



DCM Shriram Consolidated Limited

Q2 & H1 FY12 – Earnings conference call Transcript

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Moderator: Ladies and gentlemen good morning and welcome to the DCM Shriram Consolidated Limited Earnings conference call. As a reminder for the duration of this conference, all participant lines are in the listen only mode, and there will be an opportunity for you to ask questions at the end of today's presentation. Should you need assistance during this conference call, please signal an operator by pressing * and then 0 on your touch tone telephone. Please note that this conference is being recorded. Joining us on the call today are the members of senior management team at DCM Shriram. At this time I would like to hand the conference over to Mr. Ishan Selarka. Thank you.

Ishan Selarka: Good morning and thank you for joining us on DSCL Q2 and H1 FY12 earnings conference call. Today we have with us, Mr. Ajay Shriram – Chairman and Senior Managing Director, Mr. Vikram Shriram – Vice-Chairman and Managing Director, Mr. Rajiv Sinha – Deputy Joint Managing Director, Mr. Ajit Shriram – Deputy Managing Director and Mr. J.K Jain – CFO of the Company. Before we begin please note that some of the statements made in this conference call may be forward-looking and a note to that effect was sent to you in con call invoice earlier. We will now begin the conference call with opening remarks from Mr. Ajay Shriram and Mr. Vikram Shriram, following which we will have an interactive question-and-answer session. I would now like to invite Mr. Ajay Shriram to give us a brief overview on the Company's operations during the quarter and half year ended September 30, 2011 and the opportunities going forward.

Ajay Shriram: Good morning ladies and gentlemen and a very warm welcome to DCM Shriram Consolidated Limited's Q2 and H1 FY12 conference call. I will take this opportunity to share with you our perspectives on the Company's operational performance, following which Vikram will take you through the financial highlights of the Company for the quarter and half year ended September 30, 2011.

The earnings during the quarter were impacted due to the effects of planned maintenance shutdowns of the fertilizer and power plants combined with mark-to-market losses on the agri-commodities in the Hariyali business. The Chloro-Vinyl, Bioseeds and Farm Solution businesses recorded improved performance during the quarter. Let me give you a segment wise prospective.

In the Chloro-Vinyl business, we witnessed improved performance as the Company achieved higher levels of capacity utilization of Chloro-Vinyl products and high net back for a unit of power. However, the business continues to face cost-push pressures especially due to the steep rise in price of coal, other fuels and freight. The Company is taking several steps to contain the impact of these sharp increases including

altering fuel mix and active short-term purchase and sale of power. We have witnessed good success in these efforts and we plan to enhance our efforts in this direction.

Our fertilizer business during the quarter had a planned bi-annual maintenance shutdown, which resulted in lower volumes. However, the production has now stabilized and we expect to make up for the lost production during the second half of the year. In addition, impacting earnings were the uncompensated costs due to the delay in finalization of the new urea policy by the government after the expiry of the earlier policy on March 31, 2010. The uncertainty on the new urea policy continues to hurt the sector, which we expect to be finalized soon.

The healthy performance of the Farm Solutions businesses, during the quarter, was primarily led by a 38% increase in revenues of SSP and value-added inputs. However, no sale of DAP and MOP led to a reduction in revenues by Rs. 242.5 crore, the impact of which on earnings were mitigated by the growth in value-added inputs and SSP. We are making effort to strengthen our agri-extension activities with a view to deliver better solutions to the farmers. Going forward, we believe that this business will continue to sustain growth on the back of strong demand for quality agri-solutions by the farming community.

The Bioseeds business is witnessing a strong demand across hybrid seeds portfolio. This business registered a healthy top line performance led by growth in the Indian market driven by higher volumes of BT cotton and vegetable seeds. We are confident of sustaining good growth in the medium term given our strong product pipeline and expansion to new territories. While we look at the results, please keep in mind that the performance of this business might have significant quarterly variations as the major turnover and profit get released in the first and the fourth quarter. Hence, the annual picture provides a true representation of this business.

Hariyali Kisaan Bazar is registering approximately 30% growth in core retail sales since the last few quarters post implementation of our revised products and value proposition. However, this continues to be below expectations and required levels for viable operations. The Company has implemented a program for improvement in financials through rationalization of underperforming outlets, achieving high growth in the same store sales for better performing outlets, faster growth of agri business and piloting different models. We believe the benefits of this plan will be visible from Q1 FY13.

Our sugar business has witnessed an improvement due to a turnaround in free sugar margins from a negative Rs. 464 per quintal in the previous year to positive Rs. 64 per quintal in the current year leading to lower losses for the quarter. However, margins remained sub optimal. The Company is taking several steps to further improve the capacity utilization and cost structure through extensive cane development activities and operational improvement initiatives. We also expect the benefits of REC's on Bagasse-based power generation during the year. As you will be aware, the State government last week announced a SAP for cane for the ensuing sugar season at Rs. 240 per quintal. This increase in cane prices will significantly increase cost of production and would put further pressure on the earnings unless this is matched with an increase in sugar prices. The industry is aggressively pursuing with the government in this direction and

hopes for positive outcomes in the coming month. The Company has been in crushing at three of its operations factory as on date.

The Fenesta business has recorded encouraging growth in fresh orders in the retail segment. The institutional segment on the other hand has seen a slower growth. The execution against earlier orders however has been good, leading to improvement in sales. We continue to expand our retail business, which we expect will help us to sustain growth going forward. We have launched a new premium product in October 2011 in a completely new segment and we have received a good response for the product so far.

Overall, we expect Bioseeds and Farm Solutions businesses to record healthy growth. The performance of the Chloro-Vinyl business is expected to remain satisfactory with variations linked to the movement of selling prices. The operations of the sugar business will register significant improvements though the government actions will have significant impact on the financial results.

I will now request Vikram to take you through the financial numbers for Q2 FY12. Thank you.

Vikram Shriram: Good morning ladies and gentlemen. I will now summarize the financial results for the second quarter and half year ended September 30, 2011. For the half year and quarter, the revenues were stable at Rs. 2,297 crore and Rs. 1,071 crore respectively. However, excluding the sale of DAP and MOP in the Farm Solution business which was nil in the current year as against Rs. 250 crore and Rs. 243 crore the revenues during the half year and quarter were higher by 26% and 32% respectively driven by the Sugar, Chloro-Vinyl and Bioseeds businesses.

PBIT for the half year, stood at Rs. 38 crore up from negative Rs. 21 crore in the previous year driven by improvement in the Bioseeds, Chloro-Vinyl and Sugar businesses. PBIT for the quarter stood at negative Rs. 15 crore and was under pressure due to effect of planned maintenance shutdown of the fertilizer and power plants combined with an M-T-M loss on agri-commodities in the Hariyali business. Also impacting PBIT were suboptimal margins in the Sugar business.

The interest costs were higher by 62% and 87% during the half year and quarter at Rs. 54 crore and Rs. 29 crore respectively driven by higher rates and increased borrowings. Net loss for the half year and the quarter stood at Rs. 12 crore and Rs. 38 crore respectively.

Let me now take you through our business wise performance for the half year and quarter under review.

The Fertilizer business witnessed negative PBIT of Rs. 10 crore during the quarter primarily due to the planned maintenance shutdown of the Fertilizer plant in addition to the uncompensated cost increases due to non-finalization of the Urea policy and higher arrears received in the previous year. The impact due to shut down was Rs. 16 crore including the production loss of Rs. 6 crore which would be made up in the balance year.

The revenues from the Farm Solutions business, during the half year and quarter, was lower by 29% and 48% respectively due to no sales of DAP and MOP in the current year as mentioned earlier. However, excluding the sale of DAP and MOP, the sales from the other businesses were higher by 23% and 28% respectively. Despite the decline in revenues, PBIT was stable due to the growth witnessed in the value-added businesses and SSP.

The revenues from the Bioseeds businesses were higher by 48% and 37% respectively at Rs. 212 crore and Rs. 38 crore during the half year and quarter under review. The revenues during the half year were higher due to growth across all hybrids; whereas the revenues were higher during the quarter primarily due to growth witnessed in BT cotton and vegetable seeds. PBIT for the half year was higher by 88% at Rs. 41 crore driven by 48% growth in revenues. PBIT for the quarter was higher at Rs. 2 crore mainly due to credit for previous quarter relating to royalty rates on BT cotton.

In the Sugar business, the revenues were higher by 56% and 105% during the half year and quarter under review at Rs. 395 crore and Rs. 184 crore respectively driven by higher sugar volumes. PBIT for the half year and quarter stood at negative Rs. 3 crore and negative Rs. 11 crore respectively. The loss during the quarter has reduced due to a turnaround in free sugar margins from negative Rs. 464 per quintal in the previous year to positive Rs. 64 per quintal. However, the margins remained suboptimal.

The revenues from Hariyali Kisaan Bazaar for the half year and quarter were up by 15% and 24% respectively at Rs. 397 crore and Rs. 195 crore driven primarily by the retail and fuel verticals. PBIT at negative Rs. 28 crore during the quarter was impacted by a one-time effect of M-T-M losses on agri-commodities, which had an impact of approximately Rs. 5 crore.

The revenue from the Chloro-Vinyl business during the half year and quarter were higher by 37 and 39% respectively at Rs. 492 crore and Rs. 240 crore. This was driven by higher levels of capacity utilization of Chloro-Vinyl products that improved realization and cost management. PBIT was higher at Rs. 75 crore and Rs. 36 crore respectively. In terms of net pay back per unit of power at Kota, during the quarter, the Company earned Rs. 6.13 per kilo watt hours compared to Rs. 4.55 per kilowatt hours last year.

The revenues from the Cement business were higher by 11% and 12% during the half year and quarter respectively. PBIT at negative Rs. 0.2 crore, during the quarter, was under pressure due to planned maintenance shutdown at Kota and rise in the input costs such as coal, etc., which was only partially offset by improved realizations.

Revenues of the 'other' segment, during the quarter, increased by 7% at Rs. 91 crore driven by healthy performance of Fenesta. Fenesta's revenues were up for the half year and quarter by 34% and 31% respectively at Rs. 86 crore and Rs. 46 crore respectively. Earnings from other segment stood at negative Rs. 3 crore for the quarter.

Our financial charges were higher by 87% at Rs. 29 crore during the quarter due to higher interest rates, a reflection of higher rates in the economy. The interest rate on short-term borrowings has moved up from 6.9% in the previous year to 10.6% in the current year and higher borrowings essentially due to higher sugar stocks and higher subsidy outstanding from the government.

That concludes my financial review and we will be glad to take any questions that you may have. Thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from Puneet Gulati from HSBC, please go ahead.

Puneet Gulati: What is the status on the urea pricing policy? You must have seen the reports from Dr. Chaudhary's committee as well. Could we get your thoughts on that and is it adequate to take care of the issues on Fertilize Industry?

Ajay Shriram: We have been interacting with the government very extensively on this. There are reports by the Fertilizer Association of India in addition to Dr. Chaudhary's report. Plus there is a debate going on in the Ministry on extending the earlier scheme. Our feeling is that, in the Finance Ministry, there is thinking that NBS, (Nutrient Based Scheme) should be implemented, which will ultimately help in terms of reducing the subsidy on the government. Unfortunately, there is no clarity as of now as to what is the final view they have taken because our ministers have written to the Prime Minister saying that the on the NBS, the prices have gone up to the farmers. However, I may mention that the price going up to the farmer is not because of the NBS, it is because of the extent of reimbursement they have given to the manufacturers or importers, which they used to do on both the schemes. In today's scheme, they give x amount per kg nutrient. If they include an increase by 10% to 20% because international prices have gone up or raw material prices have gone up; automatically the prices to the farmer will come down. So, whether it is NBS or NPS, frankly, the pricing to the farmer is an issue which is still controllable or manageable to some degree. We are pursuing actively with the government requesting them to come out with the NBS, which is the forward-looking scheme. That can move ahead in terms of giving some flexibility and freedom to recover uncompensated costs which are incurred by the industries. So, the industry is after it. Unfortunately, I think no one in position to give a timeframe or give an indication because of their decision-making, which the government has to make.

Puneet Gulati: So in absence of NPS extension, does that mean that you have not received any compensation for quarter or half year sales?

Ajay Shriram: We have not received any compensation for any increase in cost that has taken place pursuant to the expiry of the NPS policy on March 31, 2010. We have now come to the end of 2011. So for all most quarters, almost 20 months we have not been compensated.

Puneet Gulati: Are you recording anything in your financial statement?

Ajay Shriram: No. We cannot. Our accounting is only when we are notified by the government and that is the only way.

Puneet Gulati: Is the government likely to issue fertilizer Bonds given the kind of fiscal deficit, in the coming year?

Ajay Shriram: So far, there is no indication on that. Again, the industry have taken up the issue with the new secretary, Mr. Ajay Bhattacharya to move the Finance Ministry to their traditional allocation of funds because we lost a lot of money because of Bonds in the past so please don't saddle us to bonds, give us reimbursement.

Moderator: Thank you. The next question is from Tarun Surana from Sunidhi Securities. Please go ahead.

Tarun Surana: Have you contracted for DAP or MOP for second half of the year?

Rajiv Sinha: We have contracted for one shipment of DAP and two shipments of MOP.

Tarun Surana: Do you see any challenge in terms of farmer resistance in accepting these prices as the MRP for DAP is too high?

Rajiv Sinha: To be frank, there is no resistance. However, the interest has become milder compared to the earlier Kharif season. Nonetheless, he is still buying because in many cases there is no option, but to take DAP.

Tarun Surana: Is there another round of price hike required due to rupee depreciation?

Rajiv Sinha: Not very relevant for fresh contracting because whatever is required until December-January is contracted for and after that the season is over. So we have to wait and see what happens to the prices of DAP. Also, the DAP shipment is already in. DAP & MOP was partly sold in the month of October and November. So this is already in progress but as far as now most of the new contracting will be for the next season and their of course the international prices how they behave will also determine the overall pricing to the farmer.

Tarun Surana: What is the NCR we will be getting in current international scenario when the DAP prices be stable or fall down from these levels?

Rajiv Sinha: At this point, the situation is not very clear. There has been a slight softening of the DAP prices for the coming seasons, but actually there has been no contracting.

Tarun Surana: What is the reason for good performance of the Bioseeds business? In addition, if you could mention what are the crops that you are focusing on and what is the game plan?

Vikram Shriram: Bioseeds is a research-based seed Company that operates in corn, cotton, bajra and paddy as the main field crops and vegetables crops. We have been operating in India, Philippines and Vietnam for many years. We acquired this business completely about 4-5 years ago and have been investing very heavily in research. The benefits of that research are now coming through in the last couple of years and we are seeing strong acceptance and product performance across various segments that is leading to strong growth of the business. Vegetables have taken off this year, cotton have taken off maybe two years ago. So, we are seeing good acceptance of all the products in all the geographies. We have also started operations in a small way in Indonesia and Thailand. It typically takes between 2 to 4 years to build up business of any significant volume. So the benefits from these geographies are still a couple of years away; but ultimately we see ourselves being a Pan Asia present, research-based multiproduct hybrid seed Company.

Tarun Surana: What could be sustainable margins on annual basis?

Vikram Shriram : It depends heavily on how much you want to invest in research which we believe is the backbone of this business. Our investment in research has been over the last 4-5 years consistently between 8 to 10% of sales not counting the fees that we give to Monsanto, which is the licenses research on BT cotton. Based on that, we expect EBITDA margin of 17% to 18% depending on product mix and crop performance year-to-year. One can't really take quarter-to-quarter performance as mentioned earlier because we are heavily skewed in favor of 1st and 4th quarters with different products in both the quarters.

Rajiv Sinha: To add, few of our products like cotton in North has acquired market leadership position which has certainly helped the growth of seed business.

Vikram Shriram: And one can say bhindi or okra in vegetables has acquired market leadership position over the last year on a pan India basis and we have other promising products in the pipeline. Therefore, we look forward to sustain strong growth.

Tarun Surana: Have you closed any Hariyali Kisaan Bazaar stores?

Ajay Shriram: It is an ongoing process. I think we are fairly vigilant on this. We evaluate the performance of all outlets on a periodic basis and based on that, yes we have closed the few outlets, which we found that despite efforts over the last one year they are still not coming to a breakeven or profit at the store level. So with these things happened, this is ongoing activity. Simultaneously, we have also looked at opening up 5-7 new outlets in different locations.

Tarun Surana: How many stores are operational as on September 30, 2011

Ajay Shriram: 264 outlets.

Tarun Surana: You said there is a need of getting new fresh cash. Can you just tell us, what would be the shortfall for this year at the India level including the previous year's pending subsidy(Fertilizer Business)?

Rajiv Sinha: We don't have the figures just now but all I can say is, government has so far by and large paid and I think, we will still have five months to go in this financial year and the ministry has already moved for additional grants. It is very hard to say, how much of those grants will come through. So the situation is not very visible just now but there is action in progress for additional allocation of money given the very steep price of fertilizers.

Tarun Surana: So for urea the budget is already over for this year?

Rajiv Sinha: Yes, that is because of large-scale imports also. So the ministry has already moved for additional grants.

Moderator: Thank you. The next question is from Rishendra Goswami from Locus Investments. Please go ahead.

Rishendra Goswami: What is your total debt and how much of that debt it is foreign currency debt?

JK Jain: We have a total debt of little over Rs. 1,600 crore. The breakup of this debt in terms of rupee and foreign currency debt would be 50-50. Please note that the Forex debt is fully hedged on currency account since last one and half years or so.

Rishendra Goswami: Is this in single currency or multiple currencies?

JK Jain: There is some part, which is in yen, but majority in dollar.

Rishendra Goswami: What is the cost on the rupee debt?

JK Jain: The overall cost is about 8.8% on fully hedged basis both for long-term and short-term. For rupee debt, the rate for short-term rupee loan for the current quarter was about 10.5%.

Rishendra Goswami: How are the repayments scheduled?

JK Jain: They are pretty well spread out. It is about Rs. 120 crore per year kind of thing over next 6-7 years for long-term loan.

Rishendra Goswami: Do you expect the cost of debt to go up in H2 versus what you have in H1?

JK Jain: Short-term rupee debt may go up a little bit depending upon how the bank response to passing on cost of borrower.

Rishendra Goswami: So in terms of overall interest cost then for let's say second half of the year, where do you see that?

JK Jain: There are two parts. One is the rate and rate as I said may go up marginally for rupee borrowing but the borrowing amount will be higher in the second half because of the sugar season as we will have to build the sugar stocks as the season goes up so the borrowing rate be little higher than what it was on 30th September.

Rishendra Goswami: So the interest cost therefore for the second half, where do you see interest somewhere in the range of Rs. 80 crore odd.

JK Jain: It will be higher than first half because as I said it will depend on what happens to sugar stocks and sugar sales but it will be higher than first half.

Rishendra Goswami: You mentioned that your royalty for your Bioseeds business has gone down. Could you please elaborate on that?

J.K.Jain: On royalty, what happens is that the settlement of cotton royalty happens at the end of the season. So in the 1st Quarter we had made a provision based on some estimate and after the settlement we have now updated the accounts based on the settled rates so it involved some write-back or what we have provided in the 1st Quarter.

Rishendra Goswami: Is there a formula?

J.K.Jain: Yes, there is formula and there is always some amount of negotiation.

Rishendra Goswami: I guess must be some kind of percentage of sales or volumes?

Rajiv Sinha: It is more a fixed amount not a percentage.

Rishendra Goswami: Has that been coming down over the year?

Vikram Shriram: It is actually linked to the margin because there is a cost of production based on the farming cost of growing the seed and there is sale price which is partly controlled by the government, so the margins traditionally for the last three years have been under pressure. This year the government permitted an increase in the selling price of cotton seeds. So the rates were re-negotiated. So, it is a dynamic kind of situation where depending on the margin on the cotton business, we negotiate with Monsanto and we come to mutually workable settlement. This negotiation is across the industry, it is not specific to a unit.

Rishendra Goswami: What percentage of Bioseeds sale do you anticipate from Cotton for FY12?

J.K.Jain: Cotton will be about 35% to 40% of our total business on an annual basis.

Rajiv Sinha: It is a growing business; I mean even in the sales, even though the overall market may be growing slow, we maintained our growth momentum due to the product leadership.

Rishendra Goswami: In terms of geography what percentage of the seed revenue is coming from India for you?

J.K.Jain: About 65% to 70% comes from India right now and we expect that to maintained going forward for a couple of years.

Vikram Shriram: Because strong growth occurring in India, Philippines and Vietnam. So the percentages may remain, but the overall level of the businesses would be growing

Rishendra Goswami: So you kind of expect season growth across geographies, right?

Vikram Shriram: More or less yes.

Rishendra Goswami: When do you expect HKB business to breakeven?

Ajay Shriram: I think, that is something as you are aware retail overall India is long-term business and that is something where the learning curve for many-many companies that got into it. We have a good value proposition and a good reputation in the market place. The good thing is that we are seeing that our sales are going up. We are also proactively working to see how we continuously rationalize and optimize our distribution sectors or our logistics management and we are really working to get at least outlet level breakeven of profits. So today frankly maybe half of our outlets are nearing profits at outlet EBIDTA level now compared to low percentage last year and by next year we are sure this is going to improve further. So I think, we are moving in the right direction and on an overall basis it will take a few years. But well positioned, to capitalize on the rural market growth.

Rishendra Goswami: If you could quantify what is the cash loss that you are incurring on the retail business on a quarterly basis now?

J.K.Jain: We are reporting it as a separate segment and this business does not have a significant depreciation or something so that is a good enough indication of the profitability of the business.

Moderator: Thank you. The next question is from Sandeep Kumar from Capital Market. Please go ahead.

Sandeep Kumar: What is the current status on Lignite block that was allotted to the DSCL. Something on how much investment is there and when can we see the production start from there?

Rajiv Sinha: This project is in a bit of standing just now. Our land acquisition process has come to a bit of the halt because once the news is out that the government is considering the new land acquisition bill, the land acquisition process, nobody is willing to come forward and sell land at this point of time. So we had

acquired more than 50% of the land that we need for starting the mining operations but thereafter things have come to a standstill. So it is very hard just now to say how long it will take for this to be. I think number of projects all over the country have actually come to a standstill because of the reason. Otherwise, we are proceeding pretty well. On the progress, we have already received environmental clearances and the mining lead process is on. So there is no other issue at this point of time other than the land acquisition itself.

Sandeep Kumar: Are you planning something to enter into MAG from molasses or ADC from molasses. I have asked this question because just seeing this rising demand of MAG and we have availability of molasses quite significantly?

Ajay Shriram: No, we have not looked at any value add on the molasses front right now. What we had looked at couple of years ago and the study is getting into ethanol but as of now we are not planning to invest any money. We already have sugar and co-gen. These are the two things we have already in our sugar business.

Moderator: Thank you. The next question is from Harit Kapoor from Motilal Oswal, please go ahead.

Harit Kapoor: What trends are we witnessing in terms of rural of take from the HKB stores. Just wanted a sense on what have you seen on the ground vis-à-vis maybe one or two quarters back or last year?

Ajay Shriram: In the last two quarters, we have seen a definite improvement and in fact traditionally the 2nd quarter, which is considered to be the festival season with Diwali Dusshera, Dhanteras, etc., we saw a sharp increase in revenues. Overall, I think there has also been a strong pull on all agri-inputs. Even if you keep the bulk fertilizers away but I think in terms of agrichemicals, specialty fertilizers, seeds, I think, in all these items we have seen a good growth. So I think, at the ground level so far we have seen, of course there can be a difference because some of the changes in the value proposition that we have changed and the overall rural economy but we haven't seen any signs of concern in terms of rural spending per se. I think it has driven a lot by the good consistent performance, which we are witnessing for the last 2-3 seasons.

Harit Kapoor: If you could throw some light what the Ethanol pricing, etc., you had for the quarter.

Ajay Shriram: We sell molasses.

Harit Kapoor: What has been the pricing for molasses and what has been the trend in that?

Ajit Shriram: Currently the price of molasses is in the range of Rs. 300-350. But, it has yet to take off in a full manner. So once the sugar season starts fully than the price will come down slightly.

Harit Kapoor: If you could give me indication on the movement Q-o-Q or maybe Y-o-Y?

J.K.Jain: It has been roughly the same.

Moderator: Thank you. As there are no further questions from the participants I would now like to over to the management for their final remarks.

Ajay Shriram: Ladies and gentlemen, thank you very much once again for attending the DSCL Q2 and H1 FY12 earnings call. As mentioned during the call, we expect our Farm Solutions and Bioseeds businesses continue to record good growth. The earnings from the Chloro-Vinyl businesses is expected to remain good. In the sugar segment, we will witness better financial operational performance. However, the financial performance will be determined by the government policies on which the industry is moving quite actively to request the government to modernize and rationalize the policies so that sugar industry is less controlled than the way we are today. Thank you very much once again for participating in the call.

Moderator: Thank you. On behalf of DCM Shriram that concludes this conference call. Thank you for joining us and you may now disconnect your lines. Thank you.

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