



SUPREME PETROCHEM LTD

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January 25, 2024

BSE Limited
Phiroze Jeejeebhoy Towers,
1st Floor, Dalal Street,
Mumbai - 400 001
Script Code - 500405

National Stock Exchange of India Ltd
Exchange Plaza, Bandra Kurla Complex
Bandra East,
Mumbai – 400 051
Scrip Code - SPLPETRO

Dear Sir/Madam,

**Sub: Transcript of Earnings Conference Call of Supreme Petrochem Ltd
(‘The Company’)**

**Ref: Regulation 30 of Securities and Exchange Board of India (Listing Obligations &
Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’)**

Please refer to our letter dated January 17, 2024 wherein we had informed you that the Company is conducting Virtual Conference Call with Investors/Institutional Investors on January 23, 2024.

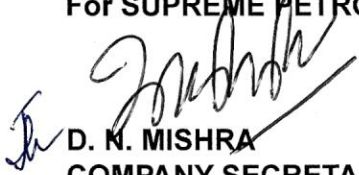
Please note that the said conference call as scheduled was held at 04:00 PM (IST) on January 23, 2024. In this regard, pursuant to Regulation 30 of Listing Regulations, please find attached Transcript of the call with the Investors/Institutional Investors.

This is for your information and records.

Thanking you

Yours faithfully,

For SUPREME PETROCHEM LTD


D. K. MISHRA
COMPANY SECRETARY





Supreme Petrochem Limited Q3 FY24 Earnings Conference Call

January 23, 2024

Moderator: Ladies and gentlemen, good day and welcome to Supreme Petrochem Limited Q3 FY24 Earnings Conference Call.

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 this conference, 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. Anuj Sonpal from Valorem Advisors. Thank you and over to you, sir.

Anuj Sonpal: Thank you Lizann. Good evening, everyone and a very warm welcome to you all. My name is Anuj Sonpal from Valorem Advisors. We represent the Investor Relations of Supreme Petrochem Limited.

On behalf of the company, I'd like to thank you all for participating in the company's earnings call for the Third Quarter and Nine Months of Financial Year 2024.

Before we begin, let me mention a short cautionary statement. Some of the statements made in today's earnings call may be forward-looking in nature. Such forward-looking statements are subject to risks and uncertainties, which could cause actual results to differ from those anticipated. Such statements are based on management's beliefs as well as assumptions made by and information currently available to management. Audiences are cautioned not to place any undue reliance on these forward-looking statements in making any investment decisions. The purpose of today's earnings call is purely to educate and bring awareness about the company's fundamental business and financial quarter under review.

Let me now introduce you to the management participating with us in today's earnings call and hand it over to them for opening remarks. We have with us Mr. Rakesh Nayyar – Executive Director and CFO; Mr. Dilip Deole - Chief Executive of Finance and Accounts; Mr. D N Mishra - Company Secretary.





Without any further delay, I request Mr. Rakesh Nayyar to start with his opening remarks.
Thank you and over to you, sir.

Rakesh Nayyar:

Thank you Anuj. Good evening, everybody. It's a pleasure to welcome you to the earnings conference call for the third quarter and nine months of the financial year 2024. The operating income for the quarter was INR1187 crores, which was about 0.6% over the last year. The operational EBITDA is about Rs.95 crores with a margin at 8%. The total EBITDA with other income is 110 crores. The net profit after tax was at Rs.68 crores.

On the operational front:

Main raw materials styrene monomer prices were within the range during the quarter. The company's sales of manufactured products during the quarter grew only marginally at 1.7%. However, over the nine months period, the quantity sold increased by 12%. During the quarter our Chennai EPS plant was non-operational for about 15 days due to cyclone, which caused heavy rains and floods in early December. Cyclone resulted in damage to some items of the fixed assets and some parts of the raw material, finished goods and stores and spares. The insurance company has initiated the surveying process and has appointed surveyors and this is all in progress.

For the nine months year up to December 2023, our revenues stood at Rs.3691 crores, which are down by 5% over the last year, for the same period. The operating EBITDA was INR292 crores with margin of 7.9%. The total EBITDA with other income is Rs.340 crores, PAT is INR215 crores. Company continues to remain debt free with an investable surplus of Rs.793 crores at the end of December 2023.

With this, now I open the floor for questions-and-answers session. Thank you.

Moderator:

Thank you. Ladies and gentlemen, we will now begin with the question-and-answer session. The first question is from the line of Neeraj Jamodia from Annual Research. Please go ahead.

Neeraj Jamodia:

Sir, I have two, three questions to ask. So, first is on the industry volume growth for polystyrene in Q3, because as we see that our volume growth was just 1.7% on Y-o-Y basis. So, was it because the user industries within our target segment was not doing well, or was it because of the imports coming to India, which has impacted our volumes?

Rakesh Nayyar:

During the quarter, the polystyrene market was flat and it is not because of the imports, imports are marginally down as compared to the last year. This is more because of industries, who are consuming our materials, the demand from their side was low. From OEMs, the appliance manufacturers the demand for the current year is down by almost 5% as compared





to the previous year. Whereas beginning of the year, the kind of ideas what we got from the OEM manufacturers that they would grow by almost 8% to 10%. But then right now the demand from them till December end was less by 5%, compared to last year.

Neeraj Jamodia: Got it. And sir within the appliance which of the segments were not doing well like, because we cater to refrigerators, we cater to AC. So, within this user segment, which of the segment was impacted the most?

Rakesh Nayyar: Both the segments are down. The ACs are down and as well as the refrigerators are down. The washing machine segment was alright, but then again, the growth is not as anticipated.

Neeraj Jamodia: Got it. And so, is it safe to assume that because our exports would have grown, we were able to show the volume growth and our domestic volumes predominantly would have suffered in these nine months?

Rakesh Nayyar: The nine months period if you see that the domestic volumes have gone up only by around 4%. It is the export volumes which have gone up and that has taken our total volume growth to 12% during the year.

Neeraj Jamodia: Got it sir. Sir second question is, if you can just break it down the total sales like this quarter, we had done something around 1188 crores. So how much was the trading sales out of these total sales?

Rakesh Nayyar: We have about 1/4th of our sales as trading sales. And 76% or thereabout is our manufactured product sales.

Neeraj Jamodia: Got it. And this would be similar for Q2 as well, last quarter, preceding quarter?

Rakesh Nayyar: At the company level that's it. Around 76% to 77% is manufactured sales and 23% to 24% is the trading sales.

Neeraj Jamodia: Got it sir. And sir last question before I join back again. Sir you mentioned in one of your presentation slides that we have entered into an agreement with Tata Power to supply the renewable power for our Amdoshi plant which would start operating from Q1 of FY25?

Rakesh Nayyar: Yes.

Neeraj Jamodia: And if we see our last year balance sheet our power cost was close to 64 crores. So, since this supply of power commences from them, what sort of cost savings we are anticipated on our entire volumes, because currently we are at 70% but this 50% I presume would be on the





entire capacity of three lakh tonnes of polystyrene. So, what sort of cost savings in power we are anticipating?

Rakesh Nayyar: So, what we have said is that, of our total requirement up to 50% of our power consumption will be based on the renewable power at our Nagothane project, that is Amdoshi plant. Part of which 12.5 megawatt is what we will be sourcing from through this SPV, and we also have installed solar panels on rooftop of our warehouse and that would give us another around one megawatt. So, that will take care of 50% of our power there. And on average roughly one saves almost 30% of the power today as compared to what we pay. Around 30% to 40% there will be savings on unit we will consume through the solar power generation.

Neeraj Jamodia: Got it. So, probably a situation could be that, even though we are at 100% utilization our absolute cost basis our power cost won't move up from the 60, 65 crores range. Some ballpark understanding?

Rakesh Nayyar: Maybe, I'll have to do my calculations on that basis which I haven't done it so I really can't tell you at this moment.

Moderator: Thank you. The next question is from the line of Sailesh Raja from B&K Securities. Please go ahead.

Sailesh Raja: Sir, my question is related to the investments that we are doing in Haryana. So, could you please talk about the revenue potential of all the products put together if we take prevailing realization and also what is the payback period we are expecting from this 800 crores investment?

Rakesh Nayyar: Once all the projects are implemented and the full capacity they would generate at current prices, the revenue close to 1900 odd crores. And once the investments are made and the plants are operational, we assume that our simple payback should be in less than five years.

Sailesh Raja: Okay. So, usually our payback it won't be more than three, four years, right?

Rakesh Nayyar: I'm telling you less than five years, I really can't tell you whether three or four, but we estimate it will be less than five years for us.

Sailesh Raja: Okay. Sir, again in Haryana project, we have given separate number for EPS and EPS 3D panels. So, for the 1 million square meter, how much quantity of EPS is recovered, the entire EPS capacity like 50K that we are creating in Haryana that will go for 3D panel?

Rakesh Nayyar: No, because what we are starting in the down streams is just to promote the usage of 3D panel in the construction that gives insulation, comfortable living and which was not catching





on in India. So, we have decided that we will go downstream at that location, because there are extreme weather conditions in North, we are talking about 1 million square meters of 3D panels there. Which on a three shift basis this will be bigger capacity, but then we are not in the downstream business. To promote the application or the particular use we are entering into it now. The consumption in this is very small for this one million square meter of 3D panel the consumption could be around 1500 tonnes only of EPS.

Sailesh Raja: Okay. So, where it is exactly used sir what is the penetration in the industry in terms of, if you could just talk about the current opportunity sir?

Rakesh Nayyar: EPS panels are like you have a wall made of EPS. It is jacketed with an iron mesh and then it is sprayed with the concrete and it becomes as solid as a concrete wall and you can work on it and plus they are lightweight, you get insulation, it is termite free also, and because they are light weight they are kind of also the seismic resistant.

Sailesh Raja: So, along with iron mesh we will be supplying?

Rakesh Nayyar: Sorry?

Sailesh Raja: Along with iron mesh we will be supplying this product or how it is?

Rakesh Nayyar: Yes, will be sourcing the wire and then that machine will make the mesh and the jacket the whole block of the EPS which will be a wall essentially like a prefabricated wall.

Sailesh Raja: In current facilities we don't have this 3D panel capacity?

Rakesh Nayyar: We don't, but then globally this is used in a big way and in India some people have started but their quality was not good, so has not been very successful though a housing colony has been made using this material by one of the industrial houses for their workers and staff. So, we want to promote this application that is why we are implementing it up North, keeping the weather conditions there in mind this will be very ideal product there.

Sailesh Raja: So, what is the potential revenue if we do 1 million square meters?

Rakesh Nayyar: For the quantity what we have mentioned, this will be about 100 odd crores only.

Sailesh Raja: Okay. What about the spread sir?

Rakesh Nayyar: Spread is good in this, but I won't be very specific on this at the moment. This is all part of the when I say that the less than five years pay back it is all part of that only so I wouldn't actually give you the spread numbers I'm sorry that's something I can't reveal here.





Sailesh Raja: Okay. Sir can you please talk about this PS, engineering plastic product and where exactly it is used. What is the future business potential could you please talk about that?

Rakesh Nayyar: What we have talked about the engineering plastics and PS which is, engineering plastics are all ABS, PC or PMMA. So, these sheets replace glass, particularly in the internal partitions not the external wall glass because of the sunlight, but then internally wherever the glass is used they replace that, you can use in the cabinets, kitchen cabinets, bathrooms, signage, display shelves. So, this is to replace that.

Sailesh Raja: Similar like SMMA product?

Rakesh Nayyar: It is not similar to that, SMMA was a polymer only but it is actually processing from the engineering plastics will be converting them into sheeting, which will be used like a glass only inside the house, in a office you have internal partitions where a lot of glass is used. So, the advantage of this is when a glass breaks it can hurt you because small, small pieces come out but in this case that kind of a damage is not there, plus they are little lightweight.

Sailesh Raja: Okay. So, is there any competition here sir in this product particularly?

Rakesh Nayyar: There are currently some small manufacturers out there in central India and in North India also there is one small manufacturer is there, but they are typically doing only the polystyrene but we are looking at other engineering plastics also.

Sailesh Raja: Okay. How fast we can fill this capacity 12000 tonnes?

Rakesh Nayyar: Over a period of time, and there is an export potential also for this.

Sailesh Raja: Okay. Sir the phase two capacity addition in EPS and XPS, so that will be completed by this June sir?

Rakesh Nayyar: No EPS is being done, that will be completed by December of this year. XPS is taking time, because there are some changes we are making in the product itself in terms of the sizing etc. and all the equipments are being re-looked at, and that will take little time.

Sailesh Raja: Okay. Any exports opportunity XPS, in the long term?

Rakesh Nayyar: XPS export opportunity is only in the neighboring countries possible but not other places because it's a lightweight product, the freight cost itself will be very high.

Moderator: Thank you. The next question is from the line of Aditya Khetan from SMIFS Institutional Equities. Please go ahead.





Aditya Khetan: Sir, my first question was onto the volume side, this quarter we had witnessed almost a 13% drop in volume. So, on quarter-on-quarter basis, I believe the festive demand was good and there was no big reason so we could portray such a big dip in volume sequentially. Is there any one off like or what is the big reason like for this volume drop?

Rakesh Nayyar: The festive season is over by the third week of October itself by when the supplies are already made to the processors. And November and December are the lean months always. If you look at the year-on-year, last year also in this quarter, we have sold similar quantities only, because after the festive season is over the demand always goes down. And particularly also the OEMs generally shut down or they also slow down and their inventory building only starts from January onwards. So it's not really comparable on a Q-on-Q basis, but on a year-on-year basis, the volumes are all in-line.

Aditya Khetan: Okay. So, this volume drop is majorly because so from the polystyrene side or EPS side?

Rakesh Nayyar: So, all the products because the OEMs use both. And it is not only the OEMs even the other, the packaging industry or household industry. So, generally these two months are always lean after the festival. If festival is early in October, middle then the full quarter itself would be a lean period because after the Diwali is over the sales are always lower.

Aditya Khetan: Got it. Sir onto the polystyrene spreads. So, when we were looking at some of the numbers, this quarter spreads were good and that is also reflected in your numbers also and despite to these different volumes, you had maintained your gross price per kilo on quarter-on-quarter basis. But sir when we look on a nine monthly basis, the numbers are quite bad like we are standing at Rs.24, Rs.25 per kilo gross spread, which is almost a 30% decline on Y-o-Y basis. So, we are standing at a near bottom in terms of spreads and all and despite like increasing imports from China and from the domestic side, still we can maintain these numbers, cross spreads and EBITDA spreads?

Rakesh Nayyar: In the last call also I mentioned the current financial year the deltas as compared to the previous year are low, they have reduced by almost \$30 to \$40 deltas globally and the delta which are there they actually should go up now. If I look at the pre COVID levels also, these deltas are on the lower end of those times.

Aditya Khetan: Okay. So, we should not see like further like so, despite increase in competition. So, we should be able to maintain at least this spread and there is also a chance to improve?

Rakesh Nayyar: Yes, these deltas are maintainable and when the demand grows the delta will also improve.





Aditya Khetan: Got it. Sir, if possible if you can share some of the capacity utilization figures. So, for polystyrene and EPS till nine months sir what is the utilization which we are running, our polystyrene and EPS plant?

Rakesh Nayyar: Both our polystyrene, EPS, the SPC all are around 70% at the moment.

Aditya Khetan: And sir, we were also looking to expand this SPC capacity by 25,000 tonne so by this fiscal end, so that is on track?

Rakesh Nayyar: Some of it is on track we had said it will be expanded in stages and some of that we shall be using for the ABS purposes and it will come later once the ABS is online and then they will be put up.

Aditya Khetan: Got it. Sir one last question, we are witnessing that the competition in India has gone up as compared to last year. So, the companies like INEOS also are expanding and there has been also a big competitor which plant was shut down in 2020 they've also got some approvals to start the plant into a newer side. So, do you think so, all these things as a risk in the near term and if these capacities come up, so we should be able to like maintain our market share?

Rakesh Nayyar: The approval as per my understanding of the news item which you are referring to with regard to the new site of the unit which shut down in 2020 is not for polystyrene, that is for engineering plastic as a compounding and all that of engineering plastic.

Aditya Khetan: So, that will not affect?

Rakesh Nayyar: No, that won't affect. And as far as the expansion by the other player is concerned, there is scope and there is enough room for everybody because considering given a 5% growth in the demand, by the end of the decade, the Indian polystyrene demand should be around 450,000 tonnes. So, some quantity we will continue to export and considering their expansion considering our expansion there is enough scope for both of us.

Moderator: Thank you. The next question is from the line of Rohit Ohri from Progressive Shares. Please go ahead.

Rohit Ohri: Hi, sir two or three questions. The first one if you can share the rationale for setting up this property in North India in Haryana. If you can share that since we have around 337 acres of land in Nagothane and around 14, 15 acres in Chennai?

Rakesh Nayyar: See, North is a big market, almost 40% of the volumes of PS and EPS for these products is in the Northern India. And, secondly in future the styrene monomer plant of Indian Oil Corporation is also coming up near Panipat. So, considering the raw material sourcing





availability and likely market growth North, we thought that there should be another growth center for us. One we have in South, one we have in West and we should be now in North. So, this is the rationale for our moving to North now.

Rohit Ohri: Sir this would probably be the first kind of a plant which we will have for styrene monomer with IOC comes up by 26, 27. So my question was, that what percentage of imports are there for Supreme Petrochem as of now, maybe from the different geographies Dubai, Turkey, Korea, Japan?

Rakesh Nayyar: The styrene monomer is not produced in India at all. So 100% of styrene which we use is coming from overseas only. 100% of styrene is imported into India. See the first plant of styrene which is coming up is of IOC which you rightly said is likely to be commissioned by March 27, maybe if not March 27 by end of calendar 27. So, the styrene availability is one issue, the growth of market up North. And also like we are talking of XPS there or 3D both because of the extreme weather conditions. There they are a good market and carting that from West to that part of the country freight cost itself makes it expensive for others, so all those rationales are there for us to think of setting up a growth center up North.

Rohit Ohri: Okay. Sir my next question is related to if you can share the approximate inventory losses, maybe for the quarter or maybe the nine months gone by?

Rakesh Nayyar: For the quarter we have no inventory losses.

Rohit Ohri: Okay. So going forward you anticipate that there will be inventory gains maybe in the next quarter or up in quarter?

Rakesh Nayyar: No, we had said that in the beginning itself, that the styrene prices were range bound. And we expect that they should continue to be that unless there is some big upheaval in the Gulf and something else happens in the external environment globally. We don't see the prices to be moving very sharply up or down.

Rohit Ohri: Sir but with these issues that are related to the Red Sea, and the shipping cost or the freight costs going up, do you think that there should be some sort of an uptick which might come in the selling prices for Supreme Petrochem?

Rakesh Nayyar: We have mentioned in our presentation also that the Red Sea issue has caused some issues with our exports because the freight rates for exports to Europe, Turkey, North America are going up, which is slowing down exports there for us now.





Rohit Ohri: But the prices, the selling prices do you expect that they should start picking up, because last time, I know it's not comparable with the COVID scenario. But similar kind of a scene was there in that situation.

Rakesh Nayyar: No, right now the freight rates will go up, but then the time which will take will be also very high, the containers availability will reduce, the shipping availability, shipping space availability will reduce because the cycle is now longer. And then the consumers in Europe or in Turkey or in USA, they should be willing to pay the extra freight, which I don't know how it will shape, but as of now our exports they have got affected in the last quarter because of this reason.

Rohit Ohri: Okay. So our last question is, so we are having somewhere around 800 odd crore of cash. And when these will be put to utilization maybe in the next two, three years, what sort of internal targets or what sort of approximate ROC are you looking at, for the next three years or maybe four years down the line?

Rakesh Nayyar: ROCE, we aim that we should be upwards of 20% that is what our aim is.

Moderator: Thank you. The next question is from the line of Neeraj Jamodia from Annual Research. Please go ahead.

Neeraj Jamodia: Sir, can you just walk us through the timeline for commissioning for ABS line. So, when is that getting commissioned?

Rakesh Nayyar: That should be ready by the end of this calendar.

Neeraj Jamodia: Okay. And sir how the procedure of customer approval works here, because ABS being a mass market and there are very niche segments within the ABS like medical devices or somebody was talking about through various news articles that even on the EV side there's a significant opportunity as the weight of the battery needs to be reduced and where polymers like ABS could come handy. So, how we are moving towards our ABS line?

Rakesh Nayyar: We shall be starting our seed marketing of the mass ABS shortly. There is BIS applicable to the ABS now in India. So we have already approached the BIS and we hope by the end of the quarter we should have the BIS approvals and that is when we will be starting our seed marketing of the product and that will help us one, test the market for this and help us also in seeking our customer approvals once we are ready with our product.

Neeraj Jamodia: Right. And sir like how we have moved in terms of polystyrene in terms of developing those higher grades. Similar would be followed here also because there's a difference in the production process of the traditional ABS as well as the mass ABS so does our ABS also find





replication in all those areas where the conventional ABS is used or our would be more of a particular demand segment which we will be targeting on?

Rakesh Nayyar: About 95% of all the users or applications where the conventional ABS is used, the mass ABS can be used in those applications. It's only because ours will be a mass ABS, so you can't really customize if you want smaller lot of sales, somebody wants very small quantity of a super, super high impact where because they do compounding they can add some more HRG there to give that kind of an impact. So, for that we will have to do the compounding at the second stage for us and so that 5% what our mass ABS will not directly meet with compounding we can also take care of that 5%. So, we will be able to meet all 100% of applications.

Neeraj Jamodia: Got it sir. Sir second question is on our master batches. So, is it possible to share that out of our total manufactured sales, what could be the proportion of the master batches?

Rakesh Nayyar: The total, I can only tell you that of the total revenue of manufactured products, our master batch compounds, they are around 9%.

Neeraj Jamodia: Okay. And sir if you can just help us understand more on this like, where were we before four, five years in terms of the master batches and where we are in terms of the value addition which has happened, because it's very scattered market and there are a lot of niche applications also here. So, in terms of let's say our nearest competitor, to whom we compete on how much of the product profile we are able to match in terms of the demand servicing?

Rakesh Nayyar: It's not that, see the market is very big. So, there is no immediate or a nearest competitor for this, everybody has their own customers and the kind of niche one creates or the grades and recipes one develops. And last presentation also I said that we are moving more and more towards the compounds business. And we are considering that we should move up the value chain and like there are filler master batches, which we stopped doing many years back and we don't produce it ourselves anymore now. Similarly, even in other master batches also we are trying to move up the value chain and compounds.

Neeraj Jamodia: Correct. Sir any idea about the size of the master batch market in India, value wise or let say volume wise?

Rakesh Nayyar: We have no idea about, it's a very fragmented market actually.

Neeraj Jamodia: Yes, correct so that's why I just.

Rakesh Nayyar: Very fragmented market and large players are only two or three which are there. There are many, many small players in this business.





Moderator: Thank you. The next question is from the line of Aditya Khetan from SMIFS Institutional Equities. Please go ahead.

Aditya Khetan: Sir my question was on to the export side. Sir last two to three quarters we had witnessed so good exports momentum across 16% of our total volumes versus the earlier range of 7% to 8%. So, this quarter also like so, despite your slowing volumes and also despite of 15% to 16%.

Rakesh Nayyar: Your voice cracked Aditya can you repeat your question please?

Aditya Khetan: Sir, my question was onto the export side. So, for the last two to three quarters we had witnessed a good export momentum. So now with this recent issue of the Red Sea and also the export demand is coming down. So are we witnessing this run rate to like go down from this level?

Rakesh Nayyar: See, last quarter there was a setback, some small setback we had in terms of the freight cost and all that in the month of December. And it continues currently in January also. So we are exporting more in the Asian market or the Gulf market where we don't have to cross the Red Sea, but then the volume wise there is a possibility that in this quarter we will be exporting less quantities as compared to the previous three quarters. But, I presume that once the Red Sea issue is settled, then as and when it is settled, we should be able to go back to the same levels what we are doing and what we have done in the last three quarters.

Aditya Khetan: Okay. And sir also on to the volume guidance like we had given a guidance of almost around 13% to 14%. So, despite like slowing volume momentum we are maintaining that for full fiscal FY24?

Rakesh Nayyar: Yes, I had said that we would be exporting a total volume of around 50,000 tonnes this year. And as of now, it looks like we would be nearing that because of this slowdown we may be closer to 45,000 or so, we should we still be able to do it. But I don't know how things shape up in the next two months. But then based on the numbers we have and the orders we have I presume that we should be able to do close to 45,000 tonnes this year.

Aditya Khetan: Okay. And the overall volume guidance also sir. So that should also be impact?

Rakesh Nayyar: We should be doing almost 10% to 12% over the last year.

Aditya Khetan: Okay. And just one last question, sir onto the EPS side you had mentioned that the capacity expansion has been completed or is it still going on the phase two?

Rakesh Nayyar: No, phase two is still going on and I said by the end of this calendar we hope to complete that.

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Moderator: Thank you. Ladies and gentlemen, that was the last question. I now hand the conference over to the management for their closing comments.

Rakesh Nayyar: Thank you very much gentlemen for attending this call for us. Thank you.

Moderator: Thank you members of the management team. Ladies and gentlemen on behalf of Supreme Petrochem Limited, that concludes this conference call. Thank you all for joining us. You may now disconnect your lines.

