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Globus Spirits

Q2 and H1 FY11 Earnings Conference Call Investor/Analyst Conference Call Transcript – November 18, 2010

Moderator: Ladies and gentlemen, good morning and welcome to Globus Spirits Limited (GSL) Q2 and H1 FY11 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 at the end of today's presentation. Should you need any assistance during this call, please signal an operator by pressing "*" and then "0" on your touchtone telephone. Please note that this conference is being recorded. I would now like to hand the conference over to Mr. Mayur Maniyar of Citigate Dewe Rogerson. Thank you and over to you sir.

Mayur Maniyar: Good morning everybody and welcome to Globus Spirits Limited Q2 and H1 FY2011 earnings conference call. Today, we have with us, Mr. Ajay Kumar Swarup, Promoter and Managing Director; Mr. Shekhar Swarup, Vice President IMFL and Dr. Bhaskar Roy, Director Finance and Chief Financial Officer of the company. We will commence this conference call with opening remarks from Mr. Ajay Kumar Swarup and Dr. Roy, which will be followed by an interactive question and answer session. Please note that some of the statements made in this conference call may be forward looking and a note to that effect was sent out to you earlier. I would like to invite Mr. Ajay Kumar Swarup to share his perspectives with regard to the company's performance during the 2nd Quarter and half year ended September 30th, 2010 and the opportunities going forward. Over to you sir.

Ajay Kumar Swarup: Good morning everyone. Thank you for joining us on the Q2 and H1 FY2011 earnings conference call. Our results have been very encouraging and we are seeing strong traction in demand across segments. GSL is well positioned to capitalize on this opportunity given its 360 degree presence across the spirit sector, right from manufacturing, marketing and sale

of country liquor, branded IMFL, industrial alcohol, apart from contract bottling to cater to the renowned Indian IMFL players.

Coming to segment-wise performance, our country liquor business continues to ride the rural consumption wave. We are seeing robust demand in this segment after a very good monsoon and also because of our geographical presence in North India where the market for country liquor is certainly in a growth phase. The second factor which will continue to drive demand for country liquor is affordability. The price differential between branded IMFL and country liquor will continue to exist because of the higher taxes levied on branded IMFL. GSL has been able to carve a niche for itself through various initiatives like using superior packaging, introducing new flavors and creating strong local brands in country liquor.

Coming to our branded IMFL business, County Club Whisky, our flagship brand in the IMFL portfolio has received an excellent response and we now plan to roll it to newer states going forward. The success of County Club has given us a platform for newer launches as well as a geographical distribution reach. We expect to come up with new launches in the branded IMFL space at the start of the next fiscal year. Branded IMFL will continue to remain the focal point of business strategy given the way the whole IMFL segment is growing.

Franchisee bottling and bulk alcohol continues to remain strong on the back of strong tie-ups and affiliations. We are aggressively pursuing opportunities in the franchisee bottling space and are confident of incremental business coming from this segment. The true force of these businesses will be unleashed when our new capacity comes on stream at the start of Q4 FY2011. Technically the new plants are much superior enabling us to produce ENA directly without going through the interim process of manufacturing rectified spirits. Another important highlight of this expansion program has been the limited cost that we have incurred to build a scale of this magnitude. Both franchise bottling as well as bulk alcohol will be the direct beneficiaries of increased capacities.

A significant development during the last quarter has been the merger of the demerged undertaking of Associated Distilleries Limited (ADL) into Global Spirits Limited. ADL is an unlisted company and is engaged in the business of manufacture, marketing and sale of industrial alcohol comprising rectified spirit, extra neutral alcohol and country liquor. The company also has IMFL bottling franchise tie-up with Allied Distillers and Blenders (ADB) for whom we make Officer's Choice Whisky.

The net sales and profit after tax of ADL were Rs. 679 million and Rs. 64 million respectively for the year ended March 31st, 2010. It is proposed to merge the demerged undertaking of ADL into GSL as an ongoing concern with effect from April 1st, 2010. The valuation study was independently conducted by Ernst & Young (E&Y). The Board has approved the distribution ratio of 1:6 for the merger of the demerged undertaking of ADL into GSL. i.e., for every one equity share of ADL of Rs. 10 fully paid up, 6 equity shares of Rs. 10 each fully paid up will be issued according to the valuation criteria suggested by E&Y based on the CCM, DCF market price and the NAV methods used to value companies. GSL will issue additional 3.24 million shares which will take the post dilution equity share capital of GSL to 22.99 million shares of face value Rs. 10 each.

To give you a brief background on ADL, the demerged undertaking of ADL is located in Hissar, Haryana. The present installed capacity of ADL is 14.4 million liters per annum. ADL operates in the two states of Haryana and Delhi and supplies country liquor to these states. It has a market share of 10% in Haryana and 8.9% in Delhi. ADL also has a bottling tie-up with ABD for bottling Officer's Choice in the Haryana market. The ADL plant has shown increased operating efficiency since its revamp in October 2009. EBITDA margins have grown from 8.7% to 16% in FY2010. The merger of the demerged undertaking of ADL into GSL would result in synergies and higher operational efficiencies and will be EPS accretive for GSL, which would translate into improved performance going forward.

The alcohol space in India is poised to grow at a very healthy rate and the entire industry is in a sweet spot currently. There is demand coming in from all strata of society and GSL is in a unique position to address this growing demand from all sections owing to its unique 360 degree business model. As our investments bear fruit, we expect strong earnings momentum going forward. To give you a brief on the financials, I would now hand over to Dr. Roy, our CFO. Thank you.

Dr. Bhaskar Roy: Good morning everybody. Let me give you a brief update on the financials. For Q2 financial year 2011, our net revenues went up by 30.3% to Rs. 1,059.4 million. EBITDA went up by 17.6% to Rs. 101.4 million and PAT went up by 20.9% to Rs. 62.4 million. For half year ended 2011, the net revenues were higher by 20% at Rs. 2,090.5 million compared to Rs. 1742.5 million. Operating profits were higher by 12.4% at Rs. 211 million compared to Rs. 187.7 million and profit after tax was higher by 13% at Rs. 134.9 million compared to Rs. 119.4 million. For Q2 financial year 2011, bulk alcohol sales stood at 47.39 lakh BL contributing 17.34% to the total revenue share. Country liquor sales stood at 14.63 lakh cases contributing 38.31%. Branded IMFL sales stood at 1.12 lakh cases, contributing 9% to the total revenue shares, while franchise of IMFL stood at 1.97 lakh cases contributing 30% to the total revenue share. Others which include spent grain, CO₂ and bio-compost contributed 5% to the total revenue shares.

Coming to the segmental revenues for half year ended 2011; we sold 95.29 lakh liters of bulk alcohol translating into a revenue share of 17%. Country liquor, we clocked 30.8 lakh cases volume-wise translating into a revenue share of 39.64%. Our branded IMFL sales stood at 1.92 lakh cases including sales from tie-ups and from 8% of the total revenue share. In the franchisee IMFL segment, we sold total 5.47 lakh cases out of which 3.89 lakh cases was booked in the sales and 1.5 lakh cases came as an operating profit in the profit and loss account. The other sales contributed 5.27% of the total revenue share. The growth in sales from the last year to this year in industrial sales is around 60.35%. Franchisee IMFL is around 52.37% and owned IMFL is around 60%. To give you a perspective on the balance sheet, our gross blocks stood at Rs. 1,882 million, net worth stood at Rs. 1,749 million and total debts stood at Rs. 356 million. Thank you once again

for joining us on this conference call. We will be happy to answer any questions that you may have now.

Moderator: We will now begin with the question and answer session. Our first question comes from the line of Percy Panthaki from HSBC.

Percy Panthaki: Can you give some idea on what are the trends and the cost for ENA especially now that crushing season is starting; how do you see that panning out? And, what is the cost per liter on an average in the September quarter and how does that compare with September quarter of last year?

Dr. Bhaskar Roy: The grain prices have continued to fall from Q2 to Q3. So in Q3 which is continuing, the inflow of bajra which is a local crop available in quite abundant in Rajasthan, the pressure on prices of broken rice was also there and the price per liter is lower in Q3 than Q2. But if we compare Q2 of 2010 versus Q2 of the last year, it is almost same because last year our average price in the quarter was around Rs. 1,045 per quintal of broken rice and this year our average price is around Rs. 1,055 to Rs. 1,060. So there is a marginal increase but that does not translate to the total increase in the cost. So I can say that it was almost the same. But in the current quarter, it is better because of the lower prices of the grain.

Percy Panthaki: Would you be able to give an idea in terms of price per liter of ENA rather than per quintal of grain?

Dr. Bhaskar Roy: The cost of price per liter of ENA, will be around anything between Rs. 28 to Rs. 30.

Percy Panthaki: Okay and that you are saying on a year-on-year basis has not changed?

Dr. Bhaskar Roy: Yes.

Percy Panthaki: But you are saying that Q3 is likely to be lower than Q2?

Dr. Bhaskar Roy: Yes.

Percy Panthaki: By approximately what percentage?

Dr. Bhaskar Roy: By approximately 10%.

Moderator: Our next question is from the line of Mudit Tandon from Gaja Capital.

Mudit Tandon: What percentage of your total ENA for the previous quarter was grain based and what percentage was molasses based? And the number that you gave Rs. 28 to Rs. 30; is that for grain based ENA or that is the molasses based ENA?

Ajay Kumar Swarup: The numbers are for grain based ENA. In the states we operate our plants, in Haryana and Rajasthan molasses prices are much higher on a per liter basis than grain. So both our distilleries, in fact, for the last two years have been running regularly using grain.

Mudit Tandon: The primary units that you have, are the raw materials interchangeable there between grain and molasses?

Ajay Kumar Swarup: It is certainly interchangeable, but that call we take based on the viability and economics of both raw materials. Like I said earlier, it has been beneficial and economical for us to produce alcohol from grain looking at the landed cost of both raw material options.

Moderator: Our next question is from the line of Kiran Chedda from Value Quest Research.

Kiran Chedda: The ADL is a group company or is it an external company?

Ajay Kumar Swarup: This is a company which was promoted by me along with some other promoters and it is in the same business as GSL wherein it makes IMFL, country liquor and industrial alcohol. So it was now thought prudent to bring this company also under the GSL umbrella and we certainly see synergies in this process.

Kiran Chedda: What will be your promoter holdings after this merger in GSL?

Ajay Kumar Swarup: Now it is around 60%, it will go up to 65%.

Kiran Chedda: Are there any more companies in the same line of business where the promoters have a stake?

Ajay Kumar Swarup: No, at present there is no other company in which promoters have a stake.

Moderator: Our next question comes from the line of Harit Kapoor from B&K Securities.

Harit Kapoor: On the country liquor, you told us that you have sold 14.63 lakh cases in Q2 FY11; what is the comparable number for Q2 FY10?

Dr. Bhaskar Roy: Q2 of 2009, it was 15 lakh cases, in Q2 of 2010 is 14.63. But if you compare the half-year to half-year, it is 30.80 lakh cases this year versus 30.50 lakh cases last year. Because in country liquor, this season is a lean season and is predominantly dominated by beers, so we are hopeful that we will maintain the growth and make more sales in the next six months, so overall year-to-year basis there will be a handsome growth.

Harit Kapoor: Do you expect the growth to commence in the second half?

Dr. Bhaskar Roy: Yes.

Harit Kapoor: What kind of numbers are we expecting, over 10% or lower?

Ajay Kumar Swarup: Around 10%.

Harit Kapoor: Is this due to larger share of market in the first half being taken by the beer market?

Ajay Kumar Swarup: Yes.

Harit Kapoor: I wanted to know the gross margin has been lower on a year-on-year basis because of lower realizations on bulk spirits sales or is there some other reason?

Dr. Bhaskar Roy: Actually if you see the margins, last year half year, it was around 15%, this year half year it is 14% EBITDA, 1% down, this is due to the higher cost of the staff also in the IMFL business which we are spending. Still by the year end when the volumes increase as per our targets, the overhead cost will come down. This is number one. Number two, all over India, the spirit prices were very low up to the end of August. It has started rising from September, so actually we got in this half year, the September month which is of a higher price as compared to last year. So Q3 and Q4, the prices will be, as we are expecting, in-line and the EBITDA margin which we are telling around 15%, we will definitely achieve.

Harit Kapoor: What are the spirit prices currently that you are selling at, as compared to last year?

Dr. Bhaskar Roy: We are selling as per last year prices.

Harit Kapoor: What would be that number approximately?

Dr. Bhaskar Roy: It depends on the states. In Rajasthan, it is around Rs. 36, in Haryana it is around Rs. 37.

Harit Kapoor: My question is regarding the IMFL business. I wanted to know what the growth strategy is this year. How has this quarter been in terms of the brands? I know County Club has done well and do we still maintain our case targets of 1 million for FY11 that you had previously mentioned?

Ajay Kumar Swarup: I can share with you some numbers. The H1 number for 2009-2010, of our branded IMFL was 1.34 lakh cases. For the same period this year it is 2.40 lakh cases. We got a growth of 80% on a year-on-year basis. During H1 of this year we have introduced County Club Whisky and it has sold 50,000 cases. It was launched in July. So if we look at July to October we have got 50,000 cases sold and in 8 states, so this is extremely encouraging as a start and it is largely County Club which is driving our growth.

Now, coming to your next question; H1 for spirits is always the lean period – that implies to IMFL as well. So the second half will certainly give us lot more volume. Couple it with the fact that we will be getting full benefit of the County Club launch in the second half. Our second brand which is very well accepted in the market is Hannibal Rum. Now in North India, rum sells only in the second half because of seasonality of the product. So we are very confident that H2 will give us excellent volumes in our branded IMFL business and we are still maintaining the volume target which we have kept. We are launching these products in New Delhi in Delhi November, so is a new addition to our distribution. We are also hoping that by Q4, Hannibal Rum will be introduced in the Canteen Stores Department (CSD). So all in all H2 promises to be very good for IMFL.

Harit Kapoor: With respect to the merger of ADL; now we are doing contract bottling for ABD in Haryana and we already had in Rajasthan, how the growth is in that segment? And the EBITDA margin at 16% of the subsidiary for a bottler looks quite good, so how that is coming about?

Dr. Bhaskar Roy: If you see ADL, I am just giving you certain brief thing and what will be the benefit to GSL and the investors of GSL. The topline ADL on trailing basis is around Rs. 80 crore. EBITDA was Rs. 11 crore and PAT was Rs. 7 crore. Number one, this merger will bring to GSL's fleet, additional Haryana country liquor business of 10% to 11%. GSL is already doing business in Haryana around 14% to 15%, now another 10% to 11% will come into the fold. So it will be a dominant player in Haryana in country liquor. Number two, in Delhi, it will be getting an additional business of 8% through ADL plus ABD, the bottling which has been started this year from beginning of April-May and now are in an increasing trend are doing around 75,000 cases per month. So, it will be also absorbing quite a huge volume.

Harit Kapoor: ABD has started only in this year even for your ADL subsidiary?

Dr. Bhaskar Roy: For GSL in Rajasthan, the tie-up is 3 years old, but in Haryana with ADL, they have started this year only.

Harit Kapoor : Is this number reflected in sales or has a tie-up income for the subsidiary?

Dr. Bhaskar Roy: No, because last year anyhow the figures which I am telling, the operation was not there but in Haryana, with the state excise policies, it will not be reflected in the top line but the margin will come in the operating income, in EBITDA.

Harit Kapoor: Earlier we had a target of the new capacities coming in Q3; why was there a one quarter delay? Is it just because it is getting our operation started or something else?

Ajay Kumar Swarup: The reason for quarter delay in startup of the expanded capacity was an exceptionally severe monsoon in North India this year. A lot of our civil work and structural work which was going on at sites was almost closed for 45 days and this has pushed everything ahead. There has been no delay in terms of supplies by vendors, all equipment is in place. In fact currently

we are just putting everything to a final finish and hopefully Q4 will see the full benefit of expanded capacity.

Moderator: Our next question is from the line of Narottan Khetan from Optimal Funds Management.

Narottan Khetan: With the delay in the capacity, how many liters would you expect to sell for the full year 2011 because we were looking at 50 million liters but with this three months delay what kind of volumes are we looking at for the full year?

Dr. Bhaskar Roy: Our target was around 50 million liters, now we will make around 42 to 43 million liters. But, this will not affect the sales to that extent. I have already explained that the sales of industrial alcohol are on target and for our own consumption; we are buying spirits from outside and selling our own spirit to the consumers.

Narottan Khetan: What are the current spirit prices that we are having? Are we around Rs. 35?

Dr. Bhaskar Roy: Around Rs. 35 to Rs. 36.

Narottan Khetan: In the profit and loss statement, is the deferred tax an advance tax that you are paying every quarter?

Dr. Bhaskar Roy: Deferred tax is as per rules of income tax. It came five years back in the provision; every company has to statutorily provide deferred tax. This is the timing difference of depreciation under Income Tax Act and Companies Act. In the Income Tax Act the depreciation is higher and you pay current tax on basis of depreciation of income tax on the current tax, so the difference between the two you have to provide as a deferred tax and keep it in the reserves and it is a part of your reserve and surplus. It is not paid, but it is just a provision that is kept aside in a separate head in reserves and surplus.

Narottan Khetan: What is the amount that you are spending now on advertisement and promotion relative to sales?

Dr. Bhaskar Roy: Our target this year in the beginning was Rs. 10 crore, but we actually have spent around Rs. 2 crore in the half year, due to the volumes increase. We will spend another Rs. 3.5 crore to Rs. 4 crore maximum till year end to meet the targeted volumes.

Narottan Khetan: Can you confirm the volume sales for branded IMFL and bulk states?

Dr. Bhaskar Roy: The volume sales of branded IMFL are 2.40 lakh cases and the industrial alcohol volume is 95 lakh BL up to the half year.

Narottan Khetan: That made up how much percent of sales?

Dr. Bhaskar Roy: It is around 17% of the sales.

Narottan Khetan: Branded IMFL was about 8% of the sale?

Dr. Bhaskar Roy: Yes. 8% of the sale.

Moderator: Our next question is from the line of Nikhil Kumar from Motilal Oswal Securities Limited.

Nikhil Kumar: As mentioned before, the ENA prices in Q3 are likely to be 10% lower than Q2. Now is this going to be the prices based on grain based ENA?

Dr. Bhaskar Roy: This is not ENA prices. There was a question of the cost of grain, so I have told that the cost of input of grain prices will be 10% lower, not the ENA prices, the selling prices.

Nikhil Kumar: How do you expect the ENA prices to pan out in the coming quarters?

Ajay Kumar Swarup: There has been a significant change in the spirit market last month which is the approval of the ethanol program and a huge volume of almost 1,000 million liters of spirit is getting diverted into the ethanol program. The government has come out with the price of Rs. 27 for this ethanol. Now as a result of this, there is a shortage of alcohol in the market and hence, we see significant uptrend in the months to come in the price of ENA.

Nikhil Kumar: On a full year basis how much would be the ENA prices different from FY10?

Ajay Kumar Swarup: In the previous year, we had a high price on ENA. Then in Q1 and Q2 of this year, we had a fall in ENA prices because of falling molasses prices. Now the first thing which has happened because of ethanol is that this fall has been made up and now we are almost back at last year's price levels for ENA. Going forward, they may be at about 5% higher than last year but that is something which is very difficult for me to predict. So all I can say is that in the coming months because of ethanol we are going to see a robust demand for ENA and certainly an upward looking price trend for ENA.

Moderator: The next question is from the line of Naga Brahma who is an individual investor.

Naga Brahma: What are the figures for the same quarter last year for country liquor, IMFL, bottle and bulk sales?

Dr. Bhaskar Roy: Last quarter, the industrial alcohol of Q2 2009 was 23.3 lakh BL, this year it is 47.39 lakh BL. Last year country liquor was 15.40 lakh cases, this year it is 14.63 lakh cases, last year owned IMFL was 0.64 lakh cases, this year it is 1.12 lakh cases and last year franchisee IMFL was 1.50 lakh cases and this year franchisee IMFL, they are in two parts, one is booked in

the sales state, another in Haryana, it is coming under operating income. The book in the sales portion is 1.97 lakh cases and coming is the operating income is 1.50 lakh cases.

Naga Brahma: What was the quantity you mentioned for bulk last year?

Dr. Bhaskar Roy: Bulk last half year was 59.40 lakh BL and this half year is 95.25 lakh BL.

Naga Brahma: Not for the full half year, I was asking for the quarter last year?

Dr. Bhaskar Roy: For the quarter it is 23.30 lakh BL and 47.39 lakh BL.

Naga Brahma: What will be the post merger share capital?

Dr. Bhaskar Roy: At present there are 19.75 million shares and we will issue 3.24 million shares to the promoters of ADL post the merger.

Naga Brahma: Will FY11 results be consolidated by year end once you get the High Court approval for the merger effective from April 1st?

Dr. Bhaskar Roy: It is not a consolidation. As and when the High Court order will be there, ADL will merge with GSL and the total results will be there. So we are hopeful to get the order first and the March result will be taking the ADL merger also into account.

Naga Brahma: You have mentioned only about the bottling capacity, I wanted to know what is the land area it has, what is the bottling capacity, does it run on molasses, can you briefly explain about that?

Dr. Bhaskar Roy: The unit ADL is now having a bottling capacity of around 4 lakh cases per month. The capacity to make rectified spirit is 140 lakh BL per annum and extra neutral alcohol of around 60 lakh BL per annum.

Naga Brahma: Does it run on molasses or grain?

Dr. Bhaskar Roy: This can run both. You have seen in the press release we have revamped the distilleries so it can run both on grain and molasses.

Naga Brahma: Does it have any land area to expand further?

Dr. Bhaskar Roy: The land which is taken on with GSL is around 10 acres, the land is available and we can easily expand, there is no problem. After the takeover we will get lands if required for further expansion. At present, more lands are not required.

Naga Brahma: Can the IMFL be made there?

Dr. Bhaskar Roy: Yes, there is already a tie-up of franchisee IMFL with ABD and they are making 75,000 cases IMFL per month.

Moderator: Our next question is from the line of Grishma Shah from Envision Capital.

Grishma Shah: What has been our spend on the marketing for our own IMFL and how do we see that going ahead?

Ajay Kumar Swarup: Like we said earlier, this year we have spent Rs. 2 crore behind County Club and plan to spend another Rs. 3 crore in the balance part of this fiscal. In the next year, we have a new product launch coming up which should be at a national level. That product would be backed up by a significantly larger spend. We are putting all the plans together, the marketing team

is currently working out what will be the budgets, but certainly in the years to come, there will be significant investment behind our brands in terms of brand building.

Grishma Shah: When you are launching on national level compared to the Rs. 5 crore that you will be spending this year, would it be in tranches because national level launch will anyways take around Rs. 20 crore if you want to do it pan India basis or would it be selectively geography-wise launch spending?

Ajay Kumar Swarup: The Rs. 5 crore which we are putting behind County Club is for promotion of this brand in 9 states. Then as and when we take County Club to other states, the spending would be ramped up according to the geographical spread. Now if the new brand is launched pan India simultaneously, then the spend behind the brand would again be as per the geography.

Grishma Shah: When you merge GSL with ADL, is there any revision in the guidance that you would like to bring to the notice because with ADL coming in what would be your early sales and profit numbers look like?

Dr. Bhaskar Roy: I can give you the trailing figures on which you can judge what will be the increase in trend because the trailing figures of ADL of top line is of Rs. 80 crore, EBITDA of Rs. 11 crore and PAT is of around Rs. 6.5 to Rs. 7 crore which is on an increasing trend.

Grishma Shah: Does the targeted sales of 40 to 43 million liters for FY11 include ADL volumes?

Dr. Bhaskar Roy: No.

Grishma Shah: What would be the current utilization of ADL then?

Dr. Bhaskar Roy: Current utilization of ADL is 90%.

Moderator: Our next question is from the line of Harit Kapoor from B&K Securities.

Harit Kapoor: On the ADL merger, what prevented us from actually adding this distillery at the time of listing or may be about a year back? Were we changing something structurally in the distillery that has taken a year?

Dr. Bhaskar Roy: No. During the IPO stage we were not at that stage of merger because at that time, the promoter that is Mr. Swarup was not having the total shareholding in majority, so it was not fruitful for merger at that time. Now he is having the majority control of the ADL and he is the promoter. Being the same promoter we thought why not to merge. At that time, he had promoted the company but there were other outside participants also.

Moderator: Our next question is from the line of Narottan Khetan from Optimal Funds Management.

Narottan Khetan: What are the segment margins for this quarter, especially for country liquor and owned IMFL?

Dr. Bhaskar Roy: Country liquor the margin is around 15% to 15.5% and owned IMFL the margin is around 16.5% to 17%.

Narottan Khetan: Were margins primarily lost in the spirit prices given the lower prices that you got at the beginning of the quarter?

Dr. Bhaskar Roy: Yes.

Moderator: Ladies and gentleman, that was the last question, I would now like to hand the floor back to the management for closing comments.

Dr.Bhaskar Roy: I thank you all sincerely for sparing time and joining us on this concall. In case of any further query, please be free to contact us or e-mail us and we will be very happy to answer your queries, thanking you all again.

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