



“Finolex Industries
Q1 FY2019 Earnings Conference Call”

August 13, 2018



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Moderator: Ladies and gentlemen good day and welcome to Finolex Industries Limited Q1 FY2019 Earnings Conference Call, hosted by Investec Capital Services. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing “*” then “0” on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Ritesh Shah from Investec Capital Services. Thank you and over to you, Sir!

Ritesh Shah: Thanks Stanford. Good morning ladies and gentlemen. We have with us Mr. Prakash Chhabria, Executive Chairman, Mr. Sanjay Math, Managing Director and Mr. Anil Whabi, Chief Financial Officer. Mr. Prakash Chhabria Sir, I would like to hand over the call to you for the initial comments. Thank you.

Prakash P. Chhabria: Thank you. Good morning everyone. I welcome you all to the Finolex Industries Q1 FY2019 Investor’s Conference Call. The sales volume for PVC pipes and fittings was at 77000 metric tonnes for Q1 FY2019 up by 8.6% against 71000 metric tonnes for the same period last year, this has been the highest quarterly sales volume achieved by the company. Similarly the sales volume for PVC resin was at 69000 metric tonnes down by 8.7% against 75000 metric tonnes. The total revenue excluding duties and taxes was at Rs.8.3 billion up 13.3% against Rs.7.3 billion.

PAT was at Rs.1 billion up by about 29.5% from Rs.0.8 billion. Both PVC resin and pipes and fitting segments have performed well during the quarter. The EBITDA for the company as a whole was up by 48.5% at Rs.1.9 billion in Q1 FY2019 as against 1.3 billion. Other income has increased during the quarter as a result of higher interest income.

Derivative claim closed as contingent liability as at March 31, 2018 is settled and the expenditure thereon is shown as exceptional item in the results for the quarter. With this there are no more claims or liabilities on account of derivatives.

The capacity additions to the pipes and fitting segment has been implemented as per schedule and we should be reaching an installed capacity of 370000 metric tonnes in this financial year.

I would now like to leave the floor open for questions.

Moderator: Thank you very much Sir. Ladies and gentlemen we will now begin with the question and answer session. The first question is from the line of Ritesh Shah from Investec Capital Services. Please go ahead.

Ritesh Shah: Congratulations for good set of numbers. Sir my first question is on you indicated on the derivative contracts. So this is something, which has done and dusted but there are other contingent liabilities, which have mentioned in FY2017 annual report specifically related to



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customer excise. The first question is how should one look at this and the second question is if you could break up the volumes resin making during the quarter between PVC DC and PVC, EDC, Ethylene route that would be useful Sir?

Prakash P. Chhabria: Thank you. First of all the contingent liabilities, which you mentioned about are normal working contingent liabilities so they are routine. There is nothing to be alarmed about. The second thing, which you asked about the breakup I think Mr. Whabi, is in a position to give it to you.

Anil V. Whabi: During the quarter from VCM route we had almost 12000 tonnes and EDC route 41000 tonnes.

Prakash P. Chhabria: That answers my question. I will join back to the queue.

Moderator: Thank you. First question is from the line of Maulik Patel from Equirus Securities. Please go ahead.

Maulik Patel: I have a couple of questions. On the PVC side there is a significant spread and at that EBITDA level it is close to around \$280 per tonne and where we can see that the price of the PVC has moved up a little bit sometime something in the rupee depreciation at the same time the EDC spread is also moved so this significant however PVC, EDC spread this quarter or the EBITDA level what could be the result, is it inventory gain or something else sir.

Anil V. Whabi: See basically there are two reasons one as I just said from VCM route there was a lower production in this quarter and higher from EDC route which contributes to higher EBIT and secondly though in with the international dollar prices, EDC prices have moved up but normally as you know we purchase make our purchases in for the monsoon period by April so that has helped us to basically inventory gain.

Maulik Patel: But Sir is this PVC to EDC and PVC to VCM you mentioned that the VCM line is the lower production as a percentage of overall volume will this been an ongoing phenomenon or is it just for this quarter only.

Anil V. Whabi: There is nothing ongoing because it depends on the availability of raw material, so they are based on what raw material is available when and based on the pricing the commercial part that is when the decision taken by the plant.

Maulik Patel: But Sir what I understand that our EDC to PVC route capacity is close to 1.4 lakh tonne annualized and the remaining around 1.2 or 1.3 basically VCM to PVC?

Anil V. Whabi: Correct.



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- Maulik Patel:** Now we have seen this quarter you did close to around 45000 tonnes to the EDC to PVC route. So is that in the remaining nine months the maximum what you can do is close to around 1 lakh tonnes.
- Prakash P. Chhabria:** Yes because if you do not have VCM availability you cannot produce.
- Maulik Patel:** Okay got it. I will come back.
- Moderator:** Thank you. The next question is from the line of Sonali Salgaonkar from Jefferies. Please go ahead.
- Sonali Salgaonkar:** Sir my first question is what would be the PVC to EDC spread in Q1 FY2019 versus that in Q1 FY2018.
- Prakash P. Chhabria:** Yes Mr. Whabi can give but I think it was there in the presentation also. It was in Q1 2019 it was \$688 and last year it was \$634.
- Sonali Salgaonkar:** Sir could you give an approximate quantification as to how much was the inventory gain this quarter.
- Prakash P. Chhabria:** That is difficult to give.
- Sonali Salgaonkar:** Sir my last question is on the CPVC side it has been almost a year that we have started off CPVC so would you be able to share any volumes are revenue number of SKUs distribution point right now.
- Prakash P. Chhabria:** Yes, but you see it comparing last year to this year there is a big difference like we have mentioned earlier also that is about five months we introduced 155 new SKUs and the SKUs do not come on day one. So they spread over those 150, 160 days, so the real benefit of that is starting to come now, so that the breakup Mr. Whabi can give you.
- Anil V. Whabi:** In this year's quarter, we have done 1700 tonnes of CPVC as compared to 1000 tonnes last year so this is a growth of little more than 70%.
- Sonali Salgaonkar:** Sir and any approximate revenue breakup we can have?
- Anil V. Whabi:** Last year it was 24 Crores as against 43 Crores this year.
- Sonali Salgaonkar:** Thank you Sir. This is helpful. That is it from my side.
- Moderator:** Thank you. The next question is from the line of KVRS Babu from Vishar Portfolio. Please go ahead.



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- KVRS Babu:** The pipe and fitting volume is going at 8% again now in Q2, Q3 last year you made around 50%, 50% growth so now this is the sustainable volume.
- Anil V. Whabi:** Yes last year if you see that 50% growth was in the third quarter you are talking about I think.
- KVRS Babu:** Yes Q2, Q3?
- Prakash P. Chhabria:** Correct but if you see Q2, Q3 of the year before last that was the quarter of demonetization everything so hence that quarter was very low. So therefore that 50% was achievable, I mean was there because basically the third quarter was very low that yes, but then again if you see we did a good growth in the fourth quarter also of last year. A reasonable double-digit growth is possible, should be possible.
- KVRS Babu:** And this how this unorganized to organized shift is going and other building materials it is not happening it seems like...
- Prakash P. Chhabria:** I know we had very high expectations, but at least something is there, and if okay, if not let it to get positively has it benefit the company, the company is working definitely as. So my trucks can reach faster, my things are simpler so do I benefit I do, so let us not look at the negative part, let us look at positively how does it benefit us, it benefits us a lot. So we are very happy about that.
- KVRS Babu:** Okay we are benefiting from operation side not in coils?
- Prakash P. Chhabria:** Yes definitely.
- KVRS Babu:** Thank you.
- Moderator:** Thank you. The next question is from the line of Maulik Patel from Equirus Securities. Please go ahead.
- Maulik Patel:** Sir on the pipe side earlier we reduce the pipe prices to gain the market share are we normalized in terms of a pricing?
- Prakash P. Chhabria:** Maulik, I have been saying it quarter-on-quarter every quarter we will increase a little bit step-by-step and we have done it so if you see the percentage growth in tonnage versus rupees, it is already visible it is not going to happen like a rocket but it will happen step-by-step and it is happening already. It is already there if you will see last year third quarter versus fourth quarter, fourth quarter versus this first quarter you can see the growth upper trend.
- Maulik Patel:** Sir in terms of the pipe demand any specific region which is doing better or that will be doing below power.



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- Prakash P. Chhabria:** Generally speaking still the same four Southern States, Maharashtra, Gujarat still the leaders, but...
- Maulik Patel:** So in terms of the growth we understand that the sugar price will be very weak from Maharashtra it has seen some kind of a witness in this quarter.
- Prakash P. Chhabria:** You are talking about this quarter means quarter under review first quarter.
- Maulik Patel:** Yes first quarter.
- Prakash P. Chhabria:** No, not really because we have been able to achieve volumes and otherwise see if we do not achieve volumes in Maharashtra, Karnataka, Tamil Nadu, Gujarat, the big volumes then you will never have a volume growth in our case.
- Maulik Patel:** I got it and sir last question is again on the CPVC side we have been doing well so is it possible to share this CPVC numbers in terms of sales.
- Prakash P. Chhabria:** Which number.
- Maulik Patel:** CPVC volume.
- Prakash P. Chhabria:** See Whabi just gave it two minutes ago.
- Maulik Patel:** Oh! Sorry I missed that okay fine I will just.
- Prakash P. Chhabria:** Maulik you are not paying attention to Finolex here.
- Maulik Patel:** It is not that Sir. Thank you.
- Moderator:** Thank you. The next question is from the line of Kashyap Pujara from Axis Capital. Please go ahead.
- Kashyap Pujara:** Thank you for taking my question. Congrats for decent set of numbers. Just couple of questions. First is that I am very enthused by the margins which have been reported in the PVC pipe segment wherein we crossed Rs.8 per kg and this is a remarkable departure from the same quarter previous year. My question is basically about the sustainability of these margins because in the recent past you did mentioned that we are scaling up on volumes because that was an opportunity to basically take share away from the unorganized competitors and you did remarkably well on volumes but obviously at the cost of margins. Now this quarter we have seen volume growth and which is respectable and we are still seeing margins coming back. So has the – now have we moved the focus now to basically taking price up consciously and do we see these margins are sustainable for the year on a per kilo basis.



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Prakash P. Chhabria: Going forward I cannot give forward statement you know that Kashyap, but what you will observe is yes we definitely had a big price cut which we call cut, but it was not price cut, it was price benefit pass on due to GST into the market hence we did gain market share and that was a conscious effort and quarter-on-quarter after that we have been inching up and getting better and better pricing in the market. So now the focus is on both and like you correctly put it, the volumes have grown and also as the margins. So we will do it but step-by-step we cannot do it very quickly very fast it has to happen quarter-on-quarter only.

Kashyap Pujara: And over time I am not saying, I do not want guidance from you on this, but just over a three to four year perspective Rs.10 per kilo kind of margins, which is like say it is between such margins on this bit. Is it possible what your sense?

Prakash P. Chhabria: Hey one time you are searching, we do not give any forward statements then we give you a number Rs.10.

Kashyap Pujara: On the volume front value of gearing up for a 370000 tonnes volume but from a three to five years perspective give us the kind of opportunity that you have what is your sense when do we see the company more or less saving up to a 500000 tonnes over time, how would you see that trajectory.

Prakash P. Chhabria: See at this big volume it is very important to be able to balance out everything just producing is not enough you have to produce, we have to distribute it, we have to load it, we have to sell it, we have to get your money's everything has done and the whole system has to work in harmony. And hence we keep a very respectable number of volume growth of between 10% and 15% though keeping that in mind we should be achieving it in the next two, three years basically on mathematic basis, but in after saying that then again I have to say the world barring and costing set of the things because it is something again happened which is for the last two years then again everything changes.

Kashyap Pujara: That is right fair enough and that is all and sir my final question on the PVC resin, which I have missed out on. What is your sense on the cycle and in like do you think that you are still able to get EDC at a reasonable price and the PVC is a big tight how do you see that in overseas. So obviously I am not trying to plug in a margin, which will obviously normalize our margins, when we look at forecast, but what is your sense on the spreads over time more structurally.

Prakash P. Chhabria: I think the delta between PVC, EDC and all that it is too contingent to be in this area only should not change too much again if you go back three years ago I remember in that one quarter when crude prices crush we suffered a huge loss and it was something which was totally unexpected I think normally for Finolex, but even all the big represent companies in not only India but all over the world. So in this market certain things, which are so dynamic, which are totally unfavorable, can come as a surprise.



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- Kashyap Pujara:** Fair enough. Thank you Sir.
- Moderator:** Thank you. Next question is from the line of Nikhil Gada from Asian Market Securities. Please go ahead.
- Nikhil Gada:** Sir my first question could be that you had mentioned that raw material availability in terms of manufacturing PVC resins was they coming a little it is sort of an issue and that is something which is also reflected in the EDC prices. So can you say any sort of an understanding of how it is at the current situation and you had also mentioned that you are not going to do any expansion in the resins business so anything on that front?
- Prakash P. Chhabria:** I am sorry, there is no expansion in the PVC front I think, but your first I did not understand I am sorry.
- Nikhil Gada:** Sir you had mentioned in the previous quarter that there was an issue regarding raw material availability and that was one of the reasons we are not going with the expansion, so anything in that front?
- Prakash P. Chhabria:** No that is still the same availability and the confidence to get that additional raw material if we do expand that is still not there.
- Nikhil Gada:** Sir in that question so in that regard do we if the EDC prices continuous to scale up is how do you think that it be able to pass on or do we have that much do we expect so in other context if I would say the do we expect this margins went to remain the way they are right now.
- Prakash P. Chhabria:** No let me Nikhil very clear I think, you are coming on the conference for the first time. This is a cyclical business and that is the only reason we are not able to give forward-looking statements and I think that answer it all, but to go further into your question it is very difficult to predict things like this and that is why we never ever give any predictions.
- Nikhil Gada:** Sir finally on the agri demand how do you see it panning out in the next couple of quarters or do you see anything any sort of improvement on that front?
- Prakash P. Chhabria:** If you see every year during the monsoon period the demand is low continuously it is there for the 25 years at this. And again like I said monsoon means the clouds come, clouds, rain everything, but what we follow is the Gregorian calendar very definitely April 1, then we compare the results from first quarter to second quarter and all that, but the clouds will come and go depending on what they like to do. So it can affect one quarter it can affect two quarters this we do not know, but that is how this business is cyclical.
- Nikhil Gada:** Thank you Sir.



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Moderator: Thank you. The next question is from the line of Dhruv Bhatia from AUM Advisors. Please go ahead.

Dhruv Bhatia: Sir my first question is on the timeline for the crossholding between Finolex Industries and Finolex Cables do you have anything where you could share in timeline of this getting rectified?

Prakash P. Chhabria: Frankly speaking no I am not able to give you a exact date that within these many months or these many years or these many weeks something can happen, but only thing I can tell you we are conscious about it and we work at it and we look at it, it is not that it is in our back year or something that we forgotten to put it, it is being discussed on a continued basis.

Dhruv Bhatia: But these even taking the next two years or so this should get hopefully get cleared.

Prakash P. Chhabria: I hope so.

Dhruv Bhatia: Sir last quarter for first time is there any new product segment probably you all are working on a intent to get into apart from the PVC as well as EDC pipes because which is probably could I think you have already have a strong brand as Finolex, which could be, you could use the more and up the advantage and grow some other product segments?

Prakash P. Chhabria: I think we had covered this question in the last investor call where we had mentioned that we did go through a lot of these products, third party products, so that we can brand them and bring in to the market, but we are finding that takes away lot of energy and effort and if the whole channel the distribution channel to launch a small thing because we have grown so big in pipes and fittings that the focus in pipes and fittings consumes all the energy and we are very happy doing what we know. So we are continuing with that but it does not mean that you do not look at things so when people come to us with new products new opportunities we always listen to them.

Dhruv Bhatia: Sir just my last question can you quantify the inventory gain for the quarter?

Prakash P. Chhabria: Yes that is not possible.

Dhruv Bhatia: Thank you.

Moderator: Thank you. The next question is from the line of Prateek Bhatnagar from HSBC. Please go ahead.

Prateek Bhatnagar: Good morning Sir. Most of my questions are already answered. I have a small question. Sir the weak performance in the power segment is it because of the higher coal prices?

Prakash P. Chhabria: Yes it is, higher coal prices and lower generation.



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- Prateek Bhatnagar:** So when there is lower generation do you buy electricity from outside and how is it accounted in the financial statements for the divisions?
- Prakash P. Chhabria:** No for captive use in Ratnagiri, we use our own plant. It is mainly the coal price and it is because of transmission costs when we use the power in Ursine that we reduce by some generation quantity.
- Prateek Bhatnagar:** You see that the operating rates like such rate so there were from 120 and the previous quarter basically declined to around 80 so at what levels you see that sustainable on a longer-term broadly obviously they defer from quarter-to-quarter, but how should we look at again.
- Prakash P. Chhabria:** Sorry I did not get your question?
- Prateek Bhatnagar:** Sir the plant operating rates of your resin business they have been volatile. So more than 120% in Q4 versus close to 80% in Q1 2019 how should we look at those in the long run where do you see the plant operating rates sustainable in the long run?
- Prakash P. Chhabria:** In the normal circumstances the capacity utilization is full in all the years so there is no issue we consume large part of it and whatever balance remains we are able to sell easily in the market. So we always utilize the full capacity barring few instances like in last quarter where for some period resin was most not available.
- Prateek Bhatnagar:** And lastly in terms of raw material Ethylene EDC versus VCM what is the availability extent of availability, which you see now presently which one is more readily available in the market?
- Prakash P. Chhabria:** We have a contract agreement with most of our suppliers and we buy very little on the spot market, so availability is not a bigger issue for us for the present operation.
- Prateek Bhatnagar:** Thank you. That answers my questions. Thank you so much.
- Moderator:** Thank you. Next question is from the line of Bhavin Shah from Sameeksha Capital. Please go ahead.
- Bhavin Shah:** I am sorry this question was addressed earlier but the margin improvement seems to be low contrary to the way the spreads have moved. So could you elaborate on that and if you already answered that I will go through this trans little later on this thanks.
- Prakash P. Chhabria:** No, are you talking about PVC resin segment.
- Bhavin Shah:** Yes and the overall margins as well, yes.
- Prakash P. Chhabria:** See the overall margin as Chairman explained in pipe segment the prices have improved over the quarter that is while you see consistently in Q4 of last year and Q1 good performance of the pipe



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segment and in PVC segment though in dollar terms the spread has dipped but because of higher volume produced in EDC route and because we bought most of our EDC before this quarter so we have has this advantage.

Bhavin Shah: I see, so what does it tell us about the margins in the current quarter and beyond in that case?

Prakash P. Chhabria: That will depend on the prices, international prices beyond which we talk about; we will not talk about forthcoming statements.

Bhavin Shah: So what I am asking is what I am saying is that, if so you had the benefit of inventory available price now previous quarter is what you are saying. So we should expect that benefit to in last this quarter or it is sort of you have already captive most of the benefits.

Prakash P. Chhabria: So if you see our exactly closes till the monsoon had settle I think should...

Bhavin Shah: And with jump in fittings is it sustainable is that does that indicate a shift in the product mix in terms of the end market also we read that.

Prakash P. Chhabria: No I do not think it is sustainable but it is suppose to grow much more so I am not yet happy so it is not sustainable it has to grow much more.

Bhavin Shah: But is it a reflection of the more revenue is coming from plumbing segment or something.

Prakash P. Chhabria: Maybe that but even in the agri you see what we have done is we have increased our range of fitting across. So that benefit does not come only in non-agri, agri but it comes across.

Bhavin Shah: So even say you have increased the range does it mean that earlier people were buying your pipe but somebody also is fittings is that what you meant.

Prakash P. Chhabria: Yes it is also possible.

Bhavin Shah: Okay thank you.

Moderator: Thank you. The next question is from the line of Ritesh Shah from Investec Capital. Please go ahead.

Ritesh Shah: Sir my first question on column pipes I think in the earlier calls you had indicated that we are setting up new capacities in column pipes if you could please provide an update on capacity and off take over here and secondly a related question Asirwad one of the company that has seen change in management does it mean that it is opportunity for us to tap in going forward.

Prakash P. Chhabria: How will the change in management of Asirwad make it an opportunity in it, I do not understand.



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- Ritesh Shah:** Sir typically what you have seen in building materials is if you have a local promoter it usually has because you will have your rears to the ground so its typically if you have a MNC it becomes a difficult proposition so that is what I am coming from.
- Prakash P. Chhabria:** It is there something I cannot answer here that times are only tell you, but it is not necessary that what has happened in the past with others can happen in future also so we are we look at it as a good healthy competition it is good for us it keeps us on our toes.
- Ritesh Shah:** Sir let me put it the other way they had one particular product which went off patent and we are also sizable into agri pipes and column pipes so does it give us a opportunity to at least tap into that segment.
- Prakash P. Chhabria:** That is true, that is very true, but again that does not have to do with the change in management and your question was about change in management.
- Ritesh Shah:** Yes it is related also.
- Prakash P. Chhabria:** Patent getting over does not affect because we were making column pipes earlier also and we will continue to make in the manner that we are.
- Ritesh Shah:** Sir we added some capacity recently if you could provide some color on that and how the off take has been because to my understanding it could be a higher margin product and it could help our operating margin profile going forward.
- Prakash P. Chhabria:** The capacity increase has still not happen it is still under work in progress so I think maybe during this quarter so the effect of this the effect of the new capacity should be reflected truthfully in the third quarter of this year, quarter ending December.
- Ritesh Shah:** And sir how much will it take the column pipe capacity to after the expansion.
- Prakash P. Chhabria:** We are looking at tripling our capacity.
- Ritesh Shah:** Sir second question is on NGT there was a order which I think the Supreme Court was looking at and there has been no news flow on that this was regarding the usage of lead sir any specific update over there.
- Prakash P. Chhabria:** Mr. Math.
- Sanjay S. Math:** There is a MoEF feds had drafted new rules for that and they are saying the portable water to be migrated in one year and agricultural for three years and the rest are between four years this is a drop rules NGT has send back those drop rules back to MoEF and to discuss with BIS that is Bureau of Industries Indian Standards. So BIS this calling a meeting and then they will discuss



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with industry and the representatives of industry and these rules maybe finalize. So we are representing ourselves through BIS to MoEF and the notification of these drop rules will come only after discussion with industry.

Ritesh Shah: That is very helpful. Sir last question if you could provide a number of SKUs that we have in PVC and CPVC segment and if we have any target numbers by end of year or in two years it will be quite here so.

Sanjay S. Math: Target numbers though it is a never growing thing so we keep looking at investing into new products basically within the field of CPVC or UPVC fittings and pipes also. At the moment we are close to 1500 SKUs for pipes and fittings and if we keep on adding more and more. So there is no target because at the end of one year or at the end of two years perhaps again still that another base which has to be completed. So at the moment there is no fixed target of how many SKUs we will do or by when we will finish it.

Ritesh Shah: That is very helpful thank you so much.

Moderator: Thank you. Next question is from the line of Ravi Mehta from Deep Financial. Please go ahead.

Ravi Mehta: One small clarification when I look at the realizations of resin and pipes quarter-on-quarter it has actually the resin prices have gone up the realization while pipes it is down so while it is contradictory thing if anything specific?

Prakash P. Chhabria: No there is nothing specific. It is a question of mix and discounts given so there is hardly any difference there is not much difference between the realization and pipes and the fitting segment.

Ravi Mehta: So are realization after correcting the discount whatever so it was similar Q4 and Q1.

Prakash P. Chhabria: Yes.

Ravi Mehta: Thank you Sir.

Moderator: Thank you. Next question is from the line of KVRS Babu from Vishar Portfolio. Please go ahead.

KVRS Babu: Your complete revenue of column pipe in FY2018 how much it is run rate profits?

Prakash P. Chhabria: Complete revenue from column pipe is profit is not there, profit is not given separately revenue has given it was 21 Crores in FY2018.

KVRS Babu: This change from lead to tin is happened are completely in the industry or still it is going on.

Prakash P. Chhabria: Was that lead to tin shift.



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- KVRS Babu:** Yes this in pipes catalyst they want to change in the run in tin...
- Prakash P. Chhabria:** No lead will be replaced by calcium zing based stabilizers and tin is already being used in CPVC and some of the fittings. So major shift will come from lead to calcium and zing.
- KVRS Babu:** In industry also its come hit us other horizons in total industry.
- Prakash P. Chhabria:** Sorry in the...
- KVRS Babu:** Industry wise - total industry level also this change is happening.
- Prakash P. Chhabria:** No it is going to take Mr. Math answered the question earlier it is going to take anywhere between one year to three years for the full industry to change.
- Sanjay S. Math:** For us it is already happened.
- Prakash P. Chhabria:** No, for us also certain products have already happened, certain products are still happening and certain products will happen.
- KVRS Babu:** How much of price is now at this total percentage after 2% is already happened?
- Sanjay S. Math:** I think all portable piping whatever is supposed to be migrated in one year we have already done and we have already market it doing the lead free. So all portable water is lead free.
- KVRS Babu:** Thank you.
- Moderator:** Thank you. The next question is from the line of Vipul Shah an Individual Investor. Please go ahead.
- Vipul Shah:** Congratulations Sir for good set of numbers. I joined the call late so can you give me the EDC, PVC delta?
- Prakash P. Chhabria:** We will give it to you in the transcript otherwise okay quickly write it on this.
- Vipul Shah:** Yes, I will note down Sir.
- Prakash P. Chhabria:** For the quarter that EPC, PVC delta was \$688.
- Vipul Shah:** And what is it currently?
- Prakash P. Chhabria:** It is \$634 last year.
- Vipul Shah:** \$634 last year I mean current quarter is it same or has it changed?



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- Prakash P. Chhabria:** It is \$655.
- Vipul Shah:** \$655.
- Prakash P. Chhabria:** Yes.
- Vipul Shah:** Thank you Sir.
- Moderator:** Thank you. The next question is from the line of Ritesh Shah from Investec Capital. Please go ahead.
- Ritesh Shah:** Yes Stanford I am done with questions.
- Moderator:** Sure. As there are no further questions from the participants, I now hand the conference over to Mr. Ritesh Shah from Investec Capital for closing comments.
- Ritesh Shah:** Stanford, I think there is one more question, which has come up; we can that and then we can pass on to the management.
- Moderator:** Sure Sir. We take the question from the line of Ravi Mehta from Deep Financials. Please go ahead.
- Ravi Mehta:** One small clarification on the derivative settlement what we did in this quarter so last year annual report was showing some 135 Crores claims from the banks so that entire is taken care?
- Anil V. Whabi:** Yes entire is taken care it was settled at 28.
- Ravi Mehta:** Yes sure okay that is it. Thank you.
- Prakash P. Chhabria:** Thank you everybody. Thank you Ritesh.
- Ravi Mehta:** Thank you very much.
- Moderator:** Thank you. Ladies and gentlemen on behalf of Investec Capital Services that concludes this conference. Thank you all for joining us. You may now disconnect your lines.