

Date: 16<sup>th</sup> August, 2022

<b>BSE Limited (BSE)</b> Department of Corporate services Phirojee Jeejeebhoy Towers Dalal Street, Mumbai – 400023	<b>National Stock Exchange of India Limited (NSE)</b> Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai – 400051
<b>Scrip Code: 500136</b>	<b>Symbol: ESTER</b>

**Subject: Transcripts of Earning call held on 12<sup>th</sup> August 2022**

Dear Sir

In continuation of our letter dated 13<sup>th</sup> August 2022 regarding Audio recording of Earnings call for Investors and Analysts and pursuant to Regulation 30 (6) of the SEBI (Listing Obligations and Disclosure Requirements) 2015, the transcripts is enclosed herewith and available on the website of the company at the following link-

<https://www.esterindustries.com/node/1124>

Please take same on your records.

Thanking You

Yours Faithfully  
For **Ester Industries Limited**



**Diwakar Dinesh**  
**Head-Legal & Company Secretary**  
Encls : As above

**Ester Industries Limited**

**Corporate Office** : Block-A, Plot No. 11, Infocity-I, Sector-34, Gurgaon - 122001 Haryana, India  
**Phone** : +91-124-2656100, 4572100 **Fax** : +91-124-4572199, 2656199 **E-Mail** : info@ester.in **Website** : www.esterindustries.com

**Regd. Office & Works** : Sohan Nagar, P. O. Charubeta, Khatima - 262308 Distt. Udham Singh Nagar, Uttarakhand  
**Phone** : EPABX No. (05943) 250153-57 **Fax No.**: (05943) 250158



## Ester Industries Limited

### Q1 FY23 Earnings Conference Call Transcript

#### August 12, 2022

---

**Moderator:** Ladies and gentlemen, good day and welcome to Ester Industries Limited Q1 FY '23 Earnings Conference Call.

I now hand the conference over to Mr. Gavin Desa from CDR India. Thank you and over to you, sir.

**Gavin Desa:** Thank you. Good day, everyone and warm welcome to Ester Industries Q1FY'23 analyst and investor conference call. We have with us today, Mr. Pradeep Kumar Rustagi, Executive Director - Corporate Affairs and Mr. Girish Behal, Business Head. We will begin this call with opening remarks from the management, following which we will have the floor open for interactive Q&A session.

Before we begin, I would like to point out that some statements made in today's discussions maybe forward looking in nature, and a note to this effect was sent to you in the invite earlier. We trust you've had a chance to go through the documents on and financial performance.

I would not like to invite Mr. Pradeep Kumar Rustagi to make his opening remarks. Over to you, Pradeep.

**Pradeep Kumar Rustagi:** Thanks, Gavin. Thank you everyone for joining us today. Mr. Singhanian will not be able to attend the call today as he has some family emergency. So I and Girish Behal would be here to make the presentation and answer the question that you may have.

So I'll begin the call with brief overview of all our businesses post which we will walk you through the financial performance for the quarter. We have started FY '23 on a strong note as can be seen by our financial, with both our core businesses, films and specialty polymers registering good growth in revenue and profitability despite a challenging inflationary environment. Post the decision to divest our engineering plastic business, our attention is now solely focused on improving and scaling up the performance of our core businesses, name films and specialty polymers.

EP transition is likely to fructify in next 25 to 30 days and will enable us to further deleverage the balance sheet and make it healthier and stronger. It will also provide us with the requisite growth capital to fund the planned capital expenditure, and next phase of growth for the company.

Moving onto the quarterly performance, starting with the headline numbers. We have seen a good double-digit growth in our top line and profitability for the quarter. Margins as well have improved on a quarterly basis, both films and specialty polymers businesses as I have mentioned, contributed to the revenue and profitability growth.

Better product mix and improved realizations coupled with higher sales volume resulted in delivering better operating profitability, despite elevated feedstock prices and fuel prices. A strong performance of core businesses coupled with lower finance expenses resulted into profitability growth both on year-on-year basis and quarter-on-quarter basis. Performance of the new plastic business was expectedly benign.

Moving on to the individual businesses, starting with Specialty polymers after ending 3 – FY'22 on a strong footing, the beneficiary started the new fiscal with the same Zest largely



driven by strong volumes. We continue to see good uptick for our marquee established products. MB03 for instance has seen volumes of 411 metric tons for the quarter as against 379 metric tons during Q1 FY'22, growth of 8%, while innovative PBT has seen volume growth of 41% for the quarter with volumes of 485 metric tons as against 344 metric tons during Q1 FY'22.

Margin for the business stood at 31% for the quarter as against 36% during Q1 FY'22 and 29% during Q4 FY'22, Specialty polymer as we have been retreating it largely a patent, protected and innovation driven basis with realizations tied to raw material prices. The variation in an average -- in average sales realization is a function of raw material cost, product mix and customer mix.

Product pipeline for the business remained encouraging offering better visibility and potential for significantly improved performance over the coming years. We are extremely confident of the value proposition our products bring to the table, as well as the barriers to entry and hence believe Specialty polymer will always be a highly profitable business for us.

We expect the growth trajectory for MB03 and innovative PBT to continue throughout the course of the year. Some of our newly developed products have the potential to do well in years to come. However, ramp up of commercial sales of newly developed products got effected due to global supply chain disruptions and inflationary pressure that caused feedstock prices to rise significantly.

Consequently, finished goods prices increased substantially resulting into high input costs for the customer. Rationalization of feedstock prices has started and therefore we expect sales to resume in near term. We are confident that existing products coupled with new products would help us sustaining the growth momentum going forward.

Moving onto the film business, we witnessed growth in revenue and profitability during the quarter. Volumes as well picked up based on a sequential basis having grown 6% on a quarter-on-quarter basis. Demand momentum continues to remain stable across domestic and international.

Realizations during the quarter were better owing to passing through the increase in input prices. Besides price moment, the margin improvement was owing to better product mix

As we have been reiterating, our objective has been to increase the share of value added and Specialty products in the overall mix. As of Q1 FY'23, value added products constituted about 22% of the overall sales volume. Our aim as we have stated before is to increase the share of high margin products to 30% of the overall mix and we are well on track towards attaining that.

Objective of improving our product -- product mix to largely de-commoditize our product portfolio and make it more skewed towards specialty wherein margins do not fluctuate as much as and as widely as in commodity films

As we have indicated in our earlier calls as well while inflationary pressure and demand supply imbalance caused by commissioning of new production lines may cause margin compression in the near term, the long-term prospects of the business remained strong and we expect business to generate healthy margins.

A quick word on our new plant before we move on to engineering plastic business. The setting up of our 48,000 tons plant at Telangana is progressing as per schedule and we expect commencement of commercial production during the last calendar quarter, most likely by October '22.

Moving on to our engineering plastic business, as mentioned during our previous call, we have entered into a business transfer agreement to sell the business to Radici Plastics India Private Limited in an all-cash slump sale transaction amounting to Rs.289 crore. In Q1 FY'23, the performance of business was benign given the contraction in margins both on a year-on-year basis and sequential basis. Lower volumes of Engineering Plastics Compounds, OFC grade material and gradual moderation in realizations contributed to margin compression during the quarter.

Transaction with Radici Plastics India Private Limited is expected to be concluded in the next 25 to 30 days. As mentioned earlier, post the transaction, our efforts will now be directed towards building innovative and path breaking products in Specialty polymer business, besides increasing the share of value-added products in film business.

We would just like to state that fundamentals of our core businesses of films and especially polymer remained strong and we are well placed to deliver consistent growth and returns over the coming years, Specialty polymer business has been performing well consistently over the past quarter, having recovered sharply from the pandemic levels. Volume off-take as well as realizations have remained fairly buoyant amidst steady demand from customers.

Legacy and newly launched products, both are witnessing good traction, which is likely to sustain the business momentum going forward.

Lastly, the product pipeline for the business gives us the confidence that the business will see even better days in the coming years.

Moving onto film business, we expect normalization of margin in the near term due to commissioning of new production line with long term prospects of the business remaining healthy. Our efforts towards improving the product mix by increasing the share of high margin products has been shaping up well, in turn helping us deliver the steady margins.

Lastly, the commissioning of the new plant will help us contribute towards starting a new path for the business, scale the business up and enable Ester to draw benefits of economies of fiscal at consolidated level. Basis low cost of operations and proximity to market, we expect Telangana plant to return satisfactory financial performance.

We will quickly work you through our financial performance for the quarter ended June 30<sup>th</sup>, post which we can begin the Q&A session.

Starting with the top line, revenue from the operations is stood at Rs.402 crore as against Rs.319 crore reported during Q1 FY'22, that is higher by 26%. The growth was largely delivered by the good performance of both film and specialty polymers business.

EBITDA for the quarter stood at Rs.73 crore as against Rs.65 crore generated during Q1 FY '22, that is higher by 13%. Though the EBITDA in absolute terms is higher than Q1 FY '22, EBITDA margin in percentage terms were compressed during the quarter-end review largely owing to higher denominator effect due to sharp increase in input costs and consequence increase in sales realization.

Finance costs for the quarter is stood at Rs.6.6 crore as against Rs.4.9 crore outgo reported during Q1 FY '22. As of June 30, 2022, our outstanding interest-bearing term debt net of free cash is stood at Rs. 214 crore while interest bearing debt, working capital is Rs.86 crore. Interest bearing debt net of free cash as a multiple of EBITDA remained at a comfortable level of 1.02x as of 30 June 2022.

While our healthy and resilient, the divestment of will enable us to further deleverage the balance sheet and strengthen it further. Divestment will significantly improve the liquidity profile of the company and provide us with the requisite growth capital to further scale up our core businesses.

Depreciation for the quarter is stood at Rs.9.5 crore as against Rs.8.7 crore reported during Q1 FY '22. Profit after tax for the quarter stood at Rs.42 crore as against Rs.38 crore generated during Q1 FY'22, higher by 12%.

To conclude, we would just like to reiterate, we are -- that we are well positioned to deliver consistent growth and drive the next phase of growth for the company. Thanks.

**Moderator:**

Thank you, The first question is from the line of Alpesh Lad from Dolat Capital.

**Alpesh Lad:**

I wanted to ask a question on the revenue front of specialty polymers. So basically, we have seen a margin contraction in this quarter on Y-o-Y basis. So, has there been any specific



reason for that apart from the raw material costs and if it is the raw material cost, then, how is the trend that we are looking at in coming few quarters?

- Pradeep Kumar Rustagi:** So, the margins in Specialty polymers are appearing to be complex because of the high denominator effects because the previous quarter input prices had increased and therefore the -- there was increase in the sales realization and as a result of which, in percentage terms, the margins are appearing to be lower, but in absolute terms, there is a significant improvement as compared to the last quarter and the corresponding quarter last year.
- Alpesh Lad:** Right. And, how can we look at the trend of the raw materials in next two, three quarters if I may ask?
- Pradeep Kumar Rustagi:** Raw material prices have started to settle down. There is a reduction that is being seen by the industry and we don't foresee any further increase. There could be downward revision in pricings going forward.
- Alpesh Lad:** Ok, Thank you and my second question is basically regarding our product portfolio. So apart from MB03 and innovative PBT, which are the other products that we -- that are in pipeline and what could be their revenue potential in near term?
- Girish Behal:** Actually, I think, there are many products which are in pipeline.
- Alpesh Lad:** Okay.
- Girish Behal:** Many of these products are in different stage of trial and validation. Because it's a long list, we cannot share the details on a call, but what we can only-- the only answer as we can give at this page is that is all these products promise a good future for the company.
- Alpesh Lad:** Okay. Okay. Fine sir. That's it from my side. Thank you.
- Moderator:** The next question is from the line of Sanket Kapoor from Kapoor and Company.
- Sanket Kapoor:** Sir, I missed your opening remark by quite a bit, sir, but for the raw material basket, if you could give the color how the raw material prices have played the mix between PTA and MEG?
- Pradeep Kumar Rustagi:** So we will share with you the prices in the last, let's say June quarter and, the current month, and the previous month. So in June quarter, the PTA was about Rs.87 per kg, which is now down to about Rs.77 per kg and the MEG was Rs.58 per kg in the June quarter, which is now down to about Rs.47 per kg. So there has been reduction on a per kg of film basis. The prices from June quarter of Rs.94 has come down to about Rs.82.
- Sanket Kapoor:** Okay. And MEG has fallen from Rs.58 to Rs.47 per kg.
- Pradeep Kumar Rustagi:** Rs.46. Yes. So MEG is at very low prices now and further reduction maybe -- may not be possible. PTA, yes. There could be further reduction. MEG is already at \$525, international price.
- Sanket Kapoor:** Okay. And the key reasons for the same. Is it the crude prices decline only, or any new capacity for MEG that has come up off late sir?
- Girish Behal:** Pricing is more to do with the global sentiments, I think most of the polymers are on a declining trend as of now and their respective supply demand balances across various industries. So it's a mix and combination of various factors.
- Sanket Kapoor:** Correct sir. Sir, you didn't mention about this -- mention of rice husk prices in the raw material basket. So if you could explain what has been the contribution, the increase in rice husk and what percentage of our raw material do these rice husks plays apart, sir? In your presentation, it was not mentioned
- Pradeep Kumar Rustagi:** Yes. So rice husk is not a raw material. It's a fuel for utilities for heating and steam.
- Sanket Kapoor:** Okay.

**Pradeep Kumar Rustagi:** It's not a raw material. So the prices in the belt that we are operating in Khatima, there is lot of rice around that belt. And -- but at the same time, the demand has also increased a lot and with the increase in the prices of coal and fuel oils, furnace oil, etc., there has been increase in the prices of husk as well, though it continues to be more remunerative to use husk today as compared to coal or oil, but still it has become very expensive from, let's say, average of Rs.5,000 a ton to about Rs.9,000 a ton, is the price of price rice husk today.

**Sanket Kapoor:** Okay. So that goes into which line items, sir, cost of material consumed only because we don't have a line item for power and fuel?

**Pradeep Kumar Rustagi:** Other expenses.

**Sanket Kapoor:** Other expenses. Okay. So can you quantify the absolute number on a like-to-like basis?

**Pradeep Kumar Rustagi:** So power and fuel in this quarter, the expense is about Rs.28 crore as compared to Rs.22 crore in the quarter ended March '22. And in June '21, it was only Rs.20 crore. So that shows the increase in the prices of fuel oil and especially rice husk.

**Sanket Kapoor:** Correct, and sir, next few questions are on the net debt level, cost of fund and the update on the Greenfield capex sir. As mentioned, how much have been spent, I think so now we will be commercializing it sometimes in the month of October, end of October.

**Pradeep Kumar Rustagi:** So, the new plant is still in the construction phase. So the debt -- whatever is the debt is there for the project cost. so there is no operation related debt. If you talk of the Ester Industries, we have an interest-bearing debt of about Rs.300 crore, which is broken into two parts, term loan of Rs.214 crore and working capital debt of Rs.86 crore. On an annualized EBITDA basis, this works out to be a multiple of about 1.02.

**Sanket Kapoor:** Right sir. And what is the cost of fund currently, would it be increasing?

**Pradeep Kumar Rustagi:** Current cost is about 8% per annum. There has been increase in the policy rate. So there's some marginal increase in the interest rates that we are paying to the banks and NBFCs. So it is about at 8% per annum during the quarter ended June '22.

**Sanket Kapoor:** 8% is the blended or the long term -- on the long term?

**Pradeep Kumar Rustagi:** Blended. For Ester Filmtech, this would be lower because we have a foreign country debt, significant amount of about Rs.227 crore. So for Ester Filmtech, it should be about -- in the range of 6%. For Ester Industries, we don't have much foreign country debt, only the sort of small LCs , basically buyer's credit is available on those. So we have waited average cost of debt about 8%.

**Sanket Kapoor:** And sir, what would be the impact of Forex on our number since there has been a significant depreciation? So our debts are measured in dollars or in Euro?

**Pradeep Kumar Rustagi:** So we'll talk Ester Industries first. So there is no foreign country debt. We have more export receivable than trade payable. Therefore, appreciation of dollar has resulted into foreign exchange gain for the company. We made a profit of about Rs.1.4 crore during the quarter ended June '22. In Ester Filmtech, we have only foreign country debt in Euro, which is Euro denominated, and Euro has not appreciated. It is now almost at parity with dollar. So there has been no adverse effect on -- of the currency movement on Ester as far as impact on P&L is concerned.

**Sanket Kapoor:** Okay. And sir, coming to this -- the Greenfield project, sir, you mentioned about the demand supply imbalances in the industry because of commissioning of capacity. So what is the margin profile that we are going to look ahead for the film segment and also for the Telangana unit as an entity, what should be the percentage of expected revenue post it's commissioning, say from November onwards?

**Girish Behal:** Right. So I think whenever the new capacity starts up, there is a temporary demand-supply imbalance, which puts some pressure on the margin or spread. So, which is probably expected in coming weeks. So that is one and on, let's say, the part of the total top line, I can only just

give you roughly quantitative numbers. Currently, Ester is selling about 60,000 tons of film in a year, and this new capacity is going to add 48,000 tons more. So that's the kind of top line that one can relate to in coming quarters.

**Pradeep Kumar Rustagi:** So Ester Filmtech will commence production sometime in the month of October. So we would have only six months in the current financial year of Ester Filmtech.

**Sanket Kapoor:** Okay. And in that unit sir, what would be the -- we will be producing value-added claims or the commoditized claims? What would be the product profile?

**Girish Behal:** When the line would start, I think the largely it's going to be commodity thing, which will come from this line in the initial days.

**Sanket Kapoor:** Okay.

**Pradeep Kumar Rustagi:** Though we would have a metallizer also there. So, which is sort of a marginal value addition on the plane film.

**Sanket Kapoor:** As on today prices, what should be the realization sir from this, say 24,000 should be expected if the ramp-up is in at optimum level, if the plant is done? I think so if the ramp-up will happen in phases? So, just to take into account sir, what are we planning for the coming six months, or is it too early, post second quarter numbers would be better to have an understanding how the ramp-up is happening?

**Pradeep Kumar Rustagi:** You have answered yourself. Actually, second quarter just would be more sort of useful or indicative of the future.

**Sanket Kapoor:** Right sir. One more question on this innovative PBT part, what are the key raw materials that constitute this innovative PBT sir?

**Pradeep Kumar Rustagi:** This is confidential. We are bound by confidentiality. It's a very -- it's a patented product, and therefore it's not possible for us to give you the name of the raw materials that are used in manufacturing of innovative PBT.

**Sanket Kapoor:** Lastly, sir, going for the -- how the current business environment is shaping up, do you find any flattening of demand or are we running the utilization that was in the higher 90s currently for our plain business, as well as -- specialty polymer is order driven and advance the result, but for the polyester film business segment, what's the business environment currently and the utilization level?

**Girish Behal:** The plants continue to run on full capacity basis as of today. But yes, your observation is right. Yes. There are different sentiments across the globe. So but as far as India is concerned, then we are not seeing any demand issues currently in our country.

**Sanket Kapoor:** Correct, so for this quarter also barring this raw material price that the benefit will go to your customers, these margins are sustainable, the ones which we have posted for Q1?

**Girish Behal:** So I think, as I mentioned before, there is bunching of new capacity, which is expected to come and that capacity is expected to put some pressure on the spread for margin level. So which we are going to see coming quarters.

**Sanket Kapoor:** The new capacity lines are coming from which part of the country and who are the players?

**Girish Behal :** See, there are few lines which are lined up for startup in -- from now till December. So our line is coming in Telangana, some another line is coming in Karnataka and there is third line, which is expected in Gujrat. I think just to correct, I think in Telangana, they are two lines. One is ours, other one is one of our competitors.

**Sanket Kapoor:** Okay. The total capacity addition in tonnage terms, you can give?

**Girish Behal:** You can just simply just take a thumb rule of 40,000 tons of capacity or 45,000 tons of capacity given the mix of lines in two -- multiple number of lines, that's the kind of capacity will get added. All these lines when they start, they take some time to stabilize and start producing reasonable level of volumes.

**Sanket Kapoor:** And so last point is what is the current capacity for the country, domestic capacity of films currently being produced?

**Girish Behal:** That current capacity would be around, I think, 850,000, roughly -- 850,000 tons of films.

**Moderator:** The next question is from the line of Pratap Makwana from Forbes Marshall Private Limited.

**Pratap Makwana:** Good after noon all, I have a couple of questions starting first with the Engineering plastic business sale, which Rs.289 crore. By which month, this value will be on the book and what are the further plan of exploring new market or further new product addition, or can we expect utilizations for this fund to distribution of more dividend? My second question, any impact on the new GST rules available of the food packets, less than 20 kg having a rise of -- having the rise GST of 5%, any impact of -- can we expect on the revenue side, or can we say that this will impact only on the plastic business, which is as of now sold? And my last question Rs.1.9 dividend is good, but having expected good case available in future, further shareholder can be appreciated with the more dividend?

**Pradeep Kumar Rustagi:** So the deal is likely to be fructified in about next three to four weeks. We would have money in our bank account by let's say by 10th or 15th of September. These funds will be used for the capex that has already been approved by the Board of Directors of the company in Ester Industries and part of the money would be retained in operations. As far as dividend is concerned because of the liquidity that is for the Board to consider and decide. As of now, there is no such discussion on the table. On the GST side, my colleague Girish will explain to that, the impact on the demand, etc. of the GST of 5% on food product.

**Girish Behal:** Yes, I think of the GST side, there is no impact on the packaging space. These are only few products which are there, the GST applicability has been widened. So otherwise, as far as packaging is concerned, there is no impact. You also asked about -- questions about new market and new products. That's our continual affair. We keep on evaluating various supports and we are happy to report, there are many things which are in pipeline for increasing our share of specialty products. And there are some investments also lined up for supporting those growth.

**Pradeep Kumar Rustagi:** So what will happen that we will not raise loan for the new capex as the existing liquidity, which is getting generated from sale of EP business will be used to fund that. So we would have less debt going forward as the repayment would also continue.

**Pratap Makwana:** Thank you, sir. Thank you. And your -- congratulations, you released your pledges -- all the pledged shares also. Thank you, sir.

**Girish Behal:** Thank you.

**Moderator:** The next question is from the line of Pravin Yadav, an individual investor.

**Pravin Yadav:** Thank you for taking my questions. I have two questions. What is the capacity utilization for the specialty polymers currently? And my second question is like in future, will you be demerging specialty polymers from the packaging business?

**Pradeep Kumar Rustagi:** So in specialty polymer, there are various products. Each process, each product has different requirement in terms of machines and the processing time. So therefore, it is difficult to state the capacity and therefore the capacity utilization, but yes, we have adequate capacity available to ramp up volume significantly. The only investment that we are proposing to make is in the -- on the utilities and power and fuel side, and for balancing of certain capacities for -- in utilities, etc. So, very difficult to define capacity utilization in specialty polymer. And what is the second question?

**Pravin Yadav:** So second question is in future when the specialty polymers gets big, are you planning to demerge it -- like in future, not now, but in future, are you planning to demerge both the units?

**Pradeep Kumar Rustagi:** So as of now, this has not yet been evaluated, because we are only at Rs.172 crore last year, and therefore this has not yet considered by the Board.

**Pravin Yadav:** And sir, like as the power -- like you need power a lot, so are you considering to put renewable energy to like reduce your power -- like money that goes out?

**Pradeep Kumar Rustagi:** Yes, we are working on that, evaluating options and, it's on the plan board. So we are looking at solar energy. On the renewable energy, we are looking at solar energy.

**Moderator:** The next question is from the line of B. Surendra, an individual investor.

**B. Surendra:** Sir, my question on this specialty polymers. Is capex plan -- is our capex plan is entitled for PLI scheme?

**Pradeep Kumar Rustagi:** No, we are not there in the production-linked incentive scheme.

**B. Surendra:** And, sir just what will be the amount of our capex plan for a specialty polymer?

**Girish Behal:** So, in Ester, we have total capex of about Rs.200 crore, which is going to be spent in the next 12 to 18 months. I don't remember the number for specialty polymer. Give us some time. We'll get back to you.

**B. Surendra:** Thank you, sir.

**Moderator:** The next question is from the line of Hitesh Chauhan, an individual investor. Please go ahead.

**Hitesh Chauhan:** Sir, what can expect five year from now, in terms of revenue and margin profile?

**Pradeep Kumar Rustagi:** With the plant in Telangana would start, we have some other plants. So as of now, it is difficult to assign a particular number, both top line and the bottom line, but yes, we expect the performance of the company to improve year by year -- year after year.

**Hitesh Chauhan:** Sir, year-on-year, how much we can expect revenue increase?

**Pradeep Kumar Rustagi:** The world is very dynamic, there is lot of volatility, very difficult to state numbers, but rest assured, there would be the top line would be on a growth trajectory.

**Hitesh Chauhan:** Okay. Thank you.

**Moderator:** Thank you. As there are no further questions, I would now like to hand the conference over to the management for closing comments.

**Pradeep Kumar Rustagi:** So, thank you very much for participating in the earning call. We look forward to see you next quarter.