



TATA CHEMICALS LIMITED

Transcript of FY 2010 Conference call held on May 25, 2010

Moderator – Vivian: Ladies and gentlemen, good afternoon and welcome to the Tata Chemicals FY10 Post Result Conference Call hosted by Prabhudas Lilladher. As a reminder, all participants will be in the listen only mode and there will be an opportunity for you to ask questions at the end of today's presentation. Should you need assistance during the conference, please signal an operator by pressing "*" and then "0" on your touchtone phone. Please note that this conference is being recorded. Joining us on the call today from Prabhudas Lilladher is Amisha Vora and Dilip Bhat, Joint Managing Directors along with Manish Mahawar, Analyst, Prabhudas Lilladher. I would now like to hand the conference over to Manish. Thank you and over to you.

Manish Mahawar: Thanks Vivian. Good afternoon everyone. On behalf of Prabhudas Lilladher, I welcome all the participants for the FY10 Earning Call of Tata Chemicals. From the management, we have R. Mukundan, Managing Director and P. K. Ghose, Executive Director & CFO of the company. Without taking any further time, I would like to hand over the call to Mukundan.

R. Mukundan: I would like to welcome everyone on this call. I would like to share with you a brief perspective on our operating performance. Our operating performance in the financial year has been strong despite a very challenging start to the year. What looked like a smooth ride through the year ended up on track with profit before tax being almost stable or slightly better than last year. What is heartening to note is the Q4 figures are back to normal when compared with the corresponding period last year which was operationally very challenging. On a consolidated basis, it is back to levels where it ought to be and while the revenue for the full year has fallen; the operating margins have improved over 300 basis points. Revenues are about Rs 3,000 crores mainly on account of phosphatic and potash trading, low activity and low prices of DAP phosphatic fertilizers. Through the year we had an issue with phosphatic fertilizers managing the pipeline of higher cost inventory but that has been more or less managed. In Q4 results, there is a full reflection of operating margins coming back on stream.

We have made progress in terms of the fertilizer capacity in urea at Babrala. We have selected Haldor Topsoe and Saipem as the technology partners and we are continuing to engage with the Government for suitable policy amendments for achieving financial closure of this project. In line with the intent to grow our business in urea, we also have Tata Sons committing to Rs 400 crores via preferential issue which was announced during the Board meetings. The setting up of our customised fertiliser plant is proceeding as per schedule and this will expand our relationship with the farmers and also allow us to give crop specific solutions. We had excellent performance across all geographies; however the numbers which would have come in from Brunner Mond are impacted to the extent that there has been a onetime write down. The impact has been taken on the Netherland operation closure which fully writes down the plant to the scrap value. We are hoping to achieve the sale of that plant to a third party during the year.

In the food additive business, Tata Chemicals remains the market leader. We continue to grow in this segment. Our new product, "Tata Swach" has become the market leader in the first

quarter of its presence in 2 states i.e. Karnataka and Maharashtra. We have a stable environment in soda ash, DAP and urea in our operations going forward.

Rallis India also enabled strong increase in profitability on account of a Revitalized product mix and thrust on cost control. Domestic formulation of Rallis India grew by 20% while its institutional business grew over 24% over the previous year.

Overall it has been a satisfying year and a very challenging environment. Key positives during the year has been a holistic portfolio of farm inputs, continuing stabilization of our core businesses and substantial improvement in our balance sheet structure which will enable the business to gear itself for future growth.

P. K. Ghose: Thank you, Mukund. I'm sure by now all of you have gone the financials, but let me quickly give you a recap. Net Income from Operations stood at Rs 9,544 crore for the current year. Profit from Operations was at Rs 1,391 crore for FY10. Profit before Tax amounted to Rs 933 crore while Net Profit for the Group was at Rs 606 crore.

As we mentioned earlier, during the first half of last year our trading volumes were extremely high resulting in higher revenues but thinner margins. This year the situation has normalised and while revenues are lower in absolute terms, our margins are 300 basis points higher. Total cash and cash equivalents on the balance sheet as on March 31, 2010 amounted to Rs 1,357 crore including Rs 198 crore in mutual funds. The Company's consolidated net debt as on March 31, 2010 stood at Rs 3,636 crore. FCCB conversions notices have been received in January 2010 for USD 42.76. Net Debt to Equity as on March 31, 2010 stood at 0.81:1. The Board of Directors have recommended a 90% dividend which translates to a 58.42% payout and a cash outgo of Rs 255 crore. Supplier's Credit continues to be the main source of working capital finance and as on March 31, 2010, a sum of Rs 412 crore of suppliers' credit was outstanding. As Mukund mentioned the Company plans to make preferential allotment of 11.5 million shares to its holding company Tata Sons in the current fiscal to raise funds towards its capacity doubling programme in Babrala. Tata Sons holding post preferential issue will go up to 31.4 % from 28.15 % now.

Let me briefly give you a background of the environment we faced in the beginning of the year. In the beginning of the year we saw falling demand and prices for most of our products. In the third quarter we faced a difficult industrial environment in Haldia. We were also hindered by the convertor failure in Babrala. We've combated all these challenges resolutely. Our operations have progressed smoothly and we have delivered healthy revenues and profit from operations.

I must highlight the significant contribution made by our efficiency program ADAPT. It has enabled us shore up cash balances, help combat the slowdown and made it easier for us to manage loan covenants across geographies. As a result we are today ready to take advantage of opportunities and are a fitter and leaner organisation. We have also successfully closed our Netherlands operations. Total fixed asset impairment written down on the plant amounted to Rs 35 crore in Q4 FY10 in addition to the cost of restructuring of operations of Rs 90 crore

The economic environment has stabilised and improved considerably over the previous year. IIP growth of 13.5 % for March 2010 and 10.5% for fiscal 2009 are encouraging. The growth has been driven by key sectors like capital goods and consumer durables which is also heartening. Unfortunately, though, the global economy is more in a state of flux. While the US seems to be stabilising, developments in Europe are giving cause for a lot of concern. There is clearly fear that Europe's debt crisis, might spread to other regions as well and this could result in a smaller export market for countries like India and China. This is leading to caution and consequent risk

aversion especially across the financial markets. Liquidity as a result may be under some pressure. I believe the RBI is seized of the pressures and is consequently adopting a wait and watch approach prior to increasing interest rates

We continue to be positive about the opportunities all our businesses enjoy and are confident of maintaining our growth. We will now be happy to take your questions.

Moderator – Vivian: We will now begin with the question and answer session. At this time if you would like to ask a question please press “*” and then “1” on your touchtone phone. Please use only handsets while asking a question. In order to ensure that the management is able to address questions from all participants in the conference, please limit your questions to 2 per participant.

The first question is from the line of Vishal Biraia of B&K Securities. Please go ahead.

Vishal Biraia: My question is regarding the operational performance in BMGL. If you consider only the operational performance of the plant and leave apart the charges that we have taken on account of write down of the plant, how has it moved from FY08 to FY09 to FY10?

P. K. Ghose: If you are comparing the current year’s performance, Brunner Mond has done pretty well for the full year. They were marginally hampered in Q4 because of the huge snowfall there for about 20 days. That affected operations because the plant had to be shut for 20 days.

Vishal Biraia: What would have been the operating margins?

P. K. Ghose: EBITDA margins of Brunner Mond would be about 17% for the full year.

Vishal Biraia: And would the margins of synthetic soda ash manufacturing in India be somewhere around 19%?

P. K. Ghose: Synthetic soda in India would be higher.

Vishal Biraia: My second question is related to the specialty fertilizer that we plan to set up. What would be the capacity of the plant, how much time would it take and what would be the CAPEX per plant?

P. K. Ghose: The CAPEX per plant for the customized fertilisers is around Rs 50-60 crores. The first plant is coming up in the second quarter of the current financial year and we intend to have atleast 10 more plants in quick succession.

Vishal Biraia: By saying quick succession, would that mean opening one plant every two quarters?

R. Mukundan: Our plan would be to open atleast one more plant during the current year and then certainly execute close to 4 plants every year.

Vishal Biraia: Would the pricing of these specialty fertilizers be absolutely decontrolled or would it be linked?

R. Mukundan: This would be decontrolled and we are free to price it in the market but these speciality fertilizers are going to compete with other controlled fertilizers. That itself will create a pressure on how we price these products.

Moderator – Vivian: The next question is from the line of Jay Shah from Reliance Mutual Fund. Please go ahead.

Jay Shah: My question is regarding the soda ash for the domestic market. Has the antidumping duty on Chinese soda ash been withdrawn?

R. Mukundan: The safeguard duty which was imposed is under review but the review is not yet complete so we don't know the decision of the Ministry of Commerce. Also the antidumping application stands filed but the formal investigations are yet to commence.

Jay Shah: So when do you expect the results to come out?

R. Mukundan: We do expect the safeguard duty results to be known by the month-end.

Jay Shah: What will be the impact on our domestic volumes if the safeguard duty is removed?

R. Mukundan: There would definitely be some impact if the safeguard duty is removed but the Government is fully seized of the matter and we are confident that this matter should be resolved in the interest of the industry.

Jay Shah: Has the production resumed in Babrala since you had some problems there?

R. Mukundan: The production never seized and was always on. The issue was that because of the converter failure, we are currently running the plant at broadly 70-80% capacity. The fundamental issue is that we expect the plant to run in full capacity by June. The loss of production and the loss of profits have been covered in insurance claim.

Jay Shah: What would be your production target for urea and soda ash for the coming year?

R. Mukundan: For soda ash, most of our plants would be running at full capacity because of the maintenance in which we run. As for urea, we would be happy to get current year numbers in the next year.

Jay Shah: Could you give some guidance on volumes for Brunner Mond and GCIP for FY11? Would you be going for higher volumes to get more market share at lesser prices?

R. Mukundan: In the coming year, Brunner Mond and GCIP would be running at full capacity. Brunner Mond is an internal market in Europe and bulk of it should hold except for the impact of certain volumes comes under pressure due to Euro eroding in value. As far as General Chemicals is concerned, they have already taken a decision to go after market share and they would defend the market share consistently in spite of whatever maybe the action by the Chinese. As of now, we see that action as positive to hold the price or move the price up but that could change any given point of time.

Jay Shah: Will there be good volumes at lesser prices for GCIP?

R. Mukundan: There will be good and what you would expect during the year is either stable or maybe even improvement in some other realizations but that is on the basis of current outlook to the market.

Jay Shah: You said that some volumes could be impacted because of the impact in Europe. Could you quantify what those volumes would be for Brunner Mond which could be impacted?

R. Mukundan: About 10% of the output will get sold in the continent and that is probably something which could get impacted.

Jay Shah: Would the margins for Brunner Mond and GCIP be stable at Q4 FY10 levels for the next year?

R. Mukundan: BMGL should improve from its current position. As far as General Chemicals is concerned, I would only say that it is either stable or will be improving.

Jay Shah: Brunner Mond will improve from Q4 levels?

R. Mukundan: Yes, Brunner Mond would improve from Q4 levels.

Jay Shah: What kind of productions are you targeting for NPK and DAP?

R. Mukundan: The plan for DAP is to stick to current year estimates which are close to 250,000 and NPK will also be slightly ahead of current year's number at half a million.

Jay Shah: What would be NPK current year numbers for full year?

R. Mukundan: It is probably 10% lower than this.

Moderator – Vivian: The next question is from the line of Tarun Surana from Sunidhi Securities. Please go ahead.

Tarun Surana: I just wanted to understand the status of the 1 million tonne DAP plant in Morocco?

P. K. Ghose: This is only in exploratory stage. There was an intention from the OCP of Morocco to setup some DAP units. We will take a call on whether to participate at an appropriate time when the information is released.

Tarun Surana: Will Tata Chemicals be joining them through the bidding process or will there be a JV?

P. K. Ghose: We have to go through a bidding process.

Tarun Surana: And what would be the total CAPEX apart from the major Brownfield expansions?

P. K. Ghose: Normal CAPEX for the full year for all our units taken together would be in the region of about Rs 300 crores.

Tarun Surana: This includes the facility specialty fertilizer plants?

P. K. Ghose: Yes, including the specialty fertilizer plant. The doubling of the Babrala plant will be about Rs 3,800 to 4,000 crores.

Tarun Surana: And what is the indication that you are getting from the Government on gas allocation for the new plants? Where is the fertilizer industry in terms of getting allocation for all the 6 plants?

P. K. Ghose: The Supreme Court clearly lays down one point that in the earlier gas agreement, there was a clause which mentioned that it was subject to the Supreme Courts decision. Now the Supreme Court conclusively settled it is our favour. The second point is that the allocation to the fertilizer industry of gas remains the priority and this has been reaffirmed by the Government and the Finance Minister at various forums. Now the only issue is that while we are to be allocated for gas in the fertilizer industry, we are just waiting for the final letter come.

Tarun Surana: Can you share your view on the soda ash business; FMC has increased by about USD 10 per tonne. Is it a signal of some kind of confidence on the demand or are they forced to hike prices because of the cost pressures?

P. K. Ghose: The increase in prices is a result of the input prices going up.

Tarun Surana: Will the market be able to observe a USD 10 hike by FMC or will they lose market share?

P. K. Ghose: It is difficult to say at the moment but if you see last year's operations, General Chemicals increased volumes at the cost of reducing prices mainly to ensure that we retain market share. Going forward, it remains to be seen whether the input cost increases which is pushing the selling prices up.

Tarun Surana: How has the Chinese soda ash market been in the last 1-2 months? Have export volumes gone up or have they dropped?

R. Mukundan: As far as the Chinese market is concerned, it has been pretty stable. They have had cost pressures and have been trying to increase prices in the market. However, let me just state that the market is in a state of flux; we certainly see this market remain stable as long as the players remain within a band of market share.

Moderator – Vivian: The next question is from the line of Prasad Deshmukh from DSP Merrill Lynch. Please go ahead.

Prasad Deshmukh: How much of our loans would come for repayment in the next 3 years and how much is the year wise CAPEX plan?

P. K. Ghose: Other than the major Brownfield expansion which we are planning, it will be about Rs 3,800 to Rs 4, 000 crores. We have approximately Rs. 300 crores of expenditure every year on account of CAPEX. As far as loans are concerned, the biggest loan is the ECB which is in the Indian Balance Sheet. The first chunk, which is almost 1/3rd, comes up for repayment in 2012.

Prasad Deshmukh: How much will that be?

P. K. Ghose: That will be around USD 190 million.

Prasad Deshmukh: Do you see equity dilution other than the preferential equity that you are issuing for this plant that you are building?

P. K. Ghose: One is preferential equity which has already been issued. Going forward, this entire project will be funded through a combination of debt and equity.

Prasad Deshmukh: What is the current global soda ash capacity and what is the demand?

R. Mukundan: Global soda ash capacity would be close to about 47 million tonnes and in terms of demand; we have an overhang of at least 7 million tonnes.

Prasad Deshmukh: Is there a shutdown of capacities because last year we had mentioned that it is around 55 million tonnes?

R. Mukundan: There is no shutdown; only minor capacities would have been down. The 55 million was an estimation that the Chinese were going to come up with something.

Moderator – Vivian: The next question is from the line of Abhijeet Dey from Kotak Mutual Fund. Please go ahead.

Abhijeet Dey: Can you provide an update on your Haldia operations?

R. Mukundan: Haldia operations are back to normal. Situation is still tense because the industrial action was the reflection of political pressures in and around the environment. We are watchful and we remain clearly focused on making sure that the situation remains under control. However, West Bengal is going through its own process of formation and they are coming close to elections so one needs to be extremely careful and watchful.

Abhijeet Dey: So is your production in terms of DAP and other chemicals back on track?

R. Mukundan: Yes, it is back on track now though we lost about 2 months. We had about 20 days in loss of production in BMGL, we lost close to about 7-8 days of operations in General Chemicals due to extreme cold weather and we lost close to 60 days of production at Haldia.

Moderator – Vivian: The next question is from the line of Prashant Poddar from Invesco. Please go ahead.

Prashant Poddar: GCIP made a profit after minority interest of Rs 184 crores for FY10?

P. K. Ghose: Yes, that's right.

Prashant Poddar: Has the tax rate or the minority interest has gone up significantly this year compared to the last year because PBT has gone up from last year by around Rs 60 crores while the PAT is flat on Y-o-Y basis?

P. K. Ghose: This is basically the impact of a new financial standard FIN 48 which has impacted the tax amount.

R. Mukundan: This is a one time provision we had to make. While this provision has been made in the Indian GAAP, it is not being reflected in their GAAP.

P. K. Ghose: FIN 48 is a new standard where there are transitional provisions. So they have taken the entire impact through Reserves. They did not take it through P&L but when we account for it under the Indian GAAP, it has to be taken to P&L.

Prashant Poddar: What amount is that?

P. K. Ghose: That amount will be close to Rs 15-20 crores.

Prashant Poddar: So is Rs 205 crores the right number to look at? Would it be fair to say that the last quarter has been better than the first three quarters as far as GCIP is concerned because this quarter you would have seen new prices?

R. Mukundan: In terms of the quarter performance, it is almost flat compared to the previous quarters. There is also an issue of volume and cost which we are facing there.

P. K. Ghose: If you look at the EBITDA levels, it is similar to the previous quarter. GCIP lost 7 days because of extreme cold conditions in the last quarter. During the course of the year, the Chinese impact was all over and there was a push on volumes to protect market shares which resulted in minor drop in prices. But overall, EBITDA margins have remained more or less constant.

Moderator – Vivian: The next question is from the line of Ajit Dange from SBI Mutual Fund. Please go ahead.

Ajit Dange: In this quarter, there seems to be a Rs 19 crore operating loss for Q4 after Brunner Mond's Rs 35 crore write-off. So is there some pressure on the realizations in soda ash apart from the volume decline offers?

P. K. Ghose: You have to breakup Brunner Mond into certain categories which are Magadi, Netherlands and UK. If you look at UK, the EBITDA margins were pretty high; it was more than 20%. Netherland plant is closed and therefore Netherlands performance during the whole year reflected negative EBITDA margins.

Ajit Dange: The volumes have been on the lower side for the whole year but despite lower volumes you had posted around Rs 50 crore profits at operating profit level during Q3 whereas in this quarter, there is an operating loss. Just wanted to know this is due to some cost pressures or realizations?

P. K. Ghose: It is not cost pressure; it was because of the snow that affected production for about 20 days.

Moderator – Vivian: The next question is from the line of S Bharath from Sundaram BNP Paribas. Please go ahead.

S Bharath: Is there any increase or decrease in the coal prices for the current year?

R. Mukundan: If you look at coking coal or anthracite, there is hardening of prices. There is a challenge for Brunner Mond and Mithapur. As for the coal, which is used for power generation and steel generation, we see them hardening but the impact will not be as important as what we expect in the coking coal markets.

S Bharath: Are you now with the quarterly pricing for whatever you procure?

R. Mukundan: It is on an annual contract but there is a reset which is done on the basis of certain indexes every year. So the reset this year has pushed up the cost of the coking coal.

S Bharath: Any last indication as to what would be the escalation cost?

R. Mukundan: We are still working out on how to curtail the escalation cost for Brunner Mond. As of now the team is working out on various options to contend the impact during the year.

S Bharath: What has been the pattern in terms of subsidiary disbursements as of this year?

P. K. Ghose: Subsidy disbursements have been fairly consistent. There were no bonds and the subsidy payments have been coming regularly except for a very brief period in Q3. Outstanding as of today is roughly about Rs 400 crores.

S Bharath: Any small price hike that we have taken in MOP and phosphatic fertilizers during the quarter?

P. K. Ghose: No.

Moderator – Vivian: The next question is from the line of Trilok Agarwal from Birla Sunlife Insurance. Please go ahead.

Trilok Agarwal: Going forward, can you give us a brief outlook on the soda ash prices and the volume demand in various markets? What could be the urea production numbers for next fiscal FY11?

R. Mukundan: The prices are going to remain stable as you have seen in Q4. Our volumes are almost fully sold out so our current understanding is that it is going to be stable.

Trilok Agarwal: If you can give a broad range of the current realizations across the markets?

P. K. Ghose: In USA, it would be about USD 120-130 while in other regions including India and UK, it will be anywhere between USD 210-230.

Trilok Agarwal: But I believe there were export pressures from the US in those markets.

R. Mukundan: The market there is also pretty stable and the US figures reflects the blended rate across the export markets.

Trilok Agarwal: And most of our volumes would be contracted for next year?

R. Mukundan: Yes.

Trilok Agarwal: Going forward, if you can just give us the fertilizer production estimates after the impact that you have already seen?

R. Mukundan: What we anticipate in terms of financial numbers is that we will be happy if we reach the figures of 1.2 from the fertilizer production. We do expect that the overall financial impact will be minimal because whatever shortfalls would be there will be made good through the loss of profit insurance claim.

Moderator – Vivian: The next question is from the line of Ruchi Patwari from UBS. Please go ahead.

Ruchi Patwari: I was looking for some more clarity on the working capital numbers. You have mentioned Rs 410 crores for the supplier's credit. What are the number for inventory and debtors?

P. K. Ghose: If you look at the efficiency ratios, debtor's number of days was down from 47 to 42 this year, stock was 43 last year against 45 this year. Creditors were 51 this year as against 69 last year mainly because of liquidation from supplier's credit payments.

Ruchi Patwari: And what would be the EBITDA margins that GCIP would see?

P. K. Ghose: It would be closer to 30%.

Ruchi Patwari: And EBITDA margins of Brunner Mond and Magadi plant?

P. K. Ghose: Brunner Mond would be higher of 20% and Magadi should usually be about 18-19% but right now it is slightly lower because of the market conditions.

Moderator – Vivian: The next question is from the line of Ashwini Desai from Bajaj Allianz Insurance. Please go ahead.

Ashwini Desai: You said you are going to spend Rs 300 crores in the next 2 years. How much of the total CAPEX would that be for specialty fertilizer?

P. K. Ghose: The specialty fertilizer is around Rs 50-60 crores per plant. If you look at current year, one is already coming on stream and the second one may come during the course of the financial year. If we take an average of 4 per year, it will be another Rs 200 crores.

R. Mukundan: As we optimize production plant, mixed design and operations going forward, it will be a blend of full ownership to part ownership. We see ourselves using various formats to contend the capital expenditure from our side.

Ashwini Desai: Could you share what kind of topline and margins can we expect in this segment going ahead?

R. Mukundan: The reception we have seen in the states with respect to specific crops does give yield improvement. The margin impact would be positive when you compare it as Return On Capital employed.

Ashwini Desai: Do you expect stable to slight improvement in realization in GCIP considering Chinese players are a threat to the markets?

R. Mukundan: The Chinese side have wanted to move the prices up but it is certainly dependent on market conditions. I expect it to be stable to the least if not moving up. But overall margin environment is certainly benign in some ways because the input cost in GCIP is coming down.

Moderator – Vivian: The next question is from the line of Parikshit Shah from Enam Securities. Please go ahead.

Parikshit Shah: My question is in relation to your Babrala plant capacity expansion. Considering that GAIL tariffs for the new pipeline are going to be higher than the existing one, you would probably get gas in excess of USD 7. What kind of urea prices are you looking at to make a reasonable 14% RoE?

R. Mukundan: This issue has been noticed by the Government as well and we are hopeful that they would come up with a policy. If you look the gas prices, there is a 5 year pricing which is coming to an end in the next 3 years. There is no clear visibility on what the urea pricing is.

There is no margin visibility for many of the investors so the Government is working its policy to make sure that the margin visibility comes up.

Parikshit Shah: What level would you ideally want it to be at?

R. Mukundan: There is going to be a mechanism worked out so that it is linked to the landed amount at which we get our blended gas into the plant.

Parikshit Shah: On soda ash, we have seen that a lot of ANSAC volumes this year have been on short term as compared to last year. So what portion would that be for GCIP?

R. Mukundan: The ANSAC volumes constitute about 40% of GCIP's output and the balance is internal which are mostly on long term contracts.

Moderator – Vivian: The next question is from the line of Akash Gopawar from Systematix Shares & Stocks. Please go ahead.

Akash Gopawar: I would just like to understand the CAPEX; approximately Rs. 4,000 crore CAPEX plan is shared and Rs. 3,500 crore is for our Babrala plant. How much have we already spent and when is the Babrala plant expected to come up?

P. K. Ghose: While the cost of the Babrala plant is about Rs 3,800-4,000 crores, there is a very minimal spending of about USD 2-3 million. Once the gas agreement is in place, it will take 36 months from that date to construct the plant.

Moderator - Vivian

The last question is from the line of Neha Pathak from KR Choksey. Please go ahead.

Neha Pathak: How much would the Rs 3,800-4,000 crores of investments at Babrala be funded to debt and equity?

P. K. Ghose: The Government allows you a 2:1 debt equity ratio for fertiliser projects but it is left to us to decide based on circumstances.

Moderator – Vivian: Ladies and gentlemen that was the last question. Now I would like to hand the conference over to Manish Mahawar for closing comments.

Manish Mahawar: Thanks Vivian. On behalf of Prabhudas Lilladher, I thank all the participants who logged on for this call and a special thanks to the management who took out their time. I would like to hand over the call to Mukundan for closing remarks.

R. Mukundan: I would like to thank everyone on the call and certainly it was a challenging year in which the company has performed exceedingly well. We look forward to the year ahead with a positive view of the future and we are hopeful to atleast make significant announcement in our growth in several parts of our business during the year. Thank you.