



June 22, 2016

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

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

**Scrip Code: 539450**

**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 hereby submit transcript of Q4 & FY 16 conference call for investors and analysts organized by the Company on Tuesday, May 31, 2016 at 10.00 AM IST.

You are requested to take note of the same.

Thanking you,

Yours faithfully,

For S H Kelkar and Company Limited

  
Deepti Chandratre  
Company Secretary & Compliance Officer



End: As above



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## S.H. Kelkar and Company Limited

### Q4 & FY2016 Earnings Conference Call Transcript May 31, 2016

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**Moderator:** Ladies and Gentlemen, Good Day and Welcome to SH Kelkar Earning 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. If 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. Anoop Poojari. Thank you and over to you.

**Anoop Poojari:** Good morning everyone and thank for joining us on SH Kelkar and Company Ltd.'s Q4 & FY 2016 Earnings Conference Call. We have with us Mr. Kedar Vaze – Whole Time Director and CEO, Mr. B. Ramakrishnan – Head (Strategy), Mr. Tapas Majumdar – CFO and Mr. Shrikant Mate – VP (Strategy) of the company.

We will begin the call with opening remarks from the management where the management will discuss the operational and financial performance of the company. The Company will be focusing on the consolidated results as the management would like to encourage the investor and analyst community to track consolidated financials for a complete picture. Following which we will have the forum open for a Q&A session. Before we start, I would like to point out that some statements made in today's call may be forward looking in nature and disclaimer to this effect has been included in the Earnings presentation shared with you earlier. I would now like to invite Mr. Kedar Vaze to make his opening remarks.

**Kedar Vaze:** Good morning everyone. I warmly welcome you all to SH Kelkar's Earnings Conference Call to discuss the operating and financial performance for the quarter and year ended March 31, 2016.

I am pleased to share that this is the first Earnings Call dealing with full year results of the Company and we have reported solid financial and operational performance. On a constant currency basis, our top line has increased by 12% in FY16. EBITDA grew by 24%. Net Operating profit improved by 43% and free cash flow jumped by 44% during the year. We expect our business to continue to grow in the coming year by approx.15% and operating leverage to be further improved making a healthier bottom line.

Now some key developments: Our recent acquisition of High-Tech Technologies (flavor division) (HTT) has been concluded on 2nd of April. We have successfully shifted the production from HTT's Daman facility to the company's Vashivali facility and expect the operational synergies in the coming quarter. HTT's Flavor Division clocked Rs 23 crore revenue in the last year with operating margin similar to our existing flavor business. In April, we executed the business transfer agreement for total consideration of Rs 25.1 crore. With this acquisition we will almost double our

market share in the domestic flavor market to around 3% to 4% of the market. As an emerging player in the flavor industry, we have made important inroads with HTT acquisition and gained valuable market share.

Flavor continues to be high potential segment for the company and we continue to witness increasing user strength in the underlying industries where flavor is being used. Key industries include bakery goods, dairy products, beverages and pharmaceuticals products. The sector is far more fragmented in India as compared to the fragrances, so we will continue to explore tuck-in acquisition opportunities in this space to grow our market share further. As regards to the fragrance segment, the company acquired Rasiklal Hemani Agencies Private Limited during this quarter. They were our agents, managing sales and clients in the Northern region for the past 50 years. This move will help consolidate the Company's leadership position as we will take over the management of customer relationships from Rasiklal Hemani and expand the marketing and sales team in the North Indian market. This will also enable us to aggressively target higher wallet share for our existing clients along with focus on new business. We acquired 100% of the share capital of the company at a book value which was valued at Rs 28.2 crore as on 31st March, 2016. This also offers us opportunity to take over the office and infrastructure of Rasiklal Hemani and get started in the market without having to invest any further monies in the office and infrastructure required. An amount of Rs 5 crore has been paid by way of goodwill and the saving of commission itself will enable a pay back in 2 to 3 years. As we mentioned earlier in April we had a full maintenance shut down for the company's fragrance ingredients facility at Barneveld Netherlands. The 4 week shut down included a complete recalibration of plant and machinery, maintenance of infrastructure. As part of best practice the comprehensive overhaul was required to be done once every 15 years. I am happy to note that this comprehensive overhaul has not yielded any surprises and we have been able to restore the operation to normalcy within the expected time frame.

. Let me again focus back on our consolidated financial performance. I would encourage you to track our consolidated financials rather than standalone results for a complete picture as this is one integrated fragrance and flavor company. The total income improved by 11% in Rupee term to Rs 926 crore. The constant currency growth was higher at 12%. Domestic fragrance improved by 15% which is more than twice the industry growth and domestic flavor segment registered a 9% growth. Focus on value added product enabled us to enhance our realization which assisted overall performance. International fragrance grew by 6% while the International Flavor Segment declined by 10%. As indicated earlier the geopolitical scenario in Middle East and oil price/revenues in the previous year impacted the demand particularly in the Middle East in North Africa regions. However, we expect this overseas demand and supply situation, to improve in the coming year.

EBITDA enhanced by 24% to Rs 164 crore and margin improved to 17.6% higher by 180 bps due to better realization in the domestic market and better operating leverage. Adjusted PBT improved by 42% to Rs 120 crore and adjusted net profit after tax increased by 43% to Rs 79 crore. Cash profit improved by 10% to Rs 110 crore. All-in-all comprehensive and good performance by the operating team.

A major investment over the past few years in infrastructure, business processes and people was done and we are now ready for growth and poised to generate significant free cash flows in the coming years. FY16 our free cash flow increased by 44% to Rs 64 crore. I am happy to share here that the company had declared an interim dividend of Rs 1.5 per share resulting in a cash out flow of Rs 26 crore. This amounted to a dividend payout ratio of 33% for the full year 2016. To sum up our business closely tracks a performance of the FMCG industries as it is important benchmark for us. As most of you are aware the industry has been facing some

headwinds. However, the likely above average monsoons will have a positive impact on demand. Our endeavor is to sustainably outperform the industry growth rate through our comprehensive product portfolio, diverse customer base, value added services and focus on innovation and R&D. We operate in a very niche industry and believe it has a huge potential to generate significant value for all the stakeholders. This brings me to the end of my discussion. Thank you for your time and I would now request the moderator to open the forum for any questions or suggestions that you may have.

**Moderator:** The first question is from the line of Suvarna Joshi from SMC Global. Please go ahead.

**Suvarna Joshi** Good morning and many congratulations on a good set of numbers. I had a couple questions. First one was you mentioned that the overall growth that we have seen in our business, on a consolidated level has been on an account of better volumes of just a realization and operating leverage, so could you please help us understand what has been the volume growth in Q4 as well in FY16 over FY15 for the fragrance and the flavor business and in terms of realization what made us clock in better realization this time around?

**Kedar Vaze:** If I can break up your question into couple of parts. Firstly, I wanted to explain on the business itself. While we are continuing to support the brands with our fragrance and flavors, we have also added an additional activity that we call service activity, whereby certain customers require the fragrance further modified or diluted in the ready to use format. This has been a new activity which we have undertaken and this is reflected in the fact that the gross margin as a total seems to be lesser as a percentage of the sales than the previous years. This reflects the additional service quantum in the revenue which is to the extent of Rs 12 crore to Rs 13 crore in the last quarter.

**Suvarna Joshi:** That was in Q4 right. Q4 of FY16.

**Kedar Vaze:** In the overall year if we look at the margins we have been continuously focusing on value added products and margins in the segment where they value better performances. Especially in the export fragrances we are focused on high value, high margin category as the demand environment was very weak and therefore we have looked at a possibility of a lower revenue growth environment and focus on the profitable segments in that, which yields better margins.

**Suvarna Joshi:** Could you just help us with what kind of volume growth have we clocked in the fragrance and flavor business in terms of absolute units or may be percent terms if you can share?

**Kedar Vaze:** The like for like sales for similar products which already exist is about 10% growth and 2% growth has come in from new products.

**Suvarna Joshi:** Another question was on you mentioned that our flavor has seen a degrowth of 10% on YoY and the reason alluded was because of geopolitical condition in Middle East and Northern African Region. So what is it that we are doing to mitigate this kind of risk. Are we also looking to grow our business beyond these geographies for the flavor business and what is your outlook for the flavor business in the domestic market.

**Kedar Vaze:** Our domestic market like for like is continuing to grow in excess of 20% per annum. Our export business suffered set back in the second quarter of last year where certain factories and certain regions in the middle east could not be reached due to geopolitical disturbances. Subsequently, both from our side as well as the

customers' side, alternate supply routes and alternate factory locations were identified and that was quickly done. We had already restored our business by the end of Q3 and I can report that Q4 was in line with our normal expectations. As regard the fragrance and flavor growth the domestic fragrance grew by 15% in this year. The export fragrance grew by 6% and as I mentioned we were focusing on the high value products of profitable growth in international fragrance which was in line with our expectation. The flavors domestic market grew in excess of 20%, while we saw just a 9% growth in the results the underlying like for like product growth was higher. Certain products were discontinued due to margins not being suitable. Therefore, the overall growth was 9%, but the like for like product growth was in excess of 20%.

- Suvarna Joshi:** Do you see this growth to be continuing in FY17 as well?
- Kedar Vaze:** We believe that the flavor market as a whole should grow in double digit between 10% and 11% and we should be able to take at least double the industry growth as our target and sustainably continue that going forward.
- Suvarna Joshi:** Sir, just last question if you can permit me to ask you? There was some sale of land in FY15 worth of Rs 10 crore and in FY16 we see that coming down substantially to just about Rs 85 odd lakh. So what was the sale of land regarding?
- Kedar Vaze:** The company owned a piece of land which is under SRA or which has been encroached by slums. As part of our normal process, we have got rid of that land in the previous year. There is no additional surplus asset or additional land parcel with the company which is for sale at this point.
- Suvarna Joshi:** Going forward we do not see any such sale from land or property as such.
- Kedar Vaze:** No significant quantum as such.
- Suvarna Joshi:** Thank you so much. If I have any question I will come back in the queue.
- Moderator:** The next question is from the line of Anand Shah from Kotak Securities. Please go ahead.
- Anand Shah:** I just had a couple of questions. Can you give your domestic fragrance business growth for Q4?
- Kedar Vaze:** It was 19% QoQ.
- Anand Shah:** You are saying YoY. Q4 versus Q4.
- Kedar Vaze:** Q4 versus Q4 is 12%.
- Anand Shah:** 12%. I am just asking that domestic fragrance business essentially on which is your Keval and existing India business essentially and a fragrance part what was the YoY growth?
- Kedar Vaze:** We had a YoY growth of 15% for the full year.
- Anand Shah:** Full year I know you have given. I am just talking about Q4 because standalone business grew very fast that essentially represents your domestic fragrance business I do understand that there is inter segmental in that, but even if I knock off that the growth seems very, very high. One party eluded was...

- Kedar Vaze:** As I mentioned that the growth in terms of last year versus this year. We have added one additional activity which is kind of a business service activities ...some of our clients instead of buying the concentrate fragrance and we have made sale of the final ready to use fragrance in some of the segments. That is roughly to the tune of Rs 12 crore for the last quarter.
- Anand Shah:** This came entirely in the Q4?
- Kedar Vaze:** Largely in the Q4.
- Shrikant Mate:** Anand, exact QoQ split only for domestic we can provide to you separately.
- Anand Shah:** But this Rs 12 crore essentially that has come in Q4 and this is a recurring thing, so this will add incrementally even in FY17.
- Kedar Vaze:** Yes.
- Anand Shah:** What would the guidance lets say on just this aspect which is the service business how much in absolute revenue is likely to add in FY17. So is it Q4 run rate will continue each quarter or how is it?
- Kedar Vaze:** We expect that Q4 revenue should continue in the full year for next year.
- Anand Shah:** This Rs 12 core or Rs 13 crore each quarter to a Rs 40 crore to Rs 50 crore additional top line coming from this service business element.
- Kedar Vaze:** Roughly around Rs 10 crore per quarter should be average.
- Anand Shah:** This is incremental, but this is you said is GM dilutive to an extent.
- Kedar Vaze:** Yes, but it is in operating efficiency terms very cost effective for us.
- Shrikant Mate** It brings in extra Rupee margin
- Anand Shah:** Second is can you highlight some cost efficiency control you would have adopted for this year. I mean in absolute if I look at your employee cost, other expense, everything is almost flat YoY?
- Kedar Vaze:** As we explained earlier, for the last 7 years we have been consistently increasing our number of people, type of people for R&D development for sales and marketing and similarly for the infrastructure for the manufacturing. But we have now reached a point where most of the operating or most of the required personnel are in the management team. The expected cost increases are incrementally lower than what we hope to do in the revenue increase. We will continue to do better operating leverage as we go forward.
- Anand Shah:** Leverage is one thing, but this is absolute flat and I can understand in terms of...
- Kedar Vaze:** What happens is that we have somebody who retires at the senior and somebody who comes in at the junior. Where there are no positions which are basically completely vacant. We have some churn in the personnel.
- Anand Shah:** There is no reduction of per se. This is essentially cost efficiency that you are driving through.

- Kedar Vaze:** When retirement comes through we are hiring people at lower and we have been spending quite some money on the L&D (Learning & Development).
- Anand Shah:** Lastly, if I may ask your guidance on ETR, effective tax rate it is gone up significantly this quarter?
- Tapas Majumdar:** ETR has gone up this quarter because we had specifically assumed some R&D expenditure. Based on that, we had done some estimate in the Q3, which have not come through therefore ETR for this quarter is looking higher.
- Anand Shah:** For an annual basis for FY17, what should we assume?
- Tapas Majumdar:** Should be lower.
- Anand Shah:** Lower. Can you give a ballpark I mean 27% or 28% or 28% to 30%.
- Kedar Vaze:** Around 25% to 27%
- Anand Shah:** 25% to 27%
- Moderator:** The next question is from the line of Niket Shah from Motilal Oswal. Please go ahead.
- Niket Shah:** Thanks for the opportunity. I just wanted to understand on the accounting part of it the new Ind AS which comes into impact from Q1, how will that have an impact on our financials, any significant impact that we might see.
- Kedar Vaze:** As regards Ind AS it is still work in progress. A few of the important parts a number of companies have put up are gross revenue versus net revenue and treatment of R&D expenses and we too will be similarly affected. As such not any different. As a result, the operating accounting aspect of the research and development treatment which we are clarifying going forward. I think most of the other ones had no significant changes. It will be obviously changes in the way the accounts have put in terms of balance sheet, reserves and so on and so forth as a changeover, certain fair valuation or market valuations of asset needs to be put in.
- Niket Shah:** But on the top line part of it, there will not be any significant change because we would be recognizing revenue after all of those discounts in case if there is any right all those line items.
- Kedar Vaze:** Well, our operating metrics will remain the same. Excise duty or components of tax will be added to the revenue as a result of this. The reported revenue will actually go up to the extent of the indirect taxes. So in terms of ratios all the denominators will go up, so numbers will look slightly smaller. But as an operating impact, there is zero impact on our business.
- Niket Shah:** The other thing just wanted to understand what would be the utilization rate at the end of FY16 on an installed capacity?
- Kedar Vaze:** We will be very near 40%.
- Niket Shah:** Safe to assume that next 2 years, 3 years you would not require any CAPEX and this number can inch to what level?
- Kedar Vaze:** Every 15% is doubling of our revenue.

- Niket Shah:** 40% going to 55% is doubling the revenue.
- Kedar Vaze:** As we speak we are looking at operating investment to further enhance the productivity or output of the same infrastructure at our domestic fragrance unit. This should result in better throughput time for our orders, with the reduction in working capital and efficiencies.
- Niket Shah:** Last question I wanted to understand have there been any newer product launches that you would have done for the FY16 and how is the funnel looking for FY17 and if you can also give us the breakup from a category wise perspective that which category you would have seen faster growth like more like a deodorant or something like that and that would be really helpful for us to understand.
- Kedar Vaze:** We have more than 500 products being launched in a year. It is a continuous pipe line with pretty much 4 to 5 probably 10 products a week being generated and being sampled and so on and so forth. It is not really a very different trend from the previous years. We continue to see good growth in the beauty segment with deos and also across the board in fabric and personal wash.
- Niket Shah:** Any guidance you would like to give on any acquisition target that you would plan. Any inorganic acquisition that we are likely to see in FY17. Obviously we would not like to give the target company that we are speaking to, but is it safe to assume that in FY17 you should see some inorganic acquisition in your base business from you.
- Kedar Vaze:** Our long-term strategy is to add between 3% to 5% to our revenue every year via acquisition and inorganic growth which is our long-term plan. I do not have very specific details for the year. We are in constant discussion with number of parties through investment bankers or through direct contacts. This process has been ongoing for the last couple of years. We will see that it will continue to be in the same fashion going forward.
- Moderator:** The next question is from the line of Vicky Punjabi from JM Financial. Please go ahead.
- Vicky Punjabi:** Again on the gross margin front earlier in the Q3 you stated that given our inventories are at low cost, you would progressively see gross margins increasing going forward. Now even if I had to adjust for the Rs 12 crore service income completely from the sales and if I remove that from the Q4 sales the gross margin still appears to be declining sequentially to around 46%, have you seen any raw material cost pressure this quarter?
- Kedar Vaze:** No, I think there is no specific raw material pressure this quarter. Some of the raw materials have started increasing in cost as a normal process, small changes due to the dollar currency versus Rupees. So there are incremental cost increases, but nothing significant. The net margin I think if we look at the core margin in the domestic fragrance business is around 46% as compared to 47% last quarter and that is largely due to the product mix.
- Vicky Punjabi:** The debtors on the balance sheet, the receivable days appear to be quite high now going up to 90 days onwards. Is there any specific reason for that?
- Kedar Vaze:** No specific reason. I think it has been a year where there has been number of business disruptions particularly the export market in Middle East, in Africa and certain other Southeast Asia and other markets where there has been steep devaluation during the year. So in these times, we are supporting our customers



with little favorable credit terms to tide over devaluation or change in market scenario.

**Vicky Punjabi:** Do we expect this to normalize going forward or this remain?

**Kedar Vaze:** This has already normalized as we speak. The collections and the normal business have been restored, so this had a pass through particularly in the Q2 and early part of Q3.

**Vicky Punjabi:** There was a news article on some anti-dumping duty on import of aroma chemical which are used in this soap and fine fragrances from China which has been extended for further 5 years. Would this have any impact on our business?

**Kedar Vaze:** No, that has no impact on our business

**Vicky Punjabi:** Finally, I just wanted to know you had mentioned something on this research and development expenditure having some impact in this Ind AS, can you elaborate a little bit on that?

**Kedar Vaze:** There are certain provisioning or the way they define what constitutes research and what constitutes development and how do we treat that under the Ind AS. So the finance team is in discussions with the auditors to just clarify that they should have no adverse or otherwise any effect on our reporting.

**Vicky Punjabi:** What is the current treatment that we are doing for this?

**Kedar Vaze:** The current treatment, we have a full expenditure on research and development every year, so we expense the total R&D every year.

**Moderator:** Thank you. We have the next question from the line of Suvarna Joshi from SMC Global. Please go ahead.

**Suvarna Joshi:** I just had a follow up on our capacity utilization since you mentioned that going forward in the next 2 to 3 years, we don't intend to add too much of CAPEX, just about maintenance CAPEX that could be seen. What level of capacity utilization do we intend to achieve going forward in the next couple years and how positively will that impact our return ratio because if I see in the presentation our return ratio for FY16 has I mean the ROCE has come in at 20, which was what we clocked in about FY13-14 around those levels, which was just 21. So I just wanted to know if we intend continuing this particular trend in return ratio going forward?

**Kedar Vaze:** So as we had also mentioned during the IPO presentation and throughout the last year, we have gone through an investment phase between 2007 and 2014-15. And as all of those investments are now behind us, the return on capital should restore to around 25% levels, which is the historical average for our industry and for us.

**Suvarna Joshi:** Sure. So same as the improvement, we would see in our ROE as well our RONW.

**Kedar Vaze:** It will flow through depending on the debt equity and the cost.

**Suvarna Joshi:** Sure. just another question was on the inventory days, we've seen some bit of improvement in the overall days of inventory's outstanding, so what has that been due to, I mean, what measures did we take to improve our inventory days.

- Kedar Vaze:** In 2013 September, we implemented SAP system, ERP within the whole group. It is now up and running. We have operationalized it. And now we have data on which we are able to work and improve our planning cycles. This has enabled us to control the inventory days.
- Suvarna Joshi:** Do we have a target in mind that we would be comfortable with, let's say, about 90 days or 100 days of inventories on a like-to-like basis going forward.
- Kedar Vaze:** Historically, we have reduced our inventory days from 180 to at the moment 133 and we will see that this trend would continue. On a long term, our objective is to run between 90 and 100 days of working capital.
- Moderator:** Thank you. We have next question from the line of Anand Shah from Kotak Securities. Please go ahead.
- Anand:** Sir there is one question if I look at your gross margin, I mean you ended the year with about 44.8%, this has been lower versus your historical trajectory between about '11 to '14 where you did about 47% to 48%. Well, I understand 15 was a sort of blip because your impact in the second half. This hasn't recovered as much as was expected earlier, so what exactly is hitting this.
- Kedar Vaze:** Like I mentioned we have additional business of servicing our clients which is on a low margin.
- Aanand:** So that is just in 4Q, right, I'm just talking about annual and that is a small component of Rs 12 crore. I'm saying full-year gross margins, I mean if I compare YoY, has been flat.
- Kedar Vaze:** Full-year gross margin on consolidated basis, we have also to consider the impact of the Netherlands' operations where gross margins have come down, Euro conversion. So basically buying in dollars and selling in Euro that has compressed the margins in early half of the year.
- Aanand:** Okay, but still no major impact in terms of your domestic business per se.
- Kedar Vaze:** In fact, like-for-like our margin has slightly improved than the previous year on product by product and the combined margins would be around the same.
- Aanand:** Okay, but where do you see this improving back to on a consolidated basis including PFW, can you share any guidance? When do you expect it to go back to, let's say, 47%, 48% levels?
- Kedar Vaze:** I think depending on the currency, if the Euro-dollar stabilizes we would almost be at 46 point something percent. We look at the currency as in the budgeted currency in the beginning of the year, so there is no significant erosion of margin. We will continue to focus on high margin business and profitable business.. We're in a position to operate and run and achieve all our financial targets with gross margin around 46% to 47%.
- Anand:** Okay and lastly on this acquisition of Rasiklal Hemani Agencies, what kind of cost benefits do you foresee?
- Kedar Vaze:** We have paid a goodwill of Rs 5 crore. It gives us the infrastructure office in two cities in Northern India and 8 to 10 people of Rasiklal Hemani are now on our direct marketing and sales operations.

- Aanand:** Okay. No, but in financial terms how much, let's say, savings would lead or add to EBITDA?
- Ram:** We are talking about payback of around 2 to 3 years.
- Anand:** So 28 plus 5, 33, so you essentially recover this amount.
- Kedar Vaze:** So entire amount is actually a payment of Rs 5 crore of goodwill, remaining Rs 28 is asset, which are now added to both liquid assets as well as infrastructure, which are added to our operations.
- Anand:** Net savings in absolute amount you would expect is on annual basis.
- Kedar Vaze:** We had paid a Rs 6.25 crore commission in the previous year, so if you take Rs 6.25 crore in our operating cost of Rs 2 to Rs 3 crore and around Rs 3 crore per annum.
- Moderator:** The next question is from the line of Charu Lata from Gaidhani. Please go ahead.
- Charu Lata:** I want to understand the strategy behind acquiring the distributor?
- Kedar Vaze:** Basically as I mentioned the distributor has two offices in the Northern India. He has relationship with database and the marketing and sales people who have been in contact with the customers and he has been our indenting agent and marketing and sales sort of a regional office for the last 50 years. As part of the succession in running the business going forward we have acquired his infrastructure and people. We will integrate them into our sales and marketing operations.
- Charu Lata:** So you were not present in North India.
- Kedar Vaze:** We were definitely present and he and his staff and operations has been with us for the last 50 years. As a part of succession, there was no successors who would manage that business, so we decided to take over.
- Moderator:** Now I would like to hand the floor over to the management for the closing comments. Thank you and over to you.
- Kedar Vaze:** Once again thank you for joining the call. I hope we have been able to answer all your questions satisfactorily and should you need any further clarification or would like to know more about the company, please feel free to contact our team or CDR India. Thank you once again for taking the time and joining us on this call. Thank you very much.
- Moderator:** Thank you very much. Ladies and Gentlemen, on behalf of SH Kelkar that concludes this conference. Thank you for joining us and you may now disconnect your lines.

- ENDS -

*This is a transcription and may contain transcription errors. The transcript has been edited for clarity. The Company takes no responsibility of such errors, although an effort has been made to ensure high level of accuracy.*