



Dabur India Limited

Investors Conference Call on the
Unaudited Financial Results for the Quarter / Nine Months Ended 31st December, 2007

January 30, 2008

Dabur India Ltd.'s Participants

Mr. Sunil Duggal, CEO (Chairperson)

Mr. Rajan Varma, CFO

Mr. Ashok Kumar Jain, GM-Finance & Company Secretary

Mrs. Gagan Ahluwalia, Additional General Manager-Corporate Affairs

Gagan Ahluwalia: Hello friends. I welcome you to this conference call regarding the results of Dabur India Limited for the nine months ended December 31, 2007. We will start the conference with a brief presentation by Mr. Duggal on the company's performance followed by a Q&A session. I hand over now to Mr. Duggal.

Sunil Duggal: Good afternoon ladies and gentlemen. I welcome you all to our conference call regarding the results for the quarter and nine-month period ending December 31, 2007. Dabur India Limited has achieved a growth of 15.8% in consolidated sales during the nine months and 14.3% in the quarter. Net profit grew by 22.9% and 19.2% during the corresponding periods. The EBITDA margin expanded by 67 basis points on the back of stable material costs and operational efficiencies.

The core FMCG business under consumer care division, i.e. CCD recorded a growth of 14.1% for nine months ended 31st December 2007. Foods and international Business recorded growths of 21.0% and 29.4% respectively. Consumer health division which had been showing a negative growth till last quarter posted a turnaround with 5% growth in this quarter and 0.6% for the nine months.

Oral care category has shown good growth with toothpastes growing by 23.8% for the quarter and 31.4% in the nine-month period. Toothpowder sales were lower in the quarter on account of trade disruption due to implementation of VAT in UP, which is the largest toothpowder market. We expect toothpowder sales to show normal growth going forward backed by brands we launch and various promotional initiatives undertaken by the company. Dabur toothpastes continue to outperform the category reporting a

growth of 34.6% as per ACNielsen as compared to category growth of 9.6%. Key drivers of growth in this category were Babool which grew by 37% and Red Toothpaste which recorded 26% growth. A new variant of Babool has also been launched, which will further accelerate growth of its category.

Hair care category has shown strong growth in the quarter and nine months. The shampoo category posted a growth of 23.3% and 38.4% for nine months and quarter respectively led by restaging of the entire Vatika shampoo range and launch of new variants. Hair oils have shown a rebound in growth by delivering 20.4% growth for the quarter and 11.3% for nine months. Amla hair oil performed exceedingly well with growth of 36.5% during the quarter. Vatika hair oil is being restaged with a new packaging and formulation due to which old inventory pipelines were reduced during this quarter. The brand in its new avatar is being rolled out this month.

In CCD, the health supplements category grew by 16% for the quarter as well as for the nine-month period. Chyawanprash posted a growth of 10%. Other major brands in this category continued the strong growth momentum with Glucose growing by 41% and Dabur Honey posting a growth of 25% for the first nine months.

Digestive category continued to do well with growths of around 15% for the quarter as well as for the nine-month period. Pudina Hara and candies led the growth for this category with Pudina Hara recording a growth of 18% and Hajmola candy by 29% during the nine-month period. Hajmola tablets have recorded a growth of around 12%.

Baby and skin care category witnessed a growth of 5% during the nine months. Gulabari range witnessed good growth of 27% for the nine months. The new variant Gulabari Hydrating Rose Crème, Gulabari Hydrating Rose Lotions have received encouraging initial response. Growth in skin care category has been moderate due to reduced focus on the soaps portfolio. The strategy for soaps is currently under review and we are testing some interesting new concepts on the herbal platform. A new product Sarson Badam Tail was launched under the Dabur baby care ayurvedic range during the quarter.

Home care category recorded a growth of 7% during the quarter and 12% for nine months. Odonil brand which operates in the air freshener category recorded a growth of around 20% for the nine months. Overall growth for this business segment was lower due to less than anticipated sales of Odomos. Sani Fresh posted a growth of 14% for this period. New fragrances and variants have been launched under this brand during the quarter. The new hard surface cleaner brand Dazzle has been test launched in Tamil-

Nadu and Karnataka and has received good response. The foods business has shown growth in sales of around 15% for the quarter and 21% during the nine-month period. Growth was impacted due to process of integration of the foods distribution system with that of CCD. We expect this changeover to be completed by the end of the present quarter and stronger growth to resume thereafter due to enhanced distribution footprint and visibility. The Delhi High Court has given its final approval for Dabur Foods merger with Dabur India Limited with effect from April 1, 2008. Financials of DFL will be merged into DIL by end of financial 08 after completion of all compliances.

Consumer health division showed a turnaround in quarter three with growth of 5% with growth for the nine-month period being 0.6%. We have taken numerous measures in the present year to transform the CHD business model. These have temporarily resulted in lower growth. With most of these transformational steps having been implemented, we can look forward to much stronger growth in the future.

International business, IBD, recorded a growth of 26% for the quarter and 29.4% for the nine months with impressive performance from Egypt, GCC, and African markets. Sales in GCC region have increased by 46% for the nine-month period. Dabur Egypt grew by a robust 72%. Growth in GCC region and Egypt have been led by very impressive performance by Amla Gold hair oil and Vatika hair cream. Sales in Pakistan recorded 25% growth during the nine-month period. The division has launched numerous new products such as Vatika Hammam Zaith hair oil for hair oil treatment and Vatika Cactus Hair Oil during the quarter.

On the operating front, EBITDA margins have improved by 67 basis points to 18.6% during the nine-month period for the consolidated business. This is in spite of the additional cost of the retail venture H&B Stores coming into play. Excluding the H&B Stores, EBITDA margins expanded by 87 basis points and profit after tax grew by 24.6% for the nine-month period. First few stores under the brand New-U are slated to be opened by end February and March. From this quarter onwards, the company's sales are being reported net of sales tax which is in line with current industry practices. With this, I would now open the house for the Q&A session.

Nikhil Vora from IDFC SSKI: Hi, this is Nikhil Vohra here.

Sunil Duggal: Hi, how are you?

Nikhil Vora: Hi Sunil. Couple of questions. If you look at the Chyawanprash growth.

Sunil Duggal: Yes.

Nikhil Vora: It seems to be at around 10%.

Sunil Duggal: That's right.

Nikhil Vora: What is really leading this because I would presume that last year correspondingly we already had a pretty subdued base and a 10% growth seems to be pretty much on an average side. Any specific reasons or rationale that we are looking at on this and second was on the soaps performance. What would you really attribute the failure for soaps as it appears to be a failure right now, what is your thought on that.

Sunil Duggal: To answer your first question, Chyawanprash growth of 10% steady, certainly not spectacular, but not bad either. The third quarter which we are reviewing saw a fairly moderate winter, so perhaps that affected the sales a little bit. We are seeing very sharp fall in temperatures now, which are now at a very low level, which will perhaps reflect in quarter four sales. So, I would say that Chyawanprash did a steady growth even though it was less than what we recorded last year. Regarding the soaps piece, basically we came under intense margin pressure and that is one of the reasons why this category seemed less attractive in its present. I think we have to reformulate our strategies, get into a much higher margin area of perhaps medicated soaps. While we have not taken a final position on this, those are some of the avenues going forward. So we are certainly not planning to exit this category, but it requires complete revamp of our strategy.

Nikhil Vora: So, broadly, it is fair to presume that right now soaps should be on a pretty much a low priority?

Sunil Duggal: Well, it is in a redesign phase, it is still a priority, in the sense that there are enough people working on it, but I think we cannot get into the popular soap segment which we did earlier because there we get into the margin constraints which are unsustainable given the small size of the soaps business, so if we find a platform at the upper end of the market which can sustain very high margins then we will certainly go forward and if we don't, then we will wait and watch till we get to the right platform.

Nikhil Vora: Okay. I will come back for more. Thanks for this.

Sunil Duggal: Yeah.

Manish Jain from Lehman Brothers: Hi Mr. Duggal.

Sunil Duggal: Hi.

Manish Jain: Congratulations on a good set of numbers sir.

Sunil Duggal: Thank you.

Manish Jain: Sir, I had a couple of questions. One is that this H&B Stores, New-U, there has been some delay in that launch is it?

Sunil Duggal: Just a small delay. We were planning around launch of 10 stores by the end of the current financial year. We will probably end up with around 3 stores.

Manish Jain: Okay.

Sunil Duggal: There has been delays in terms of handover of property to us which is normally the case, that has been the real reason. The plan was to start up in the fourth quarter, which we will. The number of stores may be a little bit less than what had originally anticipated.

Manish Jain: And sir what kind of targets are we looking at for FY09 in terms of stores addition from New-U?

Sunil Duggal: Now, at this point, the business plan envisages 40 to 50 stores, in that range.

Manish Jain: Okay. And sir have we booked any cost for these H&B stores in this quarter consolidated?

Sunil Duggal: Yes, yes. We have booked in this quarter around 2.7 crores, am I right?

Rajan Verma: 3.6 Crores for the nine months.

Sunil Duggal: 3.6 Crore for the nine months and 2.6 to 2.7 Crore for the quarter.

Manish Jain: 2.7 for the quarter.

Sunil Duggal: Yeah.

Manish Jain: Okay. And sir second question was on the foods business.

Sunil Duggal: Yes.

Manish Jain: Is the performance slightly slack because of your discontinuance of the unbranded business.

Sunil Duggal: No, no. Well, we didn't have much of unbranded business. There was some export business, which is not really on priority. We will probably continue it to some extent, but we will only continue the higher margin end of the export business, but that was not even 10% of the food revenues. The real business is branded business and the sales, which you see in this current quarter has been impacted due to dislocation of the business on account of the

integration of the whole distribution with CCD. See, it is a huge task. Food has something like 600 distributors. Practically, all of them have to be disengaged and shifted to the consumer care division distributors. It is a massive transformational process which does have significant impact on revenue because we have to clean up the whole system, settle accounts, take back unsold stock, ship them to the new distributors, etc, etc. So, this process is completed to a large extent.

Manish Jain: Okay.

Sunil Duggal: The residual part will probably happen by end of this month, then we should be back on a steady growth path let's say certainly by the first quarter we would see emergence of growth happening in the 4th quarter.

Manish Jain: Okay. And then lastly, I mean in terms of going forward what is the pipeline looking like. I mean what is there in terms of new products to look forward to.

Sunil Duggal: There is a fair amount of new product activity. There is the new brand, you know many of these products which we have launched in the current year have not recorded revenue so far because they have been mostly in the test market launch. Like for an example, Gulabari range of skin care as well as Dazzle range of home care have been extensively test launched. The Chyawanprash variants have been extensively test launched. Fortunately we have been very happy with the results of the test launch and we are now poised to go national. Some cases like Gulabari and some of the Chyawanprash variants we may choose to go national only in the second or the third quarter next year because of seasonal reasons. But let's say Dazzle should go national pretty quickly and then in addition to these there are some different type of new product initiatives. , There is a whole host of variants, which are already in place. The shampoo variant is being launched even as we speak.

Manish Jain: Okay.

Sunil Duggal: A new variant of Babool which is going to hit the shelves in the next week or so. A new hair oil which is going to be launched by around March.

Manish Jain: Is this new hair oil under a new brand or is it going to be an existing extension?

Sunil Duggal: No, the only new brand which we have launched is Dazzle. Everything else is under the existing brand architecture.

Manish Jain: Okay.

Sunil Duggal: There is a totally new skin care initiative which will be launched perhaps in the second quarter of next year. That will be under a new brand, but that is still work in progress. Gulabari is housed under the Dabur umbrella.

Manish Jain: Fair enough sir. I am done. Thank you so much sir.

Sunil Duggal: Thanks.

Vandana from DSP Merrill Lynch: Hi Sunil.

Sunil Duggal: Hi.

Vandana: I have a couple of questions. Let me start with the first one. You have a consolidated sales growth of 15.8% for the first nine months.

Sunil Duggal: For the nine months, yes.

Vandana: Would you be able to break this down between volume and price.

Sunil Duggal: Yes, approximately 2.5% price and the balance is volume.

Vandana: Thank you. The next question is on the home care sales growth, which is 12% I think you said. And that looks to me much lower than trend. You did mention that the Odomos had a high base issue, but nonetheless given the big market opportunity for this category and the fact that there are not really any branded products here, do you think that this has been below your expectations and if the outlooks are brighter than what has happened so far for the first nine months?

Sunil Duggal: Yeah, it has been below expectations, there is no doubt about that. We were shooting for something like 20 % growths, we have landed up with 12-13%, which would probably creep up to around 15% for the year. The main reason as I mentioned was Odomos which came off a very high base. The high base last year was on account of numerous epidemics, Chikungunya, the bird flu, etc. etc., resulted in extraordinary consumption of Odomos. We had to really operate from that level of base. This year, fortunately, there were no epidemics, so there was some impact on sales. Secondly, we have lost some sales vis-à-vis last year on account of withdrawing from the coils category. We did make a small foray into coils, we believe there is no value there, so we decided to withdraw and focus entirely on the value-added segments such as creams, aerosols, etc. So, the Odomos portfolio was a single cause of our comparatively slack growth during the quarter. Then the Dazzle range has not yet impacted revenues because it is actually just confined to two cities, Chennai and Bangalore and as and when we roll out I think that would be a significant contributor. So, the outlook for our homecare business is bright, certainly

much better than what you have seen in these nine months. A lot will depend upon how well the surface cleaner brand Dazzle performs, but we are pretty optimistic about growth here. The air fresheners particularly are doing extremely well and there is no issue there.

Vandana: And what is Dazzle priced at in terms of you know, what is the positioning like in terms of pricing and...

Sunil Duggal: There are two variants, one is the floor cleaner which is priced pretty much similar to the other players in the market like Domex and Lizol and then there is a kitchen cleaner which is again priced in the same region as the Easy Off Bang and some other products. So, the pricing is competitive. There is not much play, which is available in terms of pricing, but we believe that strong brand equity coupled with good distribution and leveraging it with modern trade would enable this brand to flourish. And we are launching now at least two more variants under Dazzle for different surface types.

Vandana: I think you mentioned strong brand equity, but Dazzle is a new brand...

Sunil Duggal: Yes, we will have to build it, and I think we have demonstrated capability in this area, so we will be investing behind Dazzle as and when we go national and we believe that it is a comparatively uncluttered space with enormous headroom for growth .

Vandana: What would you put the total surface cleaning market in India at in terms of the size?

Sunil Duggal: If you take the unbranded segment, then it is actually a huge amount, but the branded segment would be in the region of around 200 to 250 crores.

Vandana: Okay, thank you. My next question relates to consumer health division. We have seen problems in this division in the past for a variety of reasons and you have been pointing to a turnaround for some time. However, 5% growth in the third quarter, wouldn't really qualify for a real turnaround I would say.

Sunil Duggal: Right, it doesn't.

Vandana: So, what really can be looked forward to from this division in the future and when do we look forward to it?

Sunil Duggal: I think this division say in the next fiscal we would be looking at delivering 20% revenue growth. It is quite capable of doing that. In terms of the business transformation, which I spoke about, much of that has been done in the current quarter, which will start to show results in the coming quarters. So, the business now is in

on track. We have done a significant amount of re-engineering of distribution in terms of the back-end capability, in terms of product renovation and the fruits of that would now be visible.

Vandana: Okay. On my last question...

Sunil Duggal: Sorry, just to interrupt. Going by the December sales, which we normally do not publish, the division has shown growth of around 15% on a month-on-month basis, which is probably indicative of what this business can deliver.

Vandana: Thank you. My last question relates to your international division. I can see very nice top line growth there, so that is good. What are the EBIT margins in this division and what is the full potential there.

Sunil Duggal: See the EBITDA margins are flat compared to last year, largely on account of some losses emerging out of Pakistan which were not anticipated. So, we have 11.7% margins last year, 11.8% this year in terms of EBITDA margins. We believe that Pakistan losses will be reversed in the coming year and that would substantially improve the whole margin profile to around 13% to 14%. Ms. Vandana: But are you looking to expand your international business into more countries, new countries.

Sunil Duggal: In a very calibrated way. Through organic means, we would do it, but at this point in time, the whole focus would be on ramping countries like Nigeria which we believe there is a huge amount of headroom, further consolidating business presence in Bangladesh and Pakistan, and there are some interesting markets emerging, which we are already there, but in terms of scalability, there is Morocco, there are other parts of North Africa, the other parts of Middle East, Iraq, and Iran for example. So, I do not think there would be a major initiative in particular geography other than the current ones which we are operating in. South Africa is an area which we are taking a long hard look at, but as of now no strategies have been formulated to immediately enter into.

Vandana: So, would it be correct to say that if you actually do reach out to new geographies, then the EBIT margin profile would not really improve.

Sunil Duggal: No, it would. If you make an aggressive expansion in different geographies it could be even erosive of EBIT margins, but like I said that it is not the end of it now. There is a huge scope to ramp-up existing operations. There are possibilities of going into competitive markets which are not yet on our map so far in terms of current business presence, but they would require upfront investments of significant nature. Our current business plan over the next year perhaps does not envisage that, as we believe that there is enough head room in our current geographies.

Vandana: Do you have any target, I mean when you look at your international business, do you see it in terms this X percentage of my total turnover that should come from international business or I mean how exactly do you go about it or you think that okay here is Indian population in this country which I can reach out to. When we look at your business on a three-year or four-year horizon, what can we expect international turnover to be as a percentage of the total group turnover leaving out the retail venture.

Sunil Duggal: See the Indian Diaspora in terms of current business accounts for not more than 25% of our overseas sales and there is not too much potential there quite frankly because we have already exploited most of it so the real activity is amongst the local population. Certainly most of our emerging markets in the Middle East and Africa are almost entirely composed of local people consuming our products. So, the whole game in international business is really arriving at the right consumer insights and understandings of the market structure in these markets and then making appropriate businesses to exploit that, so that is really the difference between doing well and not doing well. If you are able to get into these markets with this local knowledge, then make a business out of it, not really the Indian Diaspora.

Vandana: Alright, thanks a lot Sunil.

Sunil Duggal: Thank you.

Percy from HSBC: Good evening gentlemen.

Sunil Duggal: Good evening.

Percy: Congratulations to you for being able to continuously expand your margin in spite of crude remaining high.

Sunil Duggal: Yes.

Percy: Also, I do have a concern on the sales growth. See, when you look at your two years' growth, which is your y-o-y growth this year versus your y-o-y growth last year.

Sunil Duggal: Yeah.

Percy: Two years back for Q1 was about 34% to 35%. For Q2, was around 33%, but then Q3 has dropped to about 28% or 29% and basically Q3 again you have the advantage of a lower base in terms of your sales last year was 14%, then 20%, then 15%, and then 20% again that was the kind of quarterly growth that you had. So, I expected this quarter to be better in terms of sales. if you could just give me a flavor as to why the sales have been slightly

disappointing this quarter and also do you see that it was one-off and will sort of rise in the next quarter.

Sunil Duggal: Well, if you take sales in the third quarter, we have actually been ahead of what we saw in the second. If I remember, we did around 12.9% and this quarter has been 14.3%, so I mean some improvement. It lags by what we did last year, which was more in the region of 18% as compared to 15% in the current year and I think lot of that is on account of consolidation of two businesses. First is consumer health division which we did over the first three quarters and as I mentioned earlier the process has been largely completed and now the integration of foods with consumer care which has its top line impact. We believe that these consolidations are necessary at a point in time to drive growth in the future and while they may entail some short-term hiccups in terms of lower top line, these would be critical to ensure the sustainability of future growth. So, we still believe that a growth in the 15% to 20% region is what we should be doing at this point in time and it is doable. Whether we operate at the lower end of this band or at the upper end of this band would be really in terms of how well we execute, but this band remains.

Percy: Will you be able to sort of give me an idea when the consolidation between the foods and CCD will be complete?

Sunil Duggal: By the end of this quarter, it would be entirely complete. See, once the process is completed, we are putting into play substantial new initiatives in the foods business which we are putting on hold now because the whole energies of the business are focused upon this consolidation process and that would result in growth going into the next year.

Percy: Okay. So, what I am looking at is when do you think the depressing effect on sales of this changeover, when will that depressing effect stop?

Sunil Duggal: I think it has already stopped. You would see some growth being regained in the current quarter. I am talking about the foods business basically which should be accelerated in the first quarter of next year and significantly when the new growth drivers are put into play, but you will see growth visibility and growth momentum coming back into the foods business even in the current quarter, that is what we envisage.

Percy: Okay. Would you also be able to give me an idea what was the sales growth on the hair oil division in this particular quarter?

Sunil Duggal: 20.4%.

Hair oil is doing well. Nine-month growth is lower at 11.3%, but this quarter growth has been very good.

Percy: Any reason, why the growth has been so high this quarter?

Sunil Duggal: It has been revival of category growth, but again keep in mind that the third quarter base is a little bit lower. It is on top of a low base, but I do not think 20% growth is sustainable, but growth in the 10% to 15% band in hair oil is what we are looking at.

Percy: Sure. Do you think that, I mean the main difference between last quarter and this quarter was Vatika, I mean is that causing a major difference in....

Sunil Duggal: It was driven by Amla. See, Vatika is being restaged. There is a new, completely radically different packaging, formulation, ad campaign. The whole product is being renovated so we actually dried up sales in the current quarter, so Vatika certainly did not contribute to this growth, it was actually Amla. Next quarter, we would expect, I mean the coming quarter and certainly in the first quarter of next fiscal, we would expect Vatika to be a significant element in the growth of our hair oils because I think it is unrealistic to expect Amal to grow at 15% to 20%.

Percy: Sure.

Sunil Duggal: We would normally take it around 10% and be fairly satisfied with that. So, Vatika if it can deliver growths of around 10% to 15% and then we have an array of smaller hair oils, we can look at aggregate growth in the region of 15% for hair oils, which we believe is a very good clip.

Percy: But do you think Vatika in Q4 itself will be able to deliver a growth which is more or less the average of the category

Sunil Duggal: Yes, we believe so because the product would be now in the market, the restaged product and then we open the campaigns and the whole marketing mix unfurls in February. We should get good sales in February and March.

Percy: Also did I earlier hear you say that consumer health grew by about 15%...

Sunil Duggal: In the month of December, yes. That was the exit rate. So, I just wanted to sensitize people that lot of the pain of revitalizing CHD has started showing dividends with higher growth rates in December month.

Percy: is that something, I mean in that range is what we can expect in Q4.

Sunil Duggal: That is the intent. You know, our internal benchmark suggests a 15-odd percent, actually it is 15% to 20%, but I will be conservative and take it at 15% as being the sustainable growth for this particular business and I think December, while one should not read too much into one month numbers, is a pointer in that direction. So, we will see how growth comes in the fourth quarter. I am pretty optimistic that there is good growth there and then we will have to see how to sustain that growth, but there are enough drivers of growth in CHD in terms of new products, the OTC, classical portfolio etc.

Percy: What has basically changed? I mean what has suddenly led that 5% to become 15%?

Sunil Duggal: No, what really is happening is product renovation. Now, when you renovate products, you are doing substantial amount of reformations, you are doing substantial amount of restaging in terms of packaging, typically what sales people like to do is they like to dry up the market of the old product before putting in the new. Because if you have substantial inventories of old products, then it can hamper introduction of new, then what very typically one does is to take back the old stock and give the new one ..

Percy: Yeah sure, but drying up takes about I mean at the max one quarter, but your CHD has been sluggish for about two or three quarters....

Sunil Duggal: The inventories of CHD typically being quasi-medicinal business are typically much higher more in the region of 45 to 50 days, so it does take a little bit longer to dry up than let's say a CCD system would.

Percy: Okay.

Sunil Duggal: And then we were engaged not just in product renovation, we were engaged in distribution issues also because last year we had put into place some initiative which did not work out, so they had to be reworked, etc. etc., so a lot of restaging had to be done. We got a new team now and the business is naturally in pretty good health. We are very happy with the way lot of our OTC initiatives are taking off. We recently launched Badam oil which has done extremely well. Honitus portfolio is now close to 20 crores. There was a lot of pressure on the traditional classical business and now that is being substantially taken care of. What we also now have committed to as far as the generics portfolio and CHD is concerned is not to give too much trade discounts. This business was following industry practices of offering very substantial discounts to trade and that again you can never win over the smaller players because they do not have the margin pressures which we have. So, we are now moving above the line. First you renovate the product, make it attractive, make it more accessible to the consumer, and then you invest substantial amounts above

the line and that is really what is happening now. So, you will see new advertisement campaigns of very traditional products like Dashmularisht and Ashokarisht, and Mahanarayan Tail and Lavan Bhaskar Churan, which we have never done in the past. And I believe that this process would really drive customers to our brands over that of the competitors and lower the trade push element which always worked against us.

Percy: Okay. And also if someone from the supply chain can sort of give a short commentary on the gross margins, as in first of all how has inflation or deflation been in the case of RM versus PM and then for the major cost items within RM and PM, what has been the experience in this quarter as well as the nine months.

Sunil Duggal: See, I think the supply people have done an outstanding job in managing costs. That has been perhaps the standout feature of current quarter and in fact in the full year performance, we are perhaps the only FMCG Company, which has fairly flat material cost to revenue ratio. I do not think any other company would be in this position. Largely on account of very, very good vendor management, employment of technology with regard to reverse options, doing substantial amount of hedging on the future's market with regard to key commodities, our business requires very high levels of skills, which we believe our supply chain people have and I think all congratulations to them for managing costs extremely well. Now going forward, at least we have not cast a stone into the distant future, but the current and the next quarters also do not indicate any surprises in terms of material costs. I think we will be able to hold it at close to present levels for the next three to six months at least. Beyond that, the picture becomes a little less clear.

Percy: Talking about let's say packing materials as a whole.

Sunil Duggal: Yes.

Percy: Have we seen any y-on-y inflation for these nine months at all or has it been stable as crude has remained higher than last year I think, so PM inflation.

Sunil Duggal: So, we are able to hold the price line and now with oil you know easing a little bit, we have seen the 100 dollar levels and not been impacted and now with 90 dollars and may be even below that. I believe that packing material essentially concerns both these because while we managed to hold the price line there was a fear that with oil being at 100 dollars plus, we sooner or later would have to take up prices, there would be no options, but that fear seems to be receding a little bit. Our oil forecast are in the 80s and 90s. With that kind of level, we do not foresee any pressure on packaging material.

Percy: Okay. And in raw materials if I just talk about major item groups, in terms of chemicals, in terms of agri inputs, how have these two behaved?

Sunil Duggal: It has been a mixed bag. Now if you take agri inputs, you have the edible oils which are in a high inflation basket, which is your groundnut oil as well as mustard oils, which are two key edible oils, but if you take sugar another key raw material, it has been very friendly to us, so that has kind of offset overall cost impact.

Percy: Okay.

Sunil Duggal: But overall raw material costs have been friendly, particular with regard to agri produce you know, to give an example Isabgol, kesar, sandalwood oil have been on the high-inflation list, along with Packaging cost which have been little on the unfavorable side in terms of YoY cost comparison.

Percy: Also, if you could just give me an idea on what kind of run rates you are having on Dazzle right now.

Sunil Duggal: It is a test launch number, so I cannot give you a run rate because it is hard to extrapolate that to the whole country. I will be able to give you a number say three to four months from now when the distribution footprint becomes national.

Percy: And any kind of feedback you can give me on Chyawan Junior.

Sunil Duggal: Chyawan Junior has done well. We are presently in Maharashtra and West Bengal where Chyawan Junior has been test launched. The test launch results have been very positive in fact, we are pretty happy with what has happened on the ground. We plan to now take a call on whether to rework the marketing mix or whether the current mix is good enough to permit a national launch, which we believe we will be doing in the month of September at the cusp of the winter season.

Percy: Right. Also, final question on... sorry I think I just forgot. I will come back if I remember it. That's all for now. Thanks.

Sunil Duggal: Yeah sure. Okay thanks.

Anirudh from Anand Rathi Securities. Hi Mr. Duggal. Congratulations for good set of numbers. Just wanted to know what would be our total investment in the new retail business.

Sunil Duggal: Total investment would be 120 crores, 140 crores, sorry, over three years.

Anirudh: Okay.

Sunil Duggal: At the end of the next two fiscal.

Anirudh: What is the target ROE of this business?

Sunil Duggal: I think that is subject to a lot of dynamics, which are difficult to foresee. You know initially it will be in the testing phase. We will be opening the first set of stores like I said by March.

Anirudh: Okay.

Sunil Duggal: The next level of stores will be opened in the first quarter and that would really validate the dynamics of the business model.

Anirudh: No, but roughly, on a mature state of any store, what would be the targeted ROE at that time?

Gagan Ahluwalia: Well our initial plans suggest somewhere in the range of 30% to 40% over a period of time.

Anirudh: Do you think 30% to 40% in a retail business is achievable and maintainable considering the way land prices are going and rentals would go.

Sunil Duggal: It is contingent upon a whole host of factors and most importantly on the real estate prices. The rigor of this model would be tested by how well we manage real estate prices and that is something for which the answers are not immediately visible. We have some feel of what the current prices are, but if you go into the big bang opening which is going to happen in fiscal 2010, it is really the real estate environment at that point in time which will determine what our returns would be.

Anirudh: But, even if we take 30% still it is far lower than FMCG business, so don't you think that probably paying out dividend or investing the entire money in FMCG business would be better, so that it can still generate a 50% ROE business.

Sunil Duggal: But where can you get a business of this size with 120 to 140 crores investment. I think we should see it from that prism also. This is a business which can generate very substantial value with comparatively low investment.

Anirudh: Okay, okay sir, that was my question.

Sunil Duggal: Thanks.

Anirudh: Thanks.

Hozefa from Morgan Stanley: Hi, Hozefa here.

Sunil Duggal: Hi Hozefa, how are you ?

Hozefa: I am fine, thank you. Just 2 quick questions, one is do you have any sense of the market share Chyawan Junior was able to gain in Maharashtra in the moderate food business.

Sunil Duggal: See, it was not launched all over Maharashtra. It was launched in selective pockets. So, it is hard to estimate the shares given the fact that it was launched only in these few stores, but our store share was in the range of 3 to 5%. Now, this is only for the individual stores, which met our action standards.

Hozefa: Okay, my other question is on skin care. You all have been working on products to be launched in skin care as well as brand for the last couple of years, and the skin care active category itself has witnessed a lot of activities, you know, in the last couple of years, but you all have apparently missed out that space at the moment at least. Any particular reason why the Samara brand was not relaunched or restaged, and there has been a delay in Dabur's launch of skin care products.

Sunil Duggal: No, I think, we were...while we always...we did not have a focus on skin care. We had many other things to do, assimilation of Balsara, growth of the international business etc, so in terms of prioritization, we did put this on the backburner for the last couple of years, only emerged around 6 to 9 months ago when we inducted a team whose sole purpose would be to develop a skin care portfolio. We made a small beginning with the launch of Gulabari variants.. So, that is the beginning, but that is really not the main initiative. The main initiative would be to launch a new skin care brand, and we believe we would be able to do that in the second or third quarter of next year. This obviously requires a fair amount of planning and thought before we enter, and we are making very good progress here.

Hozefa: Okay.

Sunil Duggal: Like I said, the skin initiative in all seriousness was only taken up around 9 months ago.

Hozefa: Okay, over the next 1 year, would you look at an acquisition opportunity more aggressively as far as skin care is concerned?

Sunil Duggal: In terms of India, see, I don't think there is any acquisition opportunity in skin care. So, we are now committing ourselves to launching our brand through organic means, as and when we walk that path even if the acquisition opportunity comes, we might just like to pass it by because we would have progressed on our own initiative to a large extent, but like I said, there seems to be not much visibility in terms of acquisitions targets in skin care in India.

Hozefa: Thank you very much.

Sunil Duggal: Thanks.

Hemant from Enam Securities. Hi Sunil, this is regarding the oral care segment. You mentioned earlier that there was a 24% growth for toothpaste for the quarter, am I correct on that?

Sunil Duggal: Yeah.

Hemant: What would that similar figure be for Year to date?

Sunil Duggal: 31%.

Hemant: 31%, is it? Okay, and you mentioned even that there was a VAT impact on the toothpowders. How do you see this panning out and when do you see the correction actually coming back to normalcy?

Sunil Duggal: Generally, it is still disrupted, and we hope that by the end of this month, the traders would begin to get back to, you know, normalcy. We don't see VAT being reversed in UP. So, the risk is there, but I would expect regularity of sales would come back on track. It is hard to predict this because if the traders go on a long-term strike, it would impact sales even in the current quarter, but I think we have to live with that.

Hemant: Would it be a structural slowdown because given the fact the prices.....

Sunil Duggal: What is the issue? Issue is that the traders are opposing VAT because they prefer the old sales tax regime. Now, as a consequence, they down stock, they boycott products, etc, so the whole business is impacted, not just toothpowder, but toothpowder has got a very high exposure, and the 40% of our business comes from UP, so any disruption of UP trade means that the toothpowder is hugely impacted. These things don't last for a long time, and like I said, we believe things will come back to normalcy in February.

Hemant: Okay, and what is the sustainable growth rate that you envisage in oral care?

Sunil Duggal: I think around 20% is definitely possible in the next year. Now, going forward, it is anybody's guess whether we can do, you know, 15% or 30%, but we would be looking at around 20% growth aggregate for the oral care in the next year. That would be a pretty good target to have.

Hemant: Fair enough. In case of H&B, I think some time back you had mentioned that you are going to have some losses in this venture at least for the first couple of years. Given the current rollout plans and given the current real estate prices and I guess that you

must have done quite a few bookings. First may ask is that of the 50 stores which you said that you are going to actually rollout in 09, how many have you gone across and booked?

Sunil Duggal: Around 11.

Hemant: Okay and....

Sunil Duggal: Eleven are committed.

Hemant: Eleven committed, is it ?

Sunil Duggal: Yes.

Hemant: Okay, and given the current pricing, what kind of cash burn do you see in 09 and 10 ?

Sunil Duggal: Let us say we are looking at a cumulative burn of 40 crores in the current and the next two fiscals. Current year, it would be in the region of 8 to 10. Next year, it would depend upon the pace of our rollout, so I don't give you a number, but we would cap this at 40 crores, that is the intent.

Hemant: 40 crores for the 3 years?

Sunil Duggal: For the 3 years.

Hemant: Okay, and 8 crores for the fiscal year 09.

Sunil Duggal: Around 8 for 08.

Hemant: Okay, 08, alright. Thanks a lot sir.

Sunil Duggal: You are welcome.

Yogita from Wealth Managers. Good evening sir.

Sunil Duggal: Good evening.

Yogita: Congratulations on a very good set of numbers.

Sunil Duggal: Thank you.

Yogita: My question is regarding the new stores. How many stores are leased by us and how many are owned by us?

Sunil Duggal: All leased. None owned.

Yogita: All are leased ?

Sunil Duggal: Yes.

Yogita: Okay, thanks a lot sir.

Sunil Duggal: Welcome.

Vivek Maheshwari form CLSA: Hi sir, how are you?

Sunil Duggal: Hi, I am fine, thank you.

Vivek Maheshwari: Just couple of questions, actually I logged in a bit late. I don't know if the questions have been asked.

Sunil Duggal: Not a problem.

Vivek Maheshwari: One is on the employee liability. You have given a note wherein you have mentioned that employee liability under AS-15 has been selectively provided, and balance would be provided in the fourth quarter, so what could be the magnitude of that expense.

Rajan Verma: As we have said, the entire gambit of that will be adjusted in the fourth quarter. As per the AS-15, the transition provisions, the opening liability up till March 07 would be off set against the opening results, and that could be in the region of about 15 to 16 crores that we could be putting in on that figure out there.

Vivek Maheshwari: Okay sir, that means, that it would not be routed through P&L, right?

Rajan Verma: No, because the transition provisions under AS-15 permit us to do that.

Vivek Maheshwari: Sure, sure. Next, my question is on foods. While you have mentioned about the integration and that is why you know the growth on the top line was much lower, but in terms of margin also, you have made something like 7% EBIT margins, and in the last quarter, which is the sequential quarter, you had made something at 13.6%. Any specific reasons for this drop in margin?

Sunil Duggal: Let me just see the numbers once again.

Vivek Maheshwari: That is right, you made something like 13.6% there, and in this quarter, you have made...or even for that matter 9 months is like 10.6% whereas the third quarter number is like 7%.

Sunil Duggal : Yeah, but there is a substantial improvement year on year.

Vivek Maheshwari: I agree to that, but any specific reason as far as the sequential performance is concerned.

Sunil Duggal: No. I don't think one should read too much in to Q on Q numbers. Look at Y-on-Y, as there could be whole host of mix issues, many other issues, so in our business, Q-on-Q is really not relevant.

Vivek Maheshwari: And as far as foods business go, what is the long term margin expectations that you have from the business.

Sunil Duggal: Well, that is a hard question to answer. It depends upon the mix which this business would have. Now, we could look at different trajectories. We could look at high growth, lower margin trajectory. We could look at lower growth, higher margin trajectory, so this depends upon the strategy, which we put into play, and consequent to the integration, earlier on it was managed a little bit independently of the DIL business. Now, it is under single management. We have to answer these questions in due time whether which trajectory we are going to adopt, do we want to be food majors, play in many categories which will entail necessarily lower margins but much higher revenue growth, or we want to be more focused, more specialized beverage player or even a food player. I will probably be able to answer this question little bit later.

Vivek Maheshwari: Okay.

Sunil Duggal: But at the same time, we would not like foods margins even under the worst case scenario to be substantially below our margins. While margins convergence may be a little bit of a distant dream, at the same time, the business should not be margin erosive in the sense that it should not be very substantially below our core business.

Vivek Maheshwari: Okay, and my last question. You mentioned the shampoo growth for the third quarter. I just missed that number. Could you repeat that ?

Sunil Duggal: Yeah, shampoo...38.4%.

Vivek Maheshwari: 38.4%, all right, that is it from my side, thanks a lot.

Sunil Duggal: You are welcome.

Shirish from Anand Rathi Securities. Hi Sunil.

Sunil Duggal: Hi, how are you?

Shirish: Yeah, I am good. I have got a couple of questions. A. related to oral care category.

Sunil Duggal: Okay.

Shirish: When you mentioned that oral care category which is growing about 9% and you are more than double, I just wanted to understand you have a strong franchise brand called Babool.

Sunil Duggal: That is right.

Shirish: And you also mentioned that you are going to have a test launch from Babool tooth powder.

Sunil Duggal: Yeah.

Shirish: I just wanted to understand the toothpowder strategy. You already have a strong brand in Dabur Lal Dant Manjan.

Sunil Duggal: That is right.

Shirish: Now, interestingly if you see the Lal Dant Manjan is losing share and you made an attempt three years before by launching Red toothpaste, so you arrested some decline on the toothpowder and Red franchise. Now, is that attempt that the Babool brand growing further and you want to exploit the rural, is that the strategy that you are looking at the losing market share on toothpowder to be gained through the Babool vehicle?

Sunil Duggal: No, essentially we want to leverage the equity of Babool brand. Now, we spend significant sums of money in building the Babool brand and it enjoys very strong equities in many markets which are almost entirely in white toothpowder markets, where red toothpowder does not sell. So, we want to translate the Babool equity into the toothpowder form and gain some market without really incurring any significant expense. So, we don't plan to advertise Babool toothpowder as of now.

Shirish: So, do we see that you will substantiate your lost volumes and market share through Babool ?

Sunil Duggal: We will try to do it, you know, if it is a toothpowder strategy, we are actually increasing shares. We all know that the category is declining, so the consumption of the toothpowder over the years has gone down, so this would to a certain extent mitigate that loss, but the toothpowder category is going to continue to decline. So, we will have to place our bets on toothpastes which we have done.

Shirish: Yeah, that is what...you preempted my question because toothpowder is a declining category. I just wanted to know that because you are also going to enter and you are going to launch very soon or you have probably launched a new toothpaste also on a herbal platform. I am just saying that most of your toothpaste is on the platform which is called as Ayurvedic and Herbal, so is there any attempt or is there any strategy fix we have in terms of

not to get into the premium. We although tried gels and other spaces. So, I am just looking at how these oral care portfolios will look like after 2 years, whether it will be still at 20% to 25% contribution or it will be more than that.

Sunil Duggal: At least, near term, it should grow ahead of the other categories, but this is not to say that it will always be the fastest growing segment which we have. Currently, we are at around 14 to 15 share. As and when our share begins to creep up to the 20% level, growth will begin to in a sense mirror category growth, and not significantly different from that. There is a still a lot of play available in terms of our oral care portfolio. There are couple of brands which we can launch which can further accelerate growth, but at the end of the time, you know, we will have to see category growths and that would really be the benchmark for our growths. I am talking about after 2 or 3 years. Till that time, I think, we can go well ahead of categories.

Shirish: Okay, just one supporting question. You mentioned that the category is growing at 9.6%. If you can give me sense how the LUP / Low price segment is growing within the oral care?

Sunil Duggal: Low price segments are growing ahead. I don't have the numbers readily available but I can tell you that the five rupee pack is still driving a lot of growth, and the growth is happening more in the economy segment, Babool, Cibaca, etc, than it is happening at the middle of the market or even at the premium end, but again, I think this is not something which will carry on till the end of time. There would be a correction sooner or later and the economy segment would largely grow in line with the category, and then hope we will perhaps come back at the premium end, so we are having some premium initiatives also in the pipeline. It is not that we are only committed to the value proposition.

Shirish: Next question is on Foods.

Sunil Duggal: Yes.

Shirish: Now, we have seen that there is some consolidation which is happening, and you say that you are sure that this quarter it will be getting over, what kind of margin pressure you look at in terms of raw material sourcing because we have seen last quarter you did mention that there is a price which is going to be increased. So, is there the raw material pressure like orange and all, is this thing still there or we will look for softening there?

Sunil Duggal: There is some softening which is now visible quarter onwards, orange prices particularly, apples continue to be fairly high, but orange is softening. We have basically developed alternative vendors and are able to source it at better prices. So, in the sense, we have in fact decided recently not to take up a price

increase, which we had committed earlier because as we are now seeing margin in this domain, which are fairly robust. In fact, our gross margins in foods business are at all time high, almost at 39%. So, there is not huge amount of margin pressure as far as material costs were concerned here.

Shirish: Okay, so you would say that after this quarter, probably first quarter of 09, you would see the business growing by 28 odd percent.

Sunil Duggal: Well, that is the intent. We would like this business to grow at around 30% to 35%, but to do that, you have to have a steady stream of products, in terms of new product introduction and you should have a supply chain very, very smoothly oiled. So, we have to fix a couple of things internally, then I think 25% growth given the market growth potential is well within our capability, so that is the number which we are looking at.

Shirish: Okay, my next question is on NEWU. I did ask this question in last con call. If you can share the numbers. What kind of numbers are we looking on per square feet basis, and what is the ticket size..?

Sunil Duggal: I don't want to share many of these minute numbers. I think that would be not very correct on my part, but I can share some broad outlines of the business, but not getting into specific in terms of sales intensity, etc. I can talk about store openings, I can talk about the burn, I can talk about our total cash outflow, but not minute points here.

Shirish: Okay, thanks.

Shah from Alchemy Shares: Good evening sir.

Sunil Duggal: Good evening.

Shah: I just had a question on your hair care category. Can you tell me the combined growth for shampoos and hair oils for the quarters and for the 9 months ?

Sunil Duggal: For the quarter 23.6%.

Shah: 23.6% and for 9 months?

Sunil Duggal: 13.5% for 9 months.

Shah: Yeah, yeah. Okay, and sir, I was just looking at your growth rates for first half and for 9 months, barring your hair care, you know, growth rates have kind of come down in all CCD categories. You just did gave explanations for your skin care and you know oral care. What do you think is happening in digestives and candies and you know your baby care range ?

Sunil Duggal: Nothing is happening. I don't think one should read too much into quarterly numbers. They are dependent upon a lot of base effect, they are dependent upon promotions which happen at a particular period of time. Suppose, if we have promotion in December rather than January, it ups the third quarter growth rates into fourth quarter. I think you look at the business on a longer-term basis, and the reality is that the consumer care business is going at around 14 odd percent, and there is really no huge churn internally. So, that is really what one should look at. Within a quarter, you will find a lot of volatility, but one should not read too much into it. Trend it out over you know 12 months MAT to map out the growths, and that will give you a much better picture.

Shah: Right, and how do you see the consumer market itself I mean for your categories, are you seeing the growth rates kind of sustaining or accelerating in the last 3 months.

Sunil Duggal: Yes, they have been accelerating, and Nielsen validates that, so 10-15% growth is now keeping up. We believe that with this significant growth in agri prices, it is going to result in increase of income that will fuel a lot of demand from the rural areas, so we have placed our bet on rural India to fuel growths at least in the next 2 quarters on back of these very high prices of agri products.

Shah: Do you have a number as to how much is your rural portfolio growing and how much is urban growing?

Sunil Duggal: At this point, it is probably going at around 16 odd percent as per best estimates, very hard to gauge it very accurately.

Shah: You were growing at 16%.

Sunil Duggal: At around 16%, for our consumer care -division

Shah: Right.

Sunil Duggal: And the urban would be probably going at more in the region of 12%, so that is the split. This is a very ballpark estimate. It is very hard to estimate rural growth because you just take raw numbers, 80% of our sales comes from urban, but then there is a flow from urban to rural which is very difficult to find out.

Shah: Right. Sir, one last question i mean, you have plenty of products across category. Do you think managing all this is somewhat becoming an issue because sometimes you know growth rates fallter even in the fast growing categories?

Sunil Duggal: Sunil Duggal: I think this is something we recognize, and we have completely re-architected our consumer care division distribution system and made it compatible with the complexity of the portfolio,

so we are able to handle it. In fact, we can add many more new products to the CCD portfolio because now we are not going with the entire fleet of products to every outlet. We are going with products which have relevance to that particular outlet and reduces complexity in many ways. So, managing this complexity is something which we recognized say 1-1/2 years ago when we decided to revamp distribution And there has really been no problem so far, but one thing is there on a system of this size, CCD is close to 2,000 crore entity, we obviously can't get into very small ticket initiative, we will have to take on fewer number of larger initiatives.

Shah: Thanks. Sir, my last question is the cash burn what you indicated is included in your investment target of 140 crores for next 3 years, or it is over and above that.

Gagan Ahluwalia: 140 crore is the equity investment which we planned to do in H&B stores, and 40 crore is what we are talking of is the cumulative bottomline impact.

Shah: Okay, sorry, thank you.

Nikhil Vora from IDFC SSKI Securities. Hi Nikhil Vora here.

Sunil Duggal: Hi.

Nikhil Vora: Sunil, just one more thing. Just as in soap, which is, a huge category, and we have in some manner withdrawn from that category in say 1 to 1-1/2 years of launch. What makes you so certain that new-u will also not face the same issues, assuming that they also don't meet our profitability or return criteria, given that this is also a new venture for us, just as soaps was ?

Sunil Duggal: I mean, there will always be successes and there will be failures, and I don't think one can you know guarantee any new initiative being a success, but I think the roadmap ahead for our retail venture is fairly clear one, and the good thing is that this is a very scalable model, which means that your investments go in consonance with your footprint. So, therefore, in any point in time, we found that the business model is not conducive, you can always pull the plug without incurring too much damage, and I think that the first few stores would test strength of the business model. We believe that it is inherently strong but it would further validate the whole model, and see what we need to do to make it happen and what more we need to do to make it successful, so a particular model does not bind us. We are pretty flexible in terms of how it will work, and whether we may get more into private label or we may go more into general merchandize etc. Like I said, we are not dogmatic about how we will approach it.

Nikhil Vora: Fair. My only concern is that you know we gave soaps possibly 1 to 1-1/2 years before possibly rethinking on that strategy, not too sure how much time you will need for this, so while we have a 3-year and a 5-year roadmap, will it really live out that course.

Sunil Duggal: By the end of the next financial year, the visibility in terms of the possible model would be clearly established, and that is the time we will take further business call and see what to do. In case of soaps initiative, what really went wrong was the raw material cost price increases were totally unanticipated, so we began with the business which had margins in the high 30s, we found that we were really coming up with the mid 20s, which made it unsustainable. There is no reason to believe that H&B model will follow a similar trajectory.

Nikhil Vora: Okay, so you just on the soaps....

Sunil Duggal: Soaps is such a competitive category, highly commoditized that the risks are actually much higher in soaps than they are in H&B which is a very unique model

Nikhil Vora: Okay, thanks Mr. Sunil.

Sunil Duggal: Thanks.

Ajay from Edelweiss.: Hello ?

Sunil Duggal: Hi.

Ajay: Yeah, the other income has been very high, like has been on a higher side of over the last 9 months, and even in this quarter, it has been high, any reason ?

Rajan Verma: The other income for the 9 months that we have had is previous year for approximately 14 crores going up to 20 crores. Essentially, these include areas of income from mutual funds, various export incentives that we get into, scrap sales, discounts, etc., and they are quite similar to the 2 quarters to respective years.

Ajay: Okay, and what would be tax rate for the full year?

Rajan Verma: Tax rate we are working on is on the MAT rate. Other than that, we have which is about 11.7% plus there is the fringe benefit tax and deferred tax impact as it turns out to be between 13 to 14%.

Ajay: Okay, sir, can you just give me some breakup of quarterly growth for GCC, Egypt, and Pakistan market in the international business.

Sunil Duggal: Shall we send it to you.

Gagan Ahluwalia: We don't right now have it.

Sunil Duggal: You want GCC and Pakistan market's q-on-q growth.

Sunil Duggal: Yeah, we will send it to you.

Ajay: Okay, thanks, that is all from my side.

Amnish from Motilal Oswal. Hi Sunil, this is Amnish.

Sunil Duggal: Hi, how are you?

Amnish: Fine sir. Most of my questions have been answered. Just want for my maintenance, we have started to put our sales figures, which are net of VAT. Can we get the same figures for the first quarter and second quarter of this year ?

Sunil Duggal: Yes, what Gagan will do during the next few days, she will send you a complete like-to-like numbers for the business, for the segment, brand, etc. There will be a full visibility. I know, there is some confusion about these numbers now on a growth basis. So, that we can give.

Gagan Ahluwalia: Next week, we will send out the mailer to everybody, so everything we will send, comparative numbers for the previous quarter.

Amnish: Okay ma'am, thanks a lot.

Gagan Ahluwalia: Thank you everyone for participating in this conference call. The transcript and archived copy of the webcast will be available at our website. Thank you once again and good evening.
