

November 19, 2014

|   |   |
|---|---|
| DCS-CRD<br>BSE Limited<br>First Floor, New Trade Wing<br>Rotunda Building,<br>Phiroze Jeejeebhoy Towers<br>Dalal Street, Fort<br>Mumbai 400 023<br>Fax No.2272 3719/2039<br><br><b>Stock Code: 533229</b> | National Stock Exchange of India Ltd.<br>Exchange Plaza, 5th Floor<br>Plot No.C/1,<br>'G'Block<br>Bandra- Kurla Complex<br>Bandra East<br>Mumbai 400 051<br>Fax No.2659 8237/8238<br><br><b>Stock Code: BAJAJCORP</b> |
|---|---|

Dear Sir,

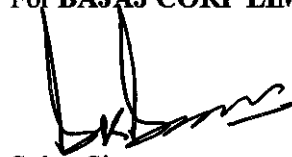
**Sub: Conference Call transcripts**

Please find attached a copy of the Conference Call transcript in respect of Bajaj Corp Limited dated October 17, 2014

The same may please be taken on record and suitably disseminated to all concerned.

Thanking you,

Yours faithfully,  
For **BAJAJ CORP LIMITED**



Sujoy Sircar  
Company Secretary

Encl: As above

November 19, 2014

|   |   |
|---|---|
| <p>DCS-CRD<br/>BSE Limited<br/>First Floor, New Trade Wing<br/>Rotunda Building,<br/>Phiroze Jeejeebhoy Towers<br/>Dalal Street, Fort<br/>Mumbai 400 023<br/>Fax No.2272 3719/2039</p> <p><b>Stock Code: 533229</b></p> | <p>National Stock Exchange of India Ltd.<br/>Exchange Plaza, 5th Floor<br/>Plot No.C/1,<br/>'G'Block<br/>Bandra- Kurla Complex<br/>Bandra East<br/>Mumbai 400 051<br/>Fax No.2659 8237/8238</p> <p><b>Stock Code: BAJAJCORP</b></p> |
|---|---|

Dear Sir,

**Sub: Conference Call transcripts**

Please find attached a copy of the Conference Call transcript in respect of Bajaj Corp Limited dated October 17, 2014

The same may please be taken on record and suitably disseminated to all concerned.

Thanking you,

Yours faithfully,  
For **BAJAJ CORP LIMITED**



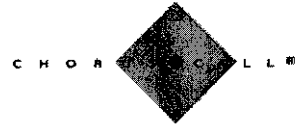
Sujoy Sircar  
**Company Secretary**

Encl: As above



“Bajaj Corp Limited Q2 FY15 Earnings Conference  
Call”

October 17, 2014



**ANALYST: MR. ANAND SHAH – KOTAK  
INSTITUTIONAL EQUITIES**

**MANAGEMENT: MR. SUMIT MALHOTRA – MANAGING  
DIRECTOR – BAJAJ CORP LIMITED**

**MR. NARAYAN RAMAN - PRESIDENT  
CORPORATE AND INVESTOR RELATIONS –  
BAJAJ CORP LIMITED**

**MR. V. C. NAGORI - CHIEF FINANCIAL  
OFFICER – BAJAJ CORP LIMITED**

**MR. DILIP MALOO - VICE PRESIDENT -  
FINANCE- BAJAJ CORP LIMITED**



**Moderator:** Ladies and gentlemen, good day and welcome to the Bajaj Corp Limited Q2 FY15 earnings conference call hosted by Kotak Securities Limited. 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 would now like to hand the conference over to Mr. Anand Shah from Kotak Securities. Thank you and over to you Mr. Shah!

**Anand Shah:** Thank you Karuna. Welcome all on behalf of Kotak Institutional Equities I welcome you all to the Bajaj Corp 2Q FY15 Earnings Conference Call. We have with us the senior management of Bajaj Corp represented by Mr. Sumit Malhotra, Managing Director, Mr. Narayan Raman, President, Corporate and Investor Relations, Mr. VC Nagori, CFO and Mr. Dilip Maloo, Vice President, Finance. I will now hand over the call to Mr. Sumit Malhotra to discuss the recently announced earnings. Thanks and over to you Sir!

**Sumit Malhotra:** Good afternoon to all and welcome to the conference call for declaration of the second quarter results for the Financial Year 2014-2015. With me are Mr. Narayan Raman, President Corporate and Investor Relations for the Bajaj Group, Mr. VC Nagori, the CFO and President Finance and Mr. D. K. Maloo, the Vice President Finance.

The Company has closed the second quarter with the turnover of 187.6 Crores. This translates into a growth of 18.55% on a year-to-year basis. The corresponding growth in volumes was 8.8%. The EBITDA for the quarter is 53.03 Crores this is at 28.27% of sales. The growth in EBITDA is 23.7% correspondingly PBT, profit before tax is 47 Crores and PAT after adjusting for exceptional items is 37.43 Crores. These exceptional items as you would recall is as a result of the write-off of the purchase cost of the Nomarks brand and is amount 11.74 Crores giving this quarter.

Keeping in mind the performance of the company as well as the very healthy bottomline the board of directors have kindly approved an interim dividend of Rs.11.5 per share.

The volume growth have showed a marked improvement this quarter vis-à-vis our volume growth of 3.5 in the first quarter of this financial year the volumes in this quarter have grown at 8.8% out of this the newly acquired brand of Nomarks has contributed approximately 5% and the existing brands have shown a growth of 3.8%.



We believe this indicates an early signs of recovering in the hair oil industry. This is collaborated by the increase in secondary sales for all lead brand Bajaj Almond Drop hair oil which has also shown a major improvement during this quarter this has led to a confident being reinstated with our distributors which is surely going to help us in the coming quarter.

In terms of consumer offtake as reported by Nielson the hair oil industry have not shown major reversal which was witnessed during the last three quarters. So volume offtake of branded hair oil has declined by 5.5% during the second quarter, light hair oil has declined 4.4% and even the offtake of all lead brands Bajaj Almond Drop has shown a minor decline in offtake terms even though the primary sales have grown by more than 4% and secondary sales have grown by 7%.

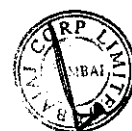
As you would recall these indicators are a sure sign of recovery happening because if you remember last time in my address I said that one the slowdown stopped and reversal happen the first thing that will pick up is the secondary sales and thereby the primary sales which is what you see.

As regards the urban versus rural growth the rural growth is still outpacing the urban growth the difference in this quarter is approximately 8.5%, urban growth still being negative, which is in line with what we have been witnessing over the last three quarters.

This quarter we have the Bajaj Almond Drops has got 40% of its offtake coming from the rural area this is the highest ever till date. On those costs front the scenario remains benign with the fall in prices of crude oil the cost of light liquid paraffin is also softening.

The complete impact of the fall in crude oil on LLP prices has yet not been reflected, but I am sure that in the coming quarter you will see a definite reduction in the price. Last quarter it was at around that, the second quarter it was around Rs.85 a kg it is already down to Rs.81 a kg vis-à-vis the second quarter of the last financial year the cost of goods sold have declined by 59 basis points this is also been reflected in the improvement in EBITDA levels by 118 basis points.

As a result the EBITDA has result to 28.27% in this quarter as against an EBITDA to sales ratio of 27% in the quarter two of last financial year, this increase in EBITDA in this quarter is despite the marginal increase in advertising and sales promotion to sales ratio of 19 basis points.



The process of integrating Nomarks brand into our distribution system is proceeding well. The brand is now available in 4 lakh outlets during last financial year we have clocked a turnover of 16 Crores for the brand as against this in this half year we have clocked 28 Crores which is a significant improvement over what we did last year and what the previous one has ever done.

As stated in our earlier concalls the gross margin for Nomarks has improved further and during this quarter the gross margins of Nomarks stands at 64%. If you remember we had set a target of 61% which we have exceeded. We expect to be able to maintain this margin in the coming quarter.

In this quarter the highest growth was as again been the Cream which did show further upswing during the winter because creams are used more during winter and therefore we expect the third quarter to be a good quarter for Nomarks.

We continue to focus on pushing our brand into more outlets. We now are available in 2.73 million retail outlets and also spending on advertising and sales promotion. The final focus has been international business which is continuing to grow at a healthy pace. It is now more than 3% of our total turnover Bangladesh market has shown stabilization and volumes are increasing on a month-to-month basis. The UA subsidiary has started functioning and we have started treating the gulf markets through this cosmetic.

Kailash Parbat, which is launched little over three years ago continues to disappoint and we have really not spend anything in terms of advertising this quarter keeping in mind the dismal performance of cooling oil over the last two years.

We are now open to questions.

**Moderator:** Thank you very much Sir. Ladies and gentlemen we will now begin the question and answer session. We have first question from the line of Percy Panthaki from IIFL. Please go ahead.

**Percy Panthaki:** Sir I just wanted to ask with LLP prices expected to come down how do you look at your margins in the next three to four quarters how much typically due expect would be passed on to the customer to the trade or through increase in ANP spend and therefore the gross margin impact which should be quite robust would be reduced at the EBITDA margin so I just want your help in taking through this process.



**Sumit Malhotra:** Percy, we normally do not give a guidance but to give an overall view of what we have been doing and we will be doing we believe an EBITDA of 28% is very robust so and therefore our aim will not be to increase the EBITDA even further and therefore the most of what increase that we get in our gross margin still go into ASP because that will help us grow our volume even faster, which is the main concern at this point of time even though we have done an improvement in volume but it is still not at the level that it was even an year ago. So most of our improvement in margins that should happen because of reduction in ANP prices will go into ASP how much will go into A and how much will go in sales promotion it is something we will take a call as we go along.

**Percy Panthaki:** Right Sir, my second question is on the demand front as you have said there is a 8% gap between the rural and urban, urban still continues to be marginally negative and rural probably in the mid single digit so firstly why is urban in negative territory especially in the last six months the pressures have been more on rural with a slightly weaker monsoon lower growth in MSPs etc. So I would have thought that urban probably should be marginally better than rural so that is one and secondly even rural at 5%, 7% or even the entire India at 5%, 7% although we have seen a slight sort of recovery in the demand it is nowhere near the trend rate which is in double digit so do you see this recovering to double digits on an all India basis and your thoughts on urban versus rural as I just mentioned?

**Sumit Malhotra:** I think the difference between urban rural is that rural is a more agriculture led economy and therefore things like you rightly said things like MSP things like NREGA help demand whereas in the urban area it is more salary, more business related things which get affected much faster because even though you said that there was just talk about bad monsoon but the result of bad monsoon actually happens when the harvesting is done, and harvesting is yet not done. So if at all there is going to be a negative impact on of bad monsoon, it will happen sometime in November, December when the harvesting is done. In terms of urban it reacts first because of high inflation and I believe this reduction in growth or negative growth of volumes and hair oil it because of high inflation this is leading people to not to think about conversions like I had been saying that hair oil industry grows because of conversion. The biggest conversion that happens of the largest number of consumers that are converting happens between the unbranded and branded which is a person who uses loose oil or a cooking oil as a hair oil, but once to move into a branded hair oil that is the biggest source of gain which has really dried out and that has caused the reduction in the growth rates of the overall hair oil industry. I believe that once the inflation drops like it has been showing early signs of you will see that various segments within the branded



hair oil segment will start growing. Once that happens you would see the first time happened in urban followed by the rural economy and then the distance between the rural and the urban growth of hair oil will come down faster.

**Percy Panthaki:** One last question if I might, what is your take on the competitive scenario, especially in light hair oil that is a very exciting place and all the new or all the established hair oil players who have a presence in other segments want to launch product in the light hair oil segment also. So can you just give an idea on what is performance of some of the new entrance in the light hair oil space?

**Sumit Malhotra:** Light at the cost that repeating myself has always said that in FMCG competition is good for the segment because more visibility increases the cost of conversion into that segment if you look at the light hair oil where we have the leaders with over 60% market share you will realize that more than host of the advertising is done by Bajaj Almond Drop. As competition comes in and provide us the competition invests in advertising the light hair oil industry will start growing even faster that means that the new consumers will start coming into light hair oils even more because of the noise that is created among the year with and we will stand to gain there also. Yet it has become very attractive and contrary to what happened over the last 10 years MNCs are finally coming into the light hair oil that Levers who came in through Dove and then they launched a brand called Clinic followed by Dabar who launched Dabar Almond followed by L'Oreal who has gone and launched a 5 in One followed by Emami who has gone and launched a 7 in One followed by P&G who recently launched another hair oil it is too early to say anything about most of the newly launched brands but the older brands like Dove, Clinic and Dabar Almond have actually lost share during this quarter and that largest brand being Dabar Almond that 2.1% market share but the third partners in none of them are really advertising that heavily on the national media and therefore like I said in the beginning in my talk to all of you the light hair oil itself is still stagnating it is not growing as much as it should and it will once the competition really have hubs up.

**Percy Panthaki:** Thanks and all the best.

**Moderator:** Thank you. We have next question from the line of Jinal Seth from Multi-Act Equity. Please go ahead.

**Jinal Seth:** Good morning Sir. Firstly just I would like to congratulate you for the good set of numbers. I just would like your views on this dividend increase whether we can expect such a payout going forward until the time we find a new acquisition or is it something you have to stay so any thoughts on that?





- Sumit Malhotra:** See I have always stated my company's policy which is that if we do not have a better use of the cash we have been generating, we would like it to give it back to the shareholders. I think this increase in dividend payout indicates two things one is the healthy profit that we are making and the second the alternate use of cash that we have and I think there really nothing much more to read about in the things even the dividend which has been act for our policy of giving back to our stakeholders rather than heating it as cash and getting a sub optimal return from the bond market as such.
- Jinal Seth:** In a way what you are saying is this can be expected to stay that the payout ratios is what I am talking about?
- Sumit Malhotra:** May, may not depends on like you rightly said the acquisition we do next year.
- Jinal Seth:** Any thoughts on as you are in the Kailash Parbat brand there you guys were want to take a call sooner rather than later what to do with the same.
- Sumit Malhotra:** See the call that we have to take in before the next season so we still have around three, four months to go.
- Jinal Seth:** Thank you.
- Moderator:** Thank you. We have next question from the line of Tejas Shah from Spark Capital. Please go ahead.
- Tejas Shah:** Congratulations on good set of numbers. My question also pertains to the dividend policy if I am not wrong the interim dividend if I take it as a final dividend what we have announced yesterday it amounts to roughly 60% of money you raised in IPO. So are we capping our future acquisition target to certain size by paying out dividend and not creating at vouchers because apparently brands are also getting costly or which is even if we acquire down the line or one year or two years down the line, so in anyway have you decided certain size beyond which you would not go and hence you do not want to keep more cash on books or you will take a call as we move along on that?
- Sumit Malhotra:** I think there is always this stalks up between keeping cash in the books and waiting for an acquisition. I think what we have decided is that no further acquisition will happen in the next before 12 to 18 months from now and the call that we took was whether we keep all this cash and further cash that we are generating in the book and wait for an acquisition or give this out and keep accumulating whatever we win in the future, also please remember there was already a surplus of 148 odd Crores in our P&L account



which was also lying there. There is nothing to do with what we raised in IPO that is totally separate there. So I think you missing two things of IPO.

**Tejas Shah:** I was expecting quantum in size to just to indicate and obviously you are generating huge cash also.

**Sumit Malhotra:** We had 147 in our P&L surplus and we also generated another 77 Crores this year cash profits. So the amount that we will be paying will be in much less than what we already have. So the following whatever we will generate will keep on added to our cash reserves. Basic call was that you need it now or you need it later why create that negative balance in your P&L account which is what the call we are talking about.

**Tejas Shah:** Second question pertains to what trends we observing for last three, four quarters in hair oil category in particular has that premiumization story or conversion story as you call it are still paying out but it is playing out but it is playing out in favor of lower price points category, Amla to be more specific. Hence do you see a merit in reviving Amla based portfolio that you have and profit to hedge to capture conversion benefit because you have Almond at the premium end and then Amla at the lower end?

**Sumit Malhotra:** Good question. We believe in selling things as a sustainable price so I would not like to launch a brand and or revive a brand at a very low price and at the end not make any money on it, so yes this is a strategy in terms of have playing on price point but as a company we will only play on price point if we see a differentiation in the product and have a decent sustainable gross margin.

**Tejas Shah:** Let me turn this around is there a possibility that we launch Amla or relaunch Amla and also make money on it?

**Sumit Malhotra:** I am sorry I cannot discuss this over phone. This will be a strategy input or strategy call that we will make inside the organization.

**Tejas Shah:** Sir lastly a book keeping question, your tax rate for FY16?

**Sumit Malhotra:** Maloo Sab can you answer that?

**Dilip Maloo:** We will continue to be in the MAT regimen only.

**Tejas Shah:** Thanks a tonne Sir, and all the best.

**Moderator:** Thank you. We have next question from the line of Nitin Gosar from Religare Invesco. Please go ahead.



- Nitin Gosar:** Just one conceptual question pertaining to the way copra prices are moving up because obviously coconut oil prices have gone up. The gap between the coconut oil, amla oil and probably the almond oil would have shrunk?
- Sumit Malhotra:** Yes, Amla has become cheaper than coconut.
- Nitin Gosar:** I just wanted to understand the thought process of consumer why have they not shifting towards the Almond oil?
- Sumit Malhotra:** Like I said that the cost impact to a consumer by moving from a coconut to Amla to light hair oil is not much. The concept is that it is under strain on its, if there is a strain on its wallet is that thinking of conversion it is not that he can afford or cannot afford because like you would appreciate a consumer really does not do this math. For example if you ask ten people what is the cost of the toothpaste he is using out of the ten people not even one can tell you the cost. He does not take this decision rationally in terms of per ml this is its cost of using a hair oil and I say X rupees per ml and therefore I should move up or down but the concept is even more inherent in its psyche. The psyche is that if I do not have money or if I have strain on my wallet I would not think about converting or buying a durable and that is the reason why conversion is coming down not because he does not have money to buy a hair oil at that logic he should stop buying coconut and start buying Amla and the growth in Amla would be much, much bigger but that is not happening to give you an example the leading brand of coconut is at Rs.35 for 100ml and the fastest growing brand in the hair oil industry which is in the Amla space is at Rs.23 for 80ml by that logic he should shift out of coconut lost stock in barrel so this is even that rational when it comes to categories like are with a low put down price category.
- Nitin Gosar:** Are we at the juncture where this conversion of the thought process or the psyche of the consumer will take a bit longer time than earlier in probably in 2012 or 2013 scenario where also the Copra price had gone up but its wallet was not under strain.
- Sumit Malhotra:** As the base case on the overall inflation rather than Copra if the strain on the pocket reduces you see a faster conversion.
- Nitin Gosar:** Thanks for the input. Happy Diwali.
- Moderator:** Thank you. We have next question from the line of Kaustubh Pawaskar from Sharekhan. Please go ahead.



**Kaustubh Pawaskar:** Couple of questions. Sir you just mentioned that rural growth was ahead of the urban growth so can we expect that the sachets did well for the quarter for you in Bajaj Almond Drop hair oil?

**Sumit Malhotra:** Yes sachets did well but it is not the fastest growing sized. You will be surprised to know the fastest growing size is actually a 500ml.

**Kaustubh Pawaskar:** What was the growth in 500ml if you could just quantify?

**Sumit Malhotra:** It was around 35%.

**Kaustubh Pawaskar:** For sachets.

**Sumit Malhotra:** Around 19% or so and overall almond is 4%.

**Kaustubh Pawaskar:** Sir can you just repeat the secondary sales for the almond drop hair oil for this quarter?

**Sumit Malhotra:** I said it has grown by around a little lower 7%.

**Kaustubh Pawaskar:** Sir as you mentioned that inflationary pressures are receding and the expectation are that hair oil market would improve in the coming quarters obviously in the second half the base effect would also come into play because last year the pressure on the volumes started coming in from quarter three of FY14 so I think considering that the growth in the second half would be much better for you?

**Sumit Malhotra:** Kaustubh we do not give guidance like you are aware but what you have does said is very logical and has that should happen.

**Kaustubh Pawaskar:** Thank you.

**Moderator:** Thank you. We have next question from the line of Rahul Bhalodia from Lucky Investments. Please go ahead.

**Ashish Kacholia:** Good afternoon Sir. This is Ashish Kacholia here. Congratulations on a great set of numbers Sir. I just wanted to understand when you say that our market share in the value added hair oil segment is 38%?

**Sumit Malhotra:** Not in value added in light hair oil.

**Ashish Kacholia:** Light hair oil it is 58%, this should exclude all the parachute advance type of hair oil right you would classify those as coconut based.



- Sumit Malhotra:** They are called VACNO of Value Added Coconut Hair Oil.
- Ashish Kacholia:** Okay, who are the players in this balance 42% if I may just understand?
- Sumit Malhotra:** Biggest player now is a brand called Hair&Care followed by a brand called Keo Karpin followed by a brand called Elline and then you have the new brands line Dove and Clinic and Dabar Almond and Pantine Hair Oil, L'Oreal 5 in 1, Emami 7 in 1, Dabar Enrich, there are total of 112 brands in the light hair oil.
- Ashish Kacholia:** Sir just to get your view on the growth in the value added coconut hair oil segment versus growth in our light hair oil category any relative growth rates that you might care to share with us?
- Sumit Malhotra:** Ashish we do not track VACNO but if you were do a small analysis and say that the total hair oil is declining by 5.5% light hair oil is flat Amla is growing, cooling is flat that one been coconut and value added coconut hair oils were declining faster than these categories but that is because of the data we do not buy data on VACNO because we do not have a brand in VACNO.
- Ashish Kacholia:** This is what you are saying by value or by volume Sir.
- Sumit Malhotra:** We talk volume value is apart, value we have grown.
- Ashish Kacholia:** Thank you very much and all the very best.
- Moderator:** Thank you. We have next question from the line of Nalin Shah from NVS Brokerage. Please go ahead.
- Nalin Shah:** Good afternoon Mr. Sumit. This is Nalin Shah here. I just wanted to know that considering the Nomarks which is a skin brand which we have acquired and our hair oil business the future for your consideration any acquisition will it be that like sector wise we would be restricting ourselves to say hair oil or the skin care kind of a product or it could be a wider like oral care or some other businesses also?
- Sumit Malhotra:** Mr. Shah unfortunately this has become a sellers markets and not a buyer's market when you do look at acquisition targets you really do not look at what I will buy until and unless I will not buy we looks everything what is available and at what price and then what would be the payback period is something that we look at there.
- Nalin Shah:** So you can have a wider choice depending up on the availability and suitability.



- Sumit Malhotra:** It is our choice because if I really constrain myself and say I will buy only hair oil you might not have any choice at all.
- Nalin Shah:** Thank you.
- Moderator:** Thank you. We have next question from the line of Aman Moria from India Invest Securities. Please go ahead.
- Aman Moria:** Sir my question is primarily on the volume growth now there is the whole volume growth which is about 8% which will delivered this quarter these primarily coming from the urban is this coming from the rural market right?
- Sumit Malhotra:** Not fairly we are also getting growth from the urban market because out of this 8.85% is Nomarks and Nomarks is primarily urban product out of this 8.8% volume growth you can safely say more than 5% comes out of the urban area.
- Aman Moria:** So meaning that 8% it is split into 5% is coming from the Nomarks and remaining is coming from the Almond hair oil right?
- Sumit Malhotra:** Yes.
- Aman Moria:** So Sir assuming that even though this growth which is there in almond is a much better growth than what we had delivered in last 3 to 4 quarters so is this the first sign of revival of the volume growth here on.
- Sumit Malhotra:** That is what I said and I would like to the cost of repeating myself I had said that the first time comes when your secondary sales growth is higher than your primary this is higher than offtake which means that the market is sensing and increase in offtake because if you remember we had down stocked in the fourth quarter of last year and that is why our primary and secondary growths were lower than the offtake growth once recovery happens the reverse happen that the stock is now starting to build up in secondary. Secondary growth is 7% from Bajaj Almond Drop primary is 4% and off take is flat.
- Aman Moria:** Thank you. Happy Diwali.
- Moderator:** Thank you. We have next question from the line of Jahan Bala from Motilal Oswal. Please go ahead.
- Jahan Bala:** Sir one thing which is pretty evident is that players who are entering categories which are already well penetrated and there is a large company with a high market share it is



very difficult to capture market share and essentially increase our profitability. So my question is are we really putting effort from the R&D front or trying to come up with innovative product so could you just throw some light are there any product in the pipeline where it could be an innovative product and you would be the first entrant in this segment any such thoughts?

**Sumit Malhotra:** I can talk generally. I cannot talk specifically because obviously these kinds of things are confidential and we cannot discuss, but logically in FMCG and especially categories like this which are easy to make there is no rocket science in making hair oil and therefore you do need to keep upgrading the product, the packaging, the communication and so on so forth on each of these things we keep on doing a lot of work. Yes we do our products ready. The call we at the top has to take is that which product and when do you launch I think timing is the most important thing and we in Bajaj Corp like to space it out and do not like to do too many things at a time because we believe more important than the products of the money spent behind promotion is the managerial brand business which means that does you are thinking, does your infrastructure has the capability of doing so many things that all at the same time so I think it is only a question of timing so that far available and as we have enough products in the pipeline to last cost for the next five years.

**Jahan Bala:** Sir anything coming specifically over the next one or two years?

**Sumit Malhotra:** Sorry I cannot talk more.

**Jahan Bala:** Thanks Sir.

**Moderator:** Thank you. We have next question from the line of Ajay Nandagar from Capital. Please go ahead.

**Ajay Nandagar:** Most of my questions have been answered. Thanks very much.

**Moderator:** Thank you. As there are no further questions from the participants' I would like to hand the floor back to the management for their closing remarks. Over to you Sir!

**Sumit Malhotra:** Thanks to all who participated and I hope to get even better results next quarter, keeping in mind the trends that we are seeing in the early signs we have seen and happy Diwali to all of you a prosperous New Year. Thank you.



**Moderator:** Thank you very much Sir. Ladies and gentlemen on behalf of Kotak Securities Limited that concludes today's conference. Thank you for joining us and you may now disconnect your lines.

