"Restructuring of Marico's businesses, corporate entities and organization"

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MODERATOR:	**MR. SREEKANTH P.V.S:**	**MOTILAL OSWAL SECURITIES**

Moderator: Ladies and gentlemen, good day and welcome to the conference call hosted by Motilal Oswal Securities to discuss restructuring of Marico's businesses, corporate entities and organization effective April 1st 2013. As a reminder, all participants' 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 assistance during this conference call, please signal an operator by pressing '*' followed by '0' on your touchtone phone. I would now like to hand over the conference to Mr. PVS Sreekanth from Motilal Oswal Securities. Thank you. And over to you, Sir.

PVS Sreekanth: Good evening, friends. On behalf of Motilal Oswal Securities, I welcome you all to Marico con-call to discuss the recently announced restructuring of Marico's businesses, corporate entities and organization. Today, we have with us the top management of Marico, Mr. Harsh Mariwala – Chairman & Managing Director; Mr. Milind Sarwate – Group CFO; Mr. Saugata Gupta – CEO, Consumer Products Business; Mr. Ajay Pahwa – CEO, Kaya and Mr. Vijay Subramaniam – CEO, International Business Group. I now hand over the floor to the management to take the proceedings further. Over to you, Sir.

Milind Sarwate: Good evening. This is Milind Sarwate, Group CFO of Marico. I welcome all of you to this call. You are aware that we have announced a restructuring of our businesses, corporate entities and organization effective April 1, 2013. We also put out an information update on our website and we have mailed it to all those who are on our database. So I take it that most of the information that you would have liked to have is already in the public domain as also delivered to you individually. On this call we would rather focus on the underlying philosophy or any of the specific restructuring related questions that you may have. I would like to point out that we are in a silent period since our Q3 results announcement is due in about 25 days time on February 1. So we would have to refrain from answering any questions which are related to this quarter's performance or this year's performance. We would of course be very glad to answer any questions relating to the restructuring. As the coordinator mentioned, Mr. Harsh Mariwala is also attending this conference call and I would request him to say a few words, after which we will throw the floor open for a question-and-answer session.

Harsh Mariwala: Good evening to all of you. I am quite excited about the announcement we made today because it is a win-win for all the stakeholders. I very strongly believe it is a win-win from different angles. For our FMCG business combining both International and Indian business is likely to get some benefits, primarily in the area of our portfolios. We are increasingly seeing the emergence of some sort of commonality on our portfolio. I think this similarity in portfolio can be leveraged. This will also help us in terms of improving our cost structure and getting synergies out of supply chain and many other synergies which would get unlocked in a far more aggressive manner, now that it is housed under one CEO.

And lastly, but very importantly, in terms of talent management, the overall mobility of talent between these two businesses will increase dramatically. It was there in the past but the fact that it would be under one person would make it a far more seamless and would give talent bigger roles. We see emergence of newer roles and this would also provide career paths to individuals who are very, very critical to us in our growth journey.

Separately, as far as Kaya is concerned, we believe that spinning off of Kaya in a separate entity would mean that Kaya could be treated as relatively a smaller organization compared to Marico, which will enable us to drive a far more entrepreneurial approach to driving this business. It is a different business, it requires a different culture. And the fact that it will be delinked from Marico will enable us to drive that difference in culture as well as drive the growth agenda in Kaya. One could ask why it was not done in the past. Maybe two or three years back the scale in international business was lower. Kaya did not have scale either. Today international business is Rs 1,000 crores which means that there is a good scale to merge that with the Indian business and separately, Kaya would be in the range of about Rs 325 crores which also enables Kaya to be listed as a separate entity. These are some of the thoughts which have gone into this restructuring. This has gone through a lot of iteration, a lot of deep thinking. While we have announced it today, the thinking behind this was on in the organization for many months. And all of us are quite excited by this move. I truly believe that it will be win-win for all the stakeholders. With that I would welcome all the questions; I will try and answer some questions or direct them to members of my team best equipped to answer the question.

Moderator: Participants, we will now begin with the question-and-answer session. The first question is from the line of Amit Sachdeva from HSBC. Please go ahead.

Amit Sachdeva: Can you please give us a little bit of detail about the debt that Kaya has and how it would be sort of restructured post this event if you could give us some little more color on the capital structure of the Kaya entity?

Milind Sarwate: Kaya today has debt from Marico Limited which is its holding company. There are two overseas entities of Kaya; one of them is Kaya Middle East and the other one is DRx which is located in Singapore. They too have some debt on their books, about US$14 million in the Middle East and SGD 17 million in the Singapore entity plus the debt that Kaya owes to Marico Limited is about Rs 110 crores. So these three put together would constitute the total debt that Kaya has. Out of this the debt that Kaya has from Marico Limited will get converted into equity before the demerger. I believe that Kaya will be in a reasonably debt free situation so that its ability to raise further debt if required is protected.

Amit Sachdeva: Would that mean that debt would be converted to some sort of equity? So do you see more capital raising going forward? What I mean to say is that since this is a retail format and a little more capital intensive so how do we read sort of capital allocation from Kaya's point of view?

Milind Sarwate: Capital needs in a business like Kaya depend on two broad things. One is operating capital and the other based on the expansion plans. By April we will have a much clearer idea but over the next year or two we may not see major expansion in Kaya in terms of number of clinics. We have also introduced a new format which is the Kaya Skin Bar. The First Kaya Skin Bar has just opened in Bangalore. This format requires a low capital cost, is high on products and low space model. So we do not expect major capital needs to come on account of expansion at least as of now. At the same time we expect Kaya to gradually turn towards being cash positive. In that case, further needs of cash in Kaya may not be very large. There may not be any occasion to raise significant capital in Kaya unless there is some extraordinary opportunity that we are tapping. Having said that there is also an opportunity later on, not necessarily in the near future of using the listed company equity as a currency to raise further capital. But as of now I do not want this to be read as a signal that we will definitely raise more equity in the near future. I am just saying that this is an opportunity. Debt is not necessarily the only way for Kaya.

Amit Sachdeva: One more small thing, when you say improve cost structure internationally, so what are the main areas of cost leverage that you are seeing across international and domestic, could you lay out a little bit of some of the thought if you could sort of extrapolate into how do we sort of see this, what is the scope and scale of that could be?

Milind Sarwate: Directionally, I think our biggest synergy benefit will come from a unification of the approach to portfolios, our Youth portfolio is getting increasingly common and I believe that when there is a portfolio of commonality, there is a value chain commonality and through that we can get scale benefits in procurement or in managing the entire supply chain. At this point in time it is not very proper to quantify that. Let me clarify that, it is not that up to now these synergies are not being tapped at all. Obviously, we were sitting in the same company. So one should not expect too many benefits coming out of unification also.

Moderator: Thank you. The next question is from the line of Suruchi Jain from Morningstar. Please go ahead.

Suruchi Jain: My first question is what has triggered the move for you to demerge? Is there a specific event or just a thought?

Milind Sarwate: As Harsh clarified, while we announced the news today it has been cooking at Marico for quite some time. There has been no single trigger. The growth trends of each of the businesses, International, Kaya and CPB have led each of them to achieve a certain milestone. For example, the international business reaching Rs 1000 crores big and Kaya crossing Rs 300 crores turnover and coming within sight of cash breakeven or a cash operating margin breakeven. So it has been a development over a period of time. There

Suruchi Jain: So it has nothing to do really with and maybe I am reading into this, you can clarify, Ajay Pahwa leaving the business and going into a different venture?

Milind Sarwate: If you look at what we have done today it is a restructuring at three different planes. There is a business restructuring, there is a corporate entity restructuring and then there is an organizational restructuring. I would say that Ajay's exit fits into that organizational restructuring. We would have probably gone ahead with other two parts irrespective.

Suruchi Jain: My next question is in terms of Kaya, I think Kaya, you have tried a lot of different formats and the Skin Bar is a new format you are trying. However, the positioning has still been around skin problems or better skin. Is it possible that that positioning might also change to something more around say beauty or color products or make up retail? Just out of curiosity if it is possible that it might be morphed into something else?

Ajay Pahwa: This is Ajay here. In fact, this is exactly what we have done over the last 12 months. About this time last year we repositioned the brand from being a very cure proposition into a broader space which is the ultimate benefit the consumer seeks which is beauty. In that exercise there were two strong components to delivering on that beauty proposition. One was a product portfolio expansion; significant number of products from our acquisition in Singapore, DRx were added which we have further embellished with the new format called "Kaya Skin Bar". The product portfolio has now come to 55 products. The second component of that also was to launch a range of highly differentiated regular skin care services. This would not be available to you in a normal salon. So that has enabled customers actually coming in for cure because they had a skin problem, but they will stay on with you because you had an ongoing reason to provide them the regular skin care needs. So the brand has been repositioned but like in any exercise it does take a period of time. I think we made good progress. Beauty portfolio as we call it of products and regular skin care services ranges now between 43% to 45% of overall Kaya sales in India and we are happy that this is heading in the right direction.

Suruchi Jain: So coming back to that question, it is not possible that you might change into say a color or a makeup retail?

Milind Sarwate: No, we will not change, you are right.

Suruchi Jain: And to ask a question on the synergies, you mentioned that you might recognize some more synergies as a result of restructuring. Again to understand that a little bit more, as you mentioned you are housed in the same company, but you are under two different heads from what I understand, how will this change, will there be a significant synergy or is it just more management overview under the same manager?

Harsh Mariwala: These synergies are being achieved today also but under one leadership the processes will be much sharper and synergies may come must faster. To summarize we see synergies in talent, processes, cost management and portfolio unlocking.

Suruchi Jain: So that clarifies. I think it is more of people related synergy rather than operational or say combining manufacturing facilities or something of that sort?

Harsh Mariwala: I would say all : People, supply chain, portfolio, processes.

Suruchi Jain: And from your release I also notice that you are keeping the finance functions and a lot of the say corporate overheads as common even when Kaya gets listed as a separate entity, would you have a sense of when they would have say a separate corporate structure?

Milind Sarwate: I think it will depend upon how the respective businesses grow and when is it worthwhile developing certain centers of excellence within each of these two companies. For example, we currently have a common IT backbone for the Kaya business and the FMCG business. It may be sensible to continue the common backbone sheerly on account of cost reasons or scale reasons. But there will come a point when separate IT function for both would be welcome. At this moment we have not taken a view on when that point will come simply because we know that it is not going to come up in the next one or two years but we will definitely take a look at that and over a period of time take the necessary steps. Right now that is not on the agenda.

Moderator: Thank you. We have the next question from the line of Pritesh Chedda from Emkay Global. Please go ahead.

Pritesh Chedda: Could you confirm the consolidated number for MAKE for Fiscal '12 if it is possible, the year gone by?

Milind Sarwate: We have a genuine difficulty over there because the segmental reporting is only up to the PBIT level and it does not reckon the allocation of common cost. We will have to carry out a proper exercise for the allocation of cost. Once having declared this restructuring we are now free to do that exercise. Right now, we do not have these numbers.

Pritesh Chedda: Can you share the revenue at PBIT level then?

Milind Sarwate: Yes, if you look at FY12 we had a total turnover of Rs 3980 crores, out of which the Kaya top line was Rs 278 crores and Marico top line was Rs 3700 crores.

Pritesh Chedda: I will straightaway take the segmental. Will you include DRx…?

Milind Sarwate: Yes that would be part of Skincare segment.

Moderator: Thank you. The next question is from the line of Hemant Patel from Axis Capital. Please go ahead.

Hemant Patel: Some basic questions, what will be the resultant shareholding of Marico in MAKE? Post the demerger

Milind Sarwate: Marico will have no shareholding in MAKE

Hemant Patel: And then you said that 107 crores will be converted into equity. How does that actually come through then?

Milind Sarwate: That is all pre-restructuring.

Hemant Patel: So Marico will basically have no shares or stake in it?

Milind Sarwate: This is a vertical slicing of the current Marico Limited. So there will be two listed companies with mirror shareholding pattern. Roughly, 60% with the promoters and 40% with the public.

Hemant Patel: Can you give us an idea as to what is the complete diluted equity base once it is getting listed? Is it as simple as a dividing the current equity base by 50?

Milind Sarwate: Not exactly 50, by 5 if you want to look at the rupee value because while Marico Limited's face value of shares is 1 Re. in the case of Marico Kaya Enterprises it is going to be Rs. 10. This 50 actually is to be translated into 5. So, Marico's equity capital is about Rs 64-odd crores. So Marico Kaya would have about Rs 12.5 crores. The number of shares would be one-tenth of that.

Hemant Patel: And the premium which you attested over here is 210 will be per share value is it?

Milind Sarwate: Yes, it is largely theoretical because in a demerger like this where the stakeholders are remaining the same there is really no valuation anywhere in the picture. It is only a working of share entitlement ratio and we have chosen to keep the equity capital in Marico Kaya at the lower end of Rs 12.5 crores. For a listed entity the minimum capital required is Rs 10 crores. We have just put a little bit more on to that.

Hemant Patel: And just one final question on the remark which you made while back. So the resultant debt on the books of MAKE which is the consolidated entity for Kaya, in rupee terms how much by FY13?

Milind Sarwate: We will have to work out that number, but it will be currently USD14 million plus SGD 17 million.

Hemant Patel: And the net worth ultimately?

Milind Sarwate: Net worth will be around Rs 300 crores. Actually, we will take some time to work out these detailed. There is some audit involved in that also.

Moderator: Thank you. The next question is from the line of Vijay Narayanan from FirstRand Bank. Please go ahead.

Vijay Narayanan: I think it is a repetition of the previous question that was asked. Regarding the interest-free loan of Rs 107 crores which currently Marico has provided to Kaya Limited, we have written in the disclosure that it is proposed that the loan be converted into equity. But just from my understanding if there is no crossholding how would this be treated as separate?

Milind Sarwate: The conversion into equity is proposed to be made before 31st of March, 2013. So when Marico Kaya Enterprises becomes a separate company Marico Limited will have a no shareholding in that company.

Vijay Narayanan: My question is more from a cash flow of Marico Limited itself because as on its books it is a loan given to a subsidiary company. How would that be treated going forward because once it is treated as equity that investment also goes into the demerged vertical business?

Milind Sarwate: Actually, the exposure which Marico Limited has to Kaya Limited that itself is the undertaking which is being demerged.

Vijay Narayanan: Just from a perspective, just to split further some of your loans, would there be any cross guarantees from Marico from any negligible debt that remains on Kaya Limited or would that also fall off with this particular demerger?

Milind Sarwate: I think we may have created two separate entities but there is obviously the affiliation to the common shareholding group. So we will continue the corporate guarantees already given and if a situation arises in future at arm's length commercial pricing there maybe corporate guarantees which Marico Limited might give. I understand that you as a banker would be keen to know that. So I also wanted to give you that assurance that Kaya is not being cast away as a result of this demerger. It continues to be company related in some way. The promoters are common and bulk of the shareholders hopefully will remain common.

Moderator: Thank you. The next question is from the line of Aniruddha Joshi from Anand Rathi. Please go ahead.

Aniruddha Joshi: Just wanted to check Kaya is not a profitable venture hence generating free cash losses. So what is the plan? Because till now Marico in a sense was funding Kaya operations. So do you plan to make any fund raising for Kaya or that will be seen post the listing of Kaya?

Milind Sarwate: When Kaya is listed separately, the debt to equity will be about 0.33:1 therefore the leverage is available if required. Kaya has not been too far away from a cash generation situation. Kaya has three business wings: India, Middle East and Southeast Asia. Out of which the Southeast business has been strongly profitable. The Middle East business and the India business have not been as profitable or they have not been generating free cash. We expect that the need to fund Kaya for free cash flow deficits may not arise so strongly in future. If at all it arises Kaya will have enough strength on its balance sheet to raise the funds on its own.

Aniruddha Joshi: Just two more questions, whether Kaya will use Marico brand name in any of its communications or so?

Milind Sarwate: I think that has to be viewed in two separate buckets. Bucket #1 on the stock exchange this company will be called Marico Kaya Enterprises Limited, so it is using the Marico name to denote its continued affiliation to the Marico Group of Companies. If you look at the Kaya business, Kaya business never uses the Marico name excepting that when you see the name Kaya Limited it is held out as a subsidiary of Marico Limited. Instead of Marico Limited it would be a subsidiary of Marico Kaya Enterprises Limited. Marico has never used the Kaya brand for its a business. And for that matter even Marico does not use it on any of its products. So, the use of the term, Marico may not be there but the affiliation continues.

Aniruddha Joshi: But then whether Kaya will pay any royalty to Marico? And also, secondly, who owns the brand? Whether Kaya Limited owns the brand Kaya or is it Marico's ownership?

Milind Sarwate: Currently, Marico Limited owns the brand "Kaya" but as a part of the undertaking that is going to be demerged, all IPR relating to Kaya will also go over to the listed company. There will be a clear separation of IPR between Marico and Kaya.

Aniruddha Joshi: No royalty payment will be there?

Milind Sarwate: No.

Moderator: Thank you. The next question is from the line of Sanjay Singh from Standard Chartered Bank. Please go ahead.

Sanjay Singh: I did not get clarity on the treatment of that Rs 107 crores loan. As far as I understand it will be an equity investment post the demerger. How will this be treated and what is it currently and what will happen in the post demerger if you can just explain the whole process, how does it get accounted for because as of now it is not clear?

Milind Sarwate: Let me answer it in concept and the consequential part. Firstly, Kaya in its listed avatar which is Marico Kaya Enterprises Limited (new company) will have no shareholding by Marico. Shareholding of Marico in the listed company will be 0%. Having said that, as of now Marico Limited holds shares and holds debt in Kaya Limited (existing subsidiary). As a precursor to the scheme Marico's exposure to Kaya Limited will all be converted into equity. So when the demerger takes place the listed company will have no shareholding from Marico. The shareholding of both the listed companies will be similar to each other; 60% by promoters and 40% by public. There will be no crossholding between these two companies. Is that clear?

Sanjay Singh: I am not looking at accounting entries at all, I am just trying to understand, is in a way it is a loss to Marico Limited?

Milind Sarwate: It is not a question of loss because there is no sale or transfer anywhere. We are partitioning the company. So whatever capital employed that belongs to Kaya business will be put in Kaya and whatever capital employed does not belong to Kaya will remain in Marico. In case of a wholly-owned subsidiary it does not matter whether the shareholding is X or it is Y. Anyway the entire entity is owned by the company.

Sanjay Singh: So equity base of Kaya will increase that, am I right in that case?

Milind Sarwate: This entire thing will pass through a court scheme and the capital numbers will be reset. And as I just mentioned the equity capital of Marico Kaya Enterprises Limited will be around Rs 12.5-odd crores and it will have a share premium account since the shares issued are at a premium and it will have a reasonable amount of debt largely held in its overseas subsidiaries.

Sanjay Singh: If I have an issue I will come back.

Milind Sarwate: Sure.

Moderator: Thank you. The next question is from the line of Hitesh Goddani from Span Capital. Please go ahead.

KC. This is KC. Just carrying forward to the previous question, pre-demerger date you will convert the existing debt held in Kaya into equity, right? Post-demerger what happens to the shares which are held by Marico into Kaya? Because I understand the shareholders get 10:1 ratio but then what happens to the shares held by Marico into Kaya?

Milind Sarwate: In a scheme of demerger like this there is a partitioning of the balance sheet. So if you visualize the Marico balance sheet it will be partitioned and the part that belongs to Kaya would be put into the new company and the balance will still over to Marico. So there is no profit and loss account impact of this transaction. It is a split at the capital account level.

KC: But then in Marico standalone the investment into Kaya stands under investments into subsidiary…

Milind Sarwate: That will be adjusted into the balance sheet itself. It will be adjusted against the net worth as is the proper accounting practice. Because there is no sale or transfer, so there is no accounting need to recognize any profit or loss.

KC: I am not too sure if I am clear on this, maybe I will get offline one on one.

Milind Sarwate: Sure.

Moderator: Thank you. The next question is from the line of Nilesh Shetty from Quantum Asset Management. Please go ahead.

Nilesh Shetty: Just one clarification, when you say you will leave Kaya in a state where it will be able to fund its expansion, would there be any further infusion into Kaya apart from these adjustments before the demerger?

Milind Sarwate: If you look at demerging going concern entity it will have its own reasonable need for working capital which is being discharged today. So that will have to be segregated and put into Kaya.

Nilesh Shetty: So the net worth adjustment at Marico level would be around Rs 180 crores or around that number, exposure that you have currently to Kaya?

Milind Sarwate: Yes, in Marico Limited.

Moderator: Thank you. The next question is from the line of Vivek Maheshwari from CLSA. Please go ahead.

Vivek Maheshwari: I have the same question on this debt and structuring. Shall I take it offline or can I go ahead? I am still not clear on Rs180 crores the conversion because had it been 500 crores instead of these 180 crores then Kaya would have – I mean I understand balance sheet slicing, but the thing is that why should not this 180 crores flow back to Marico and then Kaya has its own capital structure and all that?

Milind Sarwate: Vivek, that would have been the case if we had sold the business to somebody but actually I feel that the conceptual confusion is occurring because people are viewing this as a transaction between Marico Limited and Kaya Limited. Actually, there is no transaction in this. You take the consolidated balance sheet and slice it into two parts. The part belonging to Kaya goes to Kaya, the balance part stays with Marico. If you do it that way and not focus on intercompany transaction -- because there is no transaction which is to be accounted in this scheme. I think the bulk of the confusion is arising on that count.

Vivek Maheshwari: Basically what happens is 180 crores is there, it gets converted into equity and the equity extinguishes from 1st of April, right?

Milind Sarwate: In concept yes. Now, in terms of actual numbers, you have to look at the consolidated numbers not only of Kaya Limited but also of the other company. So, if you want to talk offline or get into number work we can do that separately. I just wanted to use this opportunity to clarify that any scheme of classical demerger like this is based on a very basic notion that there is no transaction, there is no transfer of any asset from X to Y because the shareholders are remaining the same in both the entities and therefore it becomes an accounting slicing of all the balance sheet items, there is no profit and loss account impact anywhere. ,

Vivek Maheshwari: But how much is the visibility on this 180 crores remaining like this by 31st March of 2013?

Milind Sarwate: You will have all the visibility. As we go along, all these numbers will be in public domain.

Vivek Maheshwari: No, I am saying but can this 180 crores up or move down dramatically?

Milind Sarwate: The business of Kaya will be run in the ordinary course. Therefore this number should not change significantly.

Vivek Maheshwari: My direct point is say if this 180 crores jumps up to 500 crores basically when the two stocks get listed Marico's market cap proportionately will come down and Kaya's will go up, right? If I am an investor who is eventually interested in Marico FMCG business and I do not want Kaya business I would obviously want Marico to have that market cap rather than this being transferred to Kaya. So that is the limited point I want to understand, that is why how much it can swing from 180 crores is what I want to understand.

Milind Sarwate: If you are a shareholder in Marico you are going to get shares of both the companies. So you can take your allocation calls later when both the shares are listed

Harsh Mariwala: Let me add that, we will do whatever is sound, rather than just trying to do something which is to advantage of either the promoters or somebody else. So there are no interested lobbies here which will prevail.

Moderator: Thank you. The next question is from the line of Priya Ranjan from Macquarie Capital Securities. Please go ahead.

Priya Ranjan: My question is regarding the strategic in nature. Would not have it would have been better if you would have sold the entire business or would have brought some kind of a strategic investor rather than just hiving it off to a separate entity?

Milind Sarwate: The thought of a sale would occur to us if we did not believe in the long-term potential of business. We believe very strongly and hence the thought of selling this business has not occurred to us. Second option, according to you would have been to get in a strategic investor right now. We feel it is premature to get in an investor right now. We may look at it in course of time but right now that has not been the agenda. Again linked to the potential of the business and at what stage do we really part with any stake in Kaya. I think it is all about belief in the potential of the business. That is intact. This move will actually create stronger focus and facilitate value realization over a period of time.

Priya Ranjan: How much timeline will you actually give it to the business which has been around a decade now, almost…?

Milind Sarwate: It has been a decade. I feel if you look at the history of retail businesses in India or maybe even overseas, they are long gestation period businesses. Much also depends upon at what trajectory you want to expand the business and get into newer areas. In our history of 10 years of Kaya we took certain decisions to expand which did not work out to our expectations. We also may have made other mistakes in marketing but these are part of learning any new business. We expect that now we are on an even-keel and we should be turning out a good business performance. So I feel 10 years of learning is not unduly long for a retail business of this kind. We continue to be a market leader and a pioneer in this space and I think we will create value.

Harsh Mariwala: But separately, it cannot be another ten years, let me just say it will have to be much shorter than ten years if we just want to know a financial perspective.

Moderator: Thank you. That was the last question from the participant. I would now like to hand the floor back to Mr. Sreekanth for closing comments. Over to you sir.

PVS Sreekanth: I would like to thank the management team of Marico for sharing with us the details of the restructuring. I would like Mr. Milind to give some final comments and after that we will close this call.

Harsh Mariwala: Thanks, Sreekanth. I think we had very involved and good questioning. There were certain questions about how certain accounting items would be treated or what numbers would evolve out of this. I would urge the participants to be in touch with us separately because some of the numbers are simply not going to emerge until March 31st. We can explain the concept and the concept as I said earlier is that of a partitioning of a consolidated business entity. So there is no real profit or loss involved on any of the partitioning transaction. Nevertheless if there are any concerns, even Harsh has clarified that there is no particular angle that we are trying to achieve out of this. There is no specific benefit targeted for any of the constituencies involved. So all I can say is we will be very fair in whatever we do that. That is more an assurance. I think it will be sound and it will be done on the highest principles of corporate governance. In fact, precisely because the audit of various numbers will ensue from now till we submit the scheme for the court approval, that I am hesitating to get into specific numbers. Otherwise we will in any case follow our policies of openness and transparency. We will share all data with all participants. So stay in touch with us. And I wish everybody a happy new year and hope to see you again or meet you again at the analyst call which we will have on February 1st for the Q3 results. Thank you and have a good day.

Moderator: Thank you. Ladies and gentlemen, on behalf of Motilal Oswal Securities, that concludes this conference call. Thank you for joining us, you may now disconnect your lines.