that is LASA's production and at LASA Laboratory, we have utilization of 72%, Urdhwa facility is working at 76%.

Manish Shah: So most of the capacities are at 85 or 75 plus and as I understand from previous concalls, you have 5,400 metric tonnes of capacity which was old capacity and new capacity which is unit 5 is also 4,500 metric tonnes approximately right?

Pravin S. Herlekar: Right.

Manish Shah: So 10,800 metric tonnes, so currently if we see if both the capacities put together which is unit 5 which has not come into picture, so we are utilizing around 40%-45% of our capacity.

Pravin S. Herlekar: Including the futuristic capacity.

Manish Shah: So how much time it will take for us for, you are saying that the new capacity will start in the last quarter I think the next quarter. So I think full year you will be available only in FY?

Pravin S. Herlekar: It will go on building in stages. Initially we will start with 30%-40% of original capacity, then gradually it will go to about 55%-60%. Then next to that, it will go to about 70%-75% and thereafter to about 80%.

Manish Shah: So FY18 would be around 40% you are saying?

Pravin S. Herlekar: FY19, we will have full utilization of this capacities.

Manish Shah: So you do not think order flow would be an issue for this because you are ramping up by 2.5 times or definitely 2 times, the order flow would be there for that?

Pravin S. Herlekar: We have planned these capacities based on the products on hand and whatever indications the customers have given us, now this growth in the company is coming mainly from two angles. One is launch of new molecules which are ready with us and which have got approvals also from the customers. Secondly, scale up of the existing products, there is lot of scope for scaling up on the existing molecules which we are already manufacturing. So from both these dimensions, we do not foresee any issue on the order flow as such.

Manish Shah: So by that logic what you are saying that by FY19, if you have full capacity utilization of the new unit also, it means your turnover should double by FY19?

Pravin S. Herlekar: 19 or somewhere by mid of FY20, it should.

Manish Shah: It should double by FY20 or mid 20?

Pravin S. Herlekar: Yes, it should.

Manish Shah: You had a great first half, so is the momentum there in the third quarter also and do you expect the same because third quarter is almost now 15 days is over and fourth quarter, do you expect the momentum to continue?

Pravin S. Herlekar: Third quarter, we have been able to maintain the track and hopefully, we should close it on reasonably good level and Q4, we are still expecting certain orders on the export front because December, we do not see much of a growth coming in. We will be able to maintain our exports, but December we do not expect more orders to flow in on the export front because of holidays and all, but then from January onwards because Europeans work on the calendar year, Jan to December. So we have got some indications from the leading customers.

Manish Shah: Final question. Last year, there was an issue relating in the last quarter relating to very high tax incident which had happened in the last quarter itself. So the PBT numbers were great, but some of the PAT numbers of the bottom line actually had an impact on that. So this year, the taxation is normalized or we will have some unevenness and lumpiness on the taxation like we had last year?

Pravin Agrawal: So this year, there will not be any lumpiness on the taxation because whatever the corrections were required, that we had carried out in Q4 of FY16 last year and this year we have implemented the same thing from Q1 itself, so we do not see any sudden increase or decrease in the tax provisions this year. So it will be remaining more or less the same line.

Moderator: Thank you. The next question is from the line of Sudhir Bedha of Right Time Consultancy. Please go ahead.

Sudhir Bedha: I am very glad to see the improved balance sheet so far as on 30th September. Sir as you are saying that your growth could be 15%-20% for the entire year and then already you have achieved 30% growth. So are we looking some degrowth in the second half that is one question and second would be as you have said that current work in progress is 140 crores, I think that should be the position as of March I believe, what would be the position as on half yearly work in progress and if 140 crores is WIP, then it is entirely belongs to unit 5 because all other units have already started.

Pravin S. Herlekar: I will just address it briefly. Unit 5 of course the entire amount is in WIP, but then we are also doing CAPEX in our API units in LASA and Urdhwa for upgrading the facilities to WHO GMP because the products which are being manufactured over there, they are APIs and we are supplying the same to the regulatory markets and to get more margins on our product, we have to upgrade facilities to WHO GMP line status, so that work is in progress. So that also contributes to WIP.

Sudhir Bedha: So, as of 30th September, WIP is 140 crores or this is March position?

Pravin S. Herlekar: No, it is September position.

Sudhir Bedha: And out of which, how much would be belong to unit V?

Pravin S. Herlekar: Right now, we do not have the unit wise figure with us, but that can be..

Sudhir Bedha: So, entire 140 crores will commence and it will be added to fixed asset by 31st March 2017?

Pravin S. Herlekar: Yeah if we are able to commission the project by Q4, it will be added.

Sudhir Bedha: And the CAPEX will be over by that time I believe and do you foresee any more CAPEX in the coming years, 2-3 years?

Pravin S. Herlekar: We do not foresee major CAPEX because major CAPEX is already done. Right now, the CAPEX is happening mainly for debottlenecking and then some of the old equipments we need to replace, that is one area and then the upgradation of facilities for API manufacturing.

Sudhir Bedha: And sir one more question about API. So entire API division belongs to LASA I think.

Pravin S. Herlekar: Yeah, LASA is API manufacturing facility.

Sudhir Bedha: So whatever API contribution you have given in segment wise breakup.

Pravin S. Herlekar: Just for your information, LASA manufactures the final APIs but then we have been saying that we have lot of backward integrations in our systems, whatever backward integration facilities we required that is supported by our other units in Urdhwa and our unit no. 6 which make the earlier products, basically the raw materials for making APIs. So we are converting those facilities also into FDA approved facilities. So then we are just trying to derisk the business.

Sudhir Bedha: So that entire operations would be transferred to LASA super generic?

Pravin S. Herlekar: All these facilities are getting transferred to LASA super generics.

Sudhir Bedha: And that will be totally veterinary products, I believe.

Pravin S. Herlekar: Not necessarily only veterinary, we are into human APIs also.

Sudhir Bedha: What could be that percentage, how much would be in LASA super generics?

Pravin S. Herlekar: It will be predominantly veterinary APIs only, then maybe in FY18 gradually the work will start in human APIs and it will grow progressively.

Sudhir Bedha: Do you expect in next 2 years both the LASA super generic as well as our parent company to grow in the same rate of like 25%-30%.

Pravin S. Herlekar: We are already maintaining the same track records, so it will be around 15% to 20% both the companies will grow independently.

Sudhir Bedha: But once you are saying your turnover could be double by next 2 years. So how it is possible if you are growing at 15% to 20%.

Pravin S. Herlekar: We are maintaining very conservative estimate. So you might have observed that FY15 versus FY16 that we have been able to post reasonable growth more than expected.

Sudhir Bedha: Even half yearly also, you have posted solid growth.

Pravin S. Herlekar: Yes, so it is better to maintain on a conservative basis and then perform.

Moderator: Thank you. Next question is from the line of Arpit Shah who is an individual investor. Please go ahead.

Arpit Shah: I have a few questions, first of all just regarding the cost of materials consumed to sales, this quarter it was little high, higher than the Q1. May I know the reason, it is very variable, first quarter I think we were at 57%-58%, this quarter we have done something of 68%-69%.

Pravin S. Herlekar: Yeah, normally this cost of material consumed depends on the product mix what we manufactured during the quarter. We have something like 100 odd products for various segments. So, each product has got its own cost of materials consumed and in the EBITDA levels. So, every quarter depending on the market requirements, the product mix changes marginally. So, accordingly the consumption level will also vary.

Arpit Shah: So this is the upper band, this is the max; I mean to say more or less 1% or 2%, 69%.

Pravin S. Herlekar: It varies between 1% and 2% only.

Arpit Shah: So this is the benchmark 68 to 70.

Pravin S. Herlekar: Traditionally, so somewhere between 1% to 3%.

Arpit Shah: Sir, can I get a breakup of the EBITDA margins for APIs and specialty chemicals?

Pravin S. Herlekar: Yes we can share some of the figures to you. For API, it is around 25%, intermediates is around 19.9%, so about 20% then iodine derivatives is around 13.4% and resolving agents at about 20% and other derivatives, selenium derivatives is about 25%-26%.

Arpit Shah: And sir my last question is regarding the selling of the shares, you have mentioned in the slides and in the last con-call that you have been maintaining the majority of the holding in the company. Since as of today, I think our holding is around 52.4% if I am not wrong right?

Pravin S. Herlekar: That is correct.

Arpit Shah: So does it mean that there is more scope for selling shares if I take 51% that means you would sell approximately 3 lakhs shares, right?

Pravin S. Herlekar: As we have mentioned in the con-call and then that is available in the transcript as well, we will not go below the majority mark of say 51%.

Arpit Shah: So that means you are open to sell the few more shares right?

Pravin S. Herlekar: Marginally, that is all.

Arpit Shah: So you may sell in this quarter wherever it possibly.

Pravin S. Herlekar: We may not, but intentions are to get rid of the pledge as much as possible without selling.

Arpit Shah: Without selling, yeah.

Pravin S. Herlekar: We mentioned in the con-call.

Arpit Shah: Yeah, it is little bit confusing because it is mentioned it is not meant status quo that we are still in 52%. So I guess that means that we may sell because if need arises, we may sell if it is happening more shares right? 3 lakh shares.

Pravin S. Herlekar: If we sell, we will not go below 51% that is one thing. Secondly in any case we will be depledging all the shares before the demerger happens.

Arpit Shah: That would be by December end if I am not wrong.

Pravin S. Herlekar: Not necessarily, it might go prolong to Jan also and let us by Jan, we should be able to close everything and as you are aware, all markets are in a disturbed situation as of now.

Arpit Shah: Correct.

Moderator: Thank you. We have the next question from the line of Manish Shah from Vajani Securities Please go ahead.

Manish Shah: Sir, I just missed out on one question. This was regarding the interest cost which you have for the first half. So you had this pledge overhang during the first half. So now that pledge overhang will not be there and I think you have now the promoter funding cost is there. So what about the impact on the interest cost because of this?

Pravin Agrawal: We have borrowed some money from the banks also. So, whatever the cash was there, that we have borrowed from the banks. So, that interest will remain more or less like this, whatever we have shown in the first half, it will be more or less is the same line because whatever the high cost funding we have taken from NBFCs that would replace by Rs. 27 crores loan from promoters which is coming at a lower rate.

Manish Shah: So, yes, that is the reason because it is coming at a lower rate, I assume that the interest cost should come down that was my assumption?

Pravin Agrawal: That is true, but since we have mentioned that since the business is increasing, our working capital requirement is also increasing. So, to meet that working capital requirement we have to borrow some money from banks for which the line of credit is per sanction, in its final approval phase. These limits will be released by the banks in a month or one and a half month.

When these limits come to that extent, some interest will go up, so it will remain more or less the same.

Moderator: Thank you. The next question is from the line of Aniket T who is an Individual Investor. Please go ahead.

Aniket T: My question is that since exports to Europe form a large percentage of your exports basket, where are we placed when it comes to the REACH regulation compliance, is it product wise or the largest selling, where exactly do we stand?

Pravin S. Herlekar: Yeah, we have the REACH regulations in place for all our products. Almost about 38 products are registered under this regulation. So, we do not anticipate any issue coming on this and this registration we have done long back.

Aniket T: Have the entire expenses been booked or will it happen in due course the REACH regulations, everything has been booked?

Pravin S. Herlekar: It is already booked**,** couple of years ago.

Aniket T: So, the bulk of our products, everything is now REACH compliance, so we face no obstacle as such.

Pravin S. Herlekar: All REACH compliance.

Moderator: Thank you. We have the next question from the line of Prit Nagar Seth from Wealth Life. Please go ahead.

Prit Nagar Seth: My question is I would like to understand what is the timeline for completing the demerger process and at what stage are we at present?

Pravin Agrawal: As we had communicated to all the investors earlier, we already have got the approval from BSE, SEBI and NSE. We have filed a petition with High Court. We already have received the shareholders' approval. Court has convened a meeting from the secured lenders which was there in the last week of the last month but the banks have taken more time to give their NOC which is expected to get before this month end. Once we get those NOC from the banks, it will be submitted to the court and the court will give order. That process will take about from now, it can say about a month's time. Then the court will give the orders. To receive the court order from court, it will take another one month. So, by mid-January to end of January, we expect the final demerger order from the court being received by the company, then the demerger process will start that will take about 4 to 6 weeks thereafter and the listing will happen. So, we expect that whole process to be get completed before this financial year gets closed.

Prit Nagar Seth: So, the question I have is that we just mentioned that completing the entire depledge exercise would now be say move to January instead of November as per the last conference call and that is to ensure that the demerger process completes on time. Now, would not this delay the demerger process by another two months instead of March end, would not this take this to May end now because of that?

Pravin S. Herlekar: No, it will not because once we receive the court order, by that time we will complete our depledge exercise done. So, that there will be no linking between the depledging and the demerger of this because we have to complete this depledging before the court order comes in. So, we expect this court order to come in by mid-December or end of mid-January. So, that it will be get completed.

Moderator: Thank you. That was the last question. As there are no further questions I would like to hand the conference back to the management for any closing comments.

Pravin S. Herlekar: Well, I thank you everybody for joining us on this concall. I hope we have already clarified most of the questions raised by the investors. You would further like to address any issues if anybody has any questions in mind and the time is not permitting them to answer, you can drop us a mail or our investor relations, Bridge IR, we will be happy to address the same. Thank you so much.

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