

Q1FY13 Post Result Conference Call Transcript**Representative:****Mr. T. Adi Babu - COO Finance****Mr. Dheeraj Sood - Head Investor Relations****Ms. Deepika Goswami - Manager Investor relations****PL Rep.:**

Rupa Shah – 91-22-6632 2244

Date: August 14, 2012**Operator**

Ladies and gentlemen good day and welcome to the Q1FY13 Results Conference Call of Lanco Infratech hosted by Prabhudas Lilladher Private Limited. As a reminder for the duration of the conference all participants' 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 the conference call you may signal for an Operator by pressing "*" and then "0" on your touchtone phone. Please note that this conference is being recorded. I would now like to hand the conference over to Miss Rupa Shah of Prabhudas Lilladher. Thank you and over to you ma'am.

Rupa Shah – Prabhudas Lilladher

Yeah thanks Laveena. Welcome everyone to the call. We have with us today Mr. T. Adi Babu COO of Finance from Lanco Infratech. He is accompanied by Mr. Dheeraj Sood Head Investor Relations and Miss Deepika Goswami, Manager Investor Relations. So we can start the call by some initial remarks from the management and then take the Q&A. So over to you sir.

Mr. Dheeraj Sood – Head, Investor Relations

Thanks a lot Rupa. Good morning everybody and welcome to the call. I will just give a brief overview of the results and after that we can open the floor to Q&A. If you look at our reported revenue numbers we have got a jump of 87% in the reported yearly number from 18,672 million to Rs. 34,957 million. The reported PAT for the quarter has seen a decrease from a profit of 138 million to a loss of 4,412 million and the main reasons for this decrease are firstly a forex loss of 2,302 million booked during the quarter, second being the underperformance of Anpara and the third reason being the underperformance of Griffin. If we look at the PAT numbers along with the profit that has been eliminated for the quarter that will come to a negative 3860 million against 2350 million for the previous year. Also on the cash profit for the quarter we have seen a drop of 62% in the cash profit generated from Rs. 2832 million for the previous year to Rs. 1068 million for the current year. Just to give a brief on the operating performance of the power plants at the last year June 2012 we had a total of 3292 megawatts of power generating assets, here I am only referring to the large power assets not the small and the other assets. We had 3292 megawatts last year as against 4480 in the current year. So there has been an increase in generating capacity by 36%. If you compare on a year to year basis we have had a spurt of 45% in the total million units that have been sold, the power in million units that are sold in last year's quarter were 2662 million units against this year it was 3848 million units. So there has been an increase of 1186 million units. Similarly on the revenues we have almost doubled the revenues year on year. We have had a total power sales revenue of 792 crores last year against Rs1557 crores this year showing an increase of 97% on year on year revenue. Also on the PLF for last year's quarter we had a PLF of 63% for all the generating units against the current year. We have shown average PLF of 59%. The key improvement we have had on the PLF was essentially in Udupi power plant where the PLF for the quarter has been very healthy. The PLF for the quarter of Udupi was 85% as against 43% for the Q1 of last year. PLF of Amarkantak unit one has improved from 74% in the quarter last year to 84% in the current quarter. PLF of



Anpara and Amarkantak has been low on account of coal constraints. However these are expected to improve in the second quarter of the current year. Similarly Budhil power project which is an hydel power project of 70 megawatts in Himachal Pradesh has commissioned both the units in the quarter and has received a PLF of 53% in the quarter. Apart from these key developments we expect in the next quarter we would be the commissioning of UdupiPower plant Unit number two of 600 megawatts where we would be having commercial operations due before the end of the second quarter. Also on the road projects Devihalli and Neelmangala road project achieved commercial operations on June 25th and toll collections have started. Apart from this going to the individual sector results that we have declared, in the EPC business we have had a decrease in the revenues by 9% and there has been a drop in the EBITDA margins from 18% to 8% for the quarter. Total order book as of now on the EPC book that we have is Rs. 251 billion or Rs. 25,100 crores. In the power vertical if you look on a consolidated basis we have declared EBITDA margins of 30% for the quarter. Details of various projects we have announced in a press release and they cover Lanco Amarkantak, Kondapalli, Udupi and Anpara power plants. We have also given the status of the projects under construction in the press release itself. Coming to the solar business we have seen a very healthy increase in the revenues in the quarter compared to the last year quarter that is by 953%. The total revenue for the quarter is Rs. 2412 million as against Rs. 229 million for the last year's quarter. In the solar vertical we have a total order book of 42 billion. We have also given the results for the natural resources vertical which is our coal assets and on this vertical we have had a topline decrease of 35% for the quarter from Rs. 2623 million to Rs. 1717 million. The operating revenue has decreased by 10% which is mainly on account of lower exports sales. So that is essentially the summary of the results. Rupa now we can open the floor to questions please.

Rupa Shah – Prabhudas Lilladher

Yeah Laveena can we now take the Q&A.

Operator

Sure sir. Participants we will begin the question and answer session. Anyone who wishes to ask a question may press "*" and "1" on their touchtone phone. If you wish to remove yourself from the question queue you may press "*" and "2". Participants are requested to use handsets while asking a question. Anyone who has a question may enter "*" and "1". Participants if you have a question you may press "*" and "1". We will take out first question from the line of Mr. Atul Tiwari from Citigroup. Please go ahead.

Atul Tiwari – Citigroup

Yeah sir. Sir you mentioned that in Anpara and Amarkantak too you are facing shortage of coal you know in 1Q and in 2Q that will be corrected, so could you throw some more light on why do you think it will be corrected from 2Q onwards?

Mr. T. Adi Babu – Chief Operating Officer, Finance

Yeah in Amarkantak there are two units, unit 1 and unit 2. Unit 1 is having a fuel supply agreement and coal is supplied as per the fuel supply agreement, say upto 60 to 65% and the balance is outsourced from the market. For Unit 2 unfortunately there was no supply of coal from Coal India for almost close to 35 days during the quarter, overall for two months because of some interpretation issue on the related guidelines. Even though the power is ultimately supplied to the State electric utility but it is in between through the PTC and they said as per the interpretations now whether the PTC is not a state electric utility therefore coal will not be supplied. To have this clarity from the department from the Ministry it took almost 6 weeks to have the simple clarification resolved and restore the coal supply. Due to that the Unit 2 could not be operated for almost more than a month in the quarter which now is restored and in the current quarter both the units will operate at the planned capacity but of course one unit there is planned annual maintenance that is scheduled, so apart from that the rest of the time, both the units should operate at planned capacity

levels and coming to Anpara in Q1 there are infrastructure related problems as well as coal related problems. The infrastructure related problems are brought to the knowledge of the UP Government they are also helping us to resolve this infrastructure problems and the coal related issues are also in the process of getting a resolution and we are hopeful of getting some better supply of coal in the current quarter compared to the previous quarter. So as a whole this quarter the performance of Anpara should be better than the previous quarter and should be much better going forward from the next quarter onwards.

Atul Tiwari – Citigroup

Ok so sir Anpara you have find the new FSA right?

Mr. T. Adi Babu – Chief Operating Officer, Finance

Yeah it was done. In fact we were one of the first entities to sign FSA new design.

Atul Tiwari – Citigroup

Ok so you know just one question because now Coal India has adopted you know a different set of penalties which most likely is different from the penalties provided in the FSA that you have signed, so that FSA will still stand or it will be converted into this new?

Mr. T. Adi Babu – Chief Operating Officer, Finance

Most likely there will be an amendment to the adjusting FSA taking these penalties into the documents.

Atul Tiwari – Citigroup

Does it have an explicit provision for that if in future the penalties are changed those new penalties will be incorporated?

Mr. T. Adi Babu – Chief Operating Officer, Finance

No it's not that in these policy changes are going to be there for all. Not that this existing FSA will not have these penalties or new FSA will have these penalties. It is a policy change for all the FSA.

Atul Tiwari – Citigroup

Ok

Mr. T. Adi Babu – Chief Operating Officer, Finance

Whether it is old or new all the FSA will have these common penalty provision.

Atul Tiwari – Citigroup

Ok sir and sir what is the infrastructure issues there in Anpara?

Mr. T. Adi Babu – Chief Operating Officer, Finance

Infrastructure because Anpara was big project where the land is given with an assurance it is pit head coal supplied project like, ok. You see Anpara it is very, very limited land of just 250 acres smallest land in any of the power plant in the country. Ok so when the pit conditions were there they said that the fuel will be supplied through a pit head mine over there and accordingly merry go round system is created and the plant was implemented as per the bidding conditions. Unfortunately once the plant is ready that coal mine which is to supply coal is not ready and it is going to get ready only after some time. But now because of that the coal need to be procured from other mines. Because of that there is a merry go round problem these racks are not the bottom opening racks. These racks coming from other mines are either bottom opening or side opening. It will, side opening rack and a side opening rack there is a lot of time gap that is killing us to handle the coal. We are trying to get most of the coal supplied through bottom opening rack mechanism but it is taking time because of that the adjusting infrastructure is not in a position to handle multi rack facilities. For that reason we are also pursuing with the Government to create a multi rack facility so that either it is a bottom or side opening the coal supplies can be taken to the plant without any hindrance. It is what we are pursuing with the Government and we are in the process of getting some resolution in that regard.

Atul Tiwari – Citigroup

Ok so I mean just assuming that only that infrastructure bottleneck is solved and the coal delivery bottleneck is not solved what will be the PLF? Will it go to say 70 to 80% or it will be lower than that?

Mr. T. Adi Babu – Chief Operating Officer, Finance

It will be because here one good thing is the UP Government has given its approval for purchase of coal even in the open market. This is a fuel parcel mechanism and we have approved fuel purchase from the open market as well. Once this infrastructure is addressed then the coal can be supplied to the plant at full capacity and the plant can operate beyond 80% level.

Atul Tiwari – Citigroup

Ok. Thank you sir. Thanks a lot for answering my questions.

Mr. T. Adi Babu – Chief Operating Officer, Finance

Thank you

Operator

Our next question is from the line of Salil Desai from IDFC Securities. Please go ahead.

Salil Desai - IDFC Securities

Sir on this forex loss of about 230 crores that you have reported and in your press release you have different numbers for each of the businesses 107 crores in power and so on and so forth. So this 230 crores is basically the breakup would be say 101.7 crores in power and whatever 14 crores of profit in Griffin and so on and so forth or these two numbers that we are?

Mr. T. Adi Babu – Chief Operating Officer, Finance

Yeah these are two different numbers because if you see these 230 crores predominantly related to the --- (00:21:09) future assets.

Salil Desai - IDFC Securities

Ok.

Mr. T. Adi Babu – Chief Operating Officer, Finance

The projects which are under implementation like Anpara 3 and 4, the Vidharbha, Babandh and Kondapalli 3. Other, the solar manufacturing plants and other solar plants. So all these capital account related fluctuations will be ultimately capitalized with the assets at the end of the transactions. Between the reporting periods whatever is the fluctuation need to be taken to the profit and loss account and need to be reported. This M-to-M losses to a large extent should not be there at the end of the transaction because most of these transactions will get closed say mostly at an average period of 2 years from now. The maturity of these transactions will come to an end at the end of two years from now. By that time we expect the dollar stability and all these variations that are happening in the quarterly results should get offset during the next reporting periods and ultimately at a reasonable level these adjusts should get capitalized. Rest of these things related to the capital assets roughly around 50 crores is related to the revenue that is purchase of materials and other things and the rest of amount is related to the capital assets.

Salil Desai - IDFC Securities

Ok and then so for example in the press release when you say that there is a forex loss of say about 45 crores in Amarkantak on expansion project of unit 3 and 4 this is part of that 230 crores.

Mr. T. Adi Babu – Chief Operating Officer, Finance

Correct 230 and part of 180 what I was mentioning which is related to the capital assets.

Salil Desai - IDFC Securities

So at the end of when the project is actually commissioned whatever difference is on the forex side it will all be capitalized and these all might get increased or reversed depending on the exchange rate?

Mr. T. Adi Babu – Chief Operating Officer, Finance

Correct, correct.

Salil Desai - IDFC Securities

Ok. The second question is on both Anpara and Udupi it is the in case of Udupi on a sequential basis the EBITDA has improved marginally from 130 odd crores to 150 but the PAT has actually the loss has actually increased by another 10 odd crores, so is the interest cost going up significantly quarter on quarter or what, where is the difference?

Mr. T. Adi Babu – Chief Operating Officer, Finance

No, no, no, one is there is forex fluctuation as well in Udupi ok which is an affecting in the current quarter.

Salil Desai - IDFC Securities

All right

Mr. T. Adi Babu – Chief Operating Officer, Finance

Which is little significant.

Salil Desai - IDFC Securities

Any indication what number could be?

Mr. T. Adi Babu – Chief Operating Officer, Finance

43 crores is only on the forex account

Salil Desai - IDFC Securities

So this is accounted in interest expense or it is accounted below EBITDA?

Mr. T. Adi Babu – Chief Operating Officer, Finance

Yeah it is accounted above EBITDA

Salil Desai - IDFC Securities

Ok, no, no my question was sir EBITDA has actually increased sir 133 crores to 150 crores in Udipi from quarter 4 to quarter 1 and loss has increased from 23 to 33 odd crores, so just trying to figure out if EBITDA has improved assuming interest and depreciation would really not change on a sequential basis and why has loss increased?

Mr. T. Adi Babu – Chief Operating Officer, Finance

Just also to an extent should have gone up because in Udipi the problem is the receivables problem. A huge amount of receivables are there in Udipi, the receivable number is above 1100 crores. On account of this a lot of working capital borrowings are done to match the coal purchases, interest cost is increasing which need to get compensated only when we receive the CSE tariff approval and also the interest relegation from the tariff approval. So they are not recognizing that interest as an income but the cost is already being loaded into the operating statements.

Salil Desai - IDFC Securities

Sir when is the tariff order most likely to come through?

Mr. T. Adi Babu – Chief Operating Officer, Finance

We should get in this current month maybe August we should get it.



Salil Desai - IDFC Securities

And the expected tariff could be say on a per unit basis?

Mr. T. Adi Babu – Chief Operating Officer, Finance

Now we are expecting an interim tariff. The interim tariff the relief will be given between 95% to 90% in the fixed tariff pass through.

Salil Desai - IDFC Securities

Ok

Mr. T. Adi Babu – Chief Operating Officer, Finance

And the variable cost would be given at 95% level.

Salil Desai - IDFC Securities

Ok

Mr. T. Adi Babu – Chief Operating Officer, Finance

We are expecting the interim tariff to be at these levels.

Salil Desai - IDFC Securities

Ok

Mr. T. Adi Babu – Chief Operating Officer, Finance

So you will get the interim tariff atleast we are hopeful of getting 600 crores release from the receivable account instantly maybe say in the 30 days' time. Once we get the final order the balance 500 crores should get released over a period of let's say next 3 to 4 months.

Salil Desai - IDFC Securities

Sir another related question to this is same you know we are seeing a similar trend in Anpara here sequentially generation has moved up from 740 million units to about a billion units but EBITDA has gone down in terms numbers are not very, very large but still EBITDA has reduced sequentially inspite of increased generation.

Mr. T. Adi Babu – Chief Operating Officer, Finance

Yeah when you see that also there is a forex loss related to the FSA and the registering of the forex transaction is still not closed

Salil Desai - IDFC Securities

Ok



Mr. T. Adi Babu – Chief Operating Officer, Finance

That is one reason and the second one is there is the coal composition cost because whatever the coal we are buying that coal is not through FSA it is being purchased from the market also.

Salil Desai - IDFC Securities

Right

Mr. T. Adi Babu – Chief Operating Officer, Finance

There is a pass through mechanism

Salil Desai - IDFC Securities

Ok

Mr. T. Adi Babu – Chief Operating Officer, Finance

But always there is a lag between the costs at the pass.

Salil Desai - IDFC Securities

Ok

Mr. T. Adi Babu – Chief Operating Officer, Finance

So that also is giving us an negativity in the current quarter which will get rectified in the current quarter

Salil Desai - IDFC Securities

Ok so you don't bill as per the actual bill cost for that quarter.

Mr. T. Adi Babu – Chief Operating Officer, Finance

Because there is a as per the PPA the mechanism is one month lag

Salil Desai - IDFC Securities

I see all right, sir what is the fuel cost average on a blended basis per unit? Fuel cost per unit per ton if you can?

Mr. T. Adi Babu – Chief Operating Officer, Finance

I will get back to you on that exactly.



Salil Desai - IDFC Securities

Sure and sir finally the last question is on again on this forex so coming back in Udipi in Anpara you are saying that EBITDA is reduced because forex is above EBITDA.

Mr. T. Adi Babu – Chief Operating Officer, Finance

Yeah correct

Salil Desai - IDFC Securities

But you will capitalize it as and when the project the transaction gets completed. Here you are not adding it to the asset cost.

Mr. T. Adi Babu – Chief Operating Officer, Finance

No right now we are not adding to the asset because at the end of the transaction only it will get added to the asset, you can save quarter on quarter as an MTM gain or loss it will get reflected in the annual account.

Salil Desai - IDFC Securities

Which would be other expense at resume or?

Mr. T. Adi Babu – Chief Operating Officer, Finance

In this quarter the appreciation of dollar was almost Rs. 6.

Salil Desai - IDFC Securities

I am trying to understand sir my confusion was sir you know in the P&L table the forex is shown separately that is below EBITDA and here you are saying that it is above EBITDA so that's where my.

Mr. T. Adi Babu – Chief Operating Officer, Finance

It is above EBITDA, yes. Above EBITDA.

Salil Desai - IDFC Securities

Ok thanks.

Mr. T. Adi Babu – Chief Operating Officer, Finance

Thank you.

Salil Desai - IDFC Securities

Our next question from the line of Abhishek Bansal from Credit Suisse. Please go ahead.

Amish– Credit Suisse

Yeah hi sir this is Amish from Credit Suisse. Sir my first question is why is the forex loss related to Kondapalli 3, Amarkantak 3 and 4 not being capitalized and why are we passing it to P&L in the first place?

Mr. T. Adi Babu – Chief Operating Officer, Finance

The problem is the accounting standard. The accounting standards requirements says that any foreign exchange transaction whose tenure is less than one year needs to be taken into the profit and loss account, even though these transactions are related to the assets but still you need to take them to the profit and loss accounts during the reporting period.

Amish – Credit Suisse

So do you mean that these are short term forex loans is that what you mean?

Mr. T. Adi Babu – Chief Operating Officer, Finance

Yeah because the buyer's credit are normally taken at 6 months tenure. So because these buyer credits are of 6 months tenure so these forex fluctuations related to these things are getting into the profit and loss account.

Amish – Credit Suisse

So sir what would be the you know what would be the loan amounts in terms of foreign currency related to these projects?

Mr. T. Adi Babu – Chief Operating Officer, Finance

Between the Kondapalli and the Amarkantak it should be close to around close to say 350 million

Amish – Credit Suisse

\$350 million?

Mr. T. Adi Babu – Chief Operating Officer, Finance

Yeah

Amish – Credit Suisse

Ok my second question is sir what would be the plant availability factor at Anpara, the PLF you have mentioned is 40% what is the PAF there during the quarter?

Mr. T. Adi Babu – Chief Operating Officer, Finance

60, 60 in the quarter one.

Amish – Credit Suisse

Ok so what would be the percentage of under recovery because of lower availability versus I would assume it would have been 80 to 85% availability as per your PBA contract?

Mr. T. Adi Babu – Chief Operating Officer, Finance

Yeah 80% is the PPA contract

Amish – Credit Suisse

Yeah so how much is percentage under recovery of your ASC?

Mr. T. Adi Babu – Chief Operating Officer, Finance

It may be around plus 20% in the quarter one between 80 and 60.

Amish – Credit Suisse

Ok my third question sir would be you know is you have signed a one year contract with APSEB for Kondapalli 2.

Mr. T. Adi Babu – Chief Operating Officer, Finance

Yeah

Amish – Credit Suisse

What would be the tariff there?

Mr. T. Adi Babu – Chief Operating Officer, Finance

The tariff is around 530

Amish – Credit Suisse

And does that ensure that I know APSEB requested the Government to continue with the gas supply because you have this particular one year contract now but does that make it eligible or you know this will considered as a short term contract?

Mr. T. Adi Babu – Chief Operating Officer, Finance

No we are eligible for the gas supply and we are getting gas

Amish – Credit Suisse

And my final question sir would be therefore Anpara that as you mentioned that you have already signed an FSA, is the FSA for the 1100 megawatt or for the entire project of 1200 megawatt?

Mr. T. Adi Babu – Chief Operating Officer, Finance

You can say it's for 1100 megawatt as per the existing definition. We are still pursuing to get FSA amended for the 1200 megawatt and the existing one is for the 1100 megawatt

Amish – Credit Suisse

Ok so what do you need to pursue I mean I am just understanding that you know from the Government they require the project to be completely contracted long term right?

Mr. T. Adi Babu – Chief Operating Officer, Finance

Yeah it's so. Long term definition that there only we are pursuing bigger than, long term definition of say 7 years is not available to the industry as a whole. Yet most of the agreements are coming for short term and we supply to the electricity utilities only and when the margins or when the Government itself is coming with short term biddings there will not be an opportunity to get a long term PPA. So it's resulting to short term say one years or two years three years like that. The enormity it short term to an extent but it will not be opportunity to get into long term because that is the reason any supply to the state utilities should get covered under that.

Amish – Credit Suisse

Ok so.

Mr. T. Adi Babu – Chief Operating Officer, Finance

So on that the discussion is on.

Amish – Credit Suisse

So what the tenure of your short term PPA for 100 megawatt?

Mr. T. Adi Babu – Chief Operating Officer, Finance

It is 5 years

Amish – Credit Suisse

5 years?

Mr. T. Adi Babu – Chief Operating Officer, Finance

Yeah

Amish – Credit Suisse

And that is at what rate sir?



Mr. T. Adi Babu – Chief Operating Officer, Finance

That is at Rs. 4.99 or Rs. 5 that is

Amish – Credit Suisse

Ok so this is at the ---

Mr. T. Adi Babu – Chief Operating Officer, Finance

Yeah it will always work

Amish – Credit Suisse

Ok sir that's all. Then I would just request that initially you used to give the order book of your EPC business according to projects now you just update as power projects and others, you know is it possible to get a project wise?

Mr. T. Adi Babu – Chief Operating Officer, Finance

Yeah we can you can get the details from our team no issues.

Amish – Credit Suisse

Ok sir. Thank you. That's it from my side. Thank you sir.

Mr. T. Adi Babu – Chief Operating Officer, Finance

Thank you.

Operator

Our next question is from the line of Deepak Agarwal from Merrill Lynch. Please go ahead.

Deepak Agarwal – Merrill Lynch

Yeah sir can you help me understand what's the top two or three projects contributing to the E&C revenues which have declined actually so what are the top two or three projects breakup?

Mr. T. Adi Babu – Chief Operating Officer, Finance

Could you repeat the question, I could not

Deepak Agarwal – Merrill Lynch

The E&C revenue is driven by which are the top two or three projects in terms of contribution of?

Mr. T. Adi Babu – Chief Operating Officer, Finance

So predominantly we have 6 projects in hand that is Amarkantak, Babandh and the Vidharbha then the Teesta one then we have the Koradi we have Moser Baer and apart from that we have many other minor and major, mini-major contracts. In the significant revenue in quarter one is from Moser Baer, Koradi then Vidharbha Amarkantak and the Babandh.

Deepak Agarwal – Merrill Lynch

What would be typically from Moser Baer or Koradi approximately? What percentage?

Mr. T. Adi Babu – Chief Operating Officer, Finance

The external project turnover should be close to around 24 to 25%. I am not too sure about the number, it should be close to that level.

Deepak Agarwal – Merrill Lynch

Ok does that explain why we have a lower EBITDA margin because the margins in external projects are?

Mr. T. Adi Babu – Chief Operating Officer, Finance

Lower a bit of margins the reason was in fact if you remember the last quarter explanation also, the projects which are just completing getting completed these projects are taking this extra cost for various things that has to be completed to address the gating problems at these plants. As I was mentioning for the Anpara to address this infrastructure problem to we need to incur lot of costs in the recent past. That was a significant cost that has gone into the current, previous quarter that is Q1. That has pulled the bottom-line of E&C.

Deepak Agarwal – Merrill Lynch

Ok

Mr. T. Adi Babu – Chief Operating Officer, Finance

And also the road projects which has just concluded the Devihalli that has also taken some costs. The projects which are just getting concluded in last quarter also they have taken some hit and this quarter also they are taking.

Deepak Agarwal – Merrill Lynch

So this would be a recurring phenomenon you will even have another road project completing in the second quarter?

Mr. T. Adi Babu – Chief Operating Officer, Finance

That also we will get there might be some incidents but atleast bulk of the three projects got completed that is the Anpara got completed and Udupi got completed then Budhil got completed.



Deepak Agarwal – Merrill Lynch

Ok. Ok. Sir approximate revenue contribution from Vidharbha or Amarkantak would be how much?

Mr. T. Adi Babu – Chief Operating Officer, Finance

You are asking at the standalone level or at the consolidated level?

Deepak Agarwal – Merrill Lynch

EPC, EPC revenue contribution.

Mr. T. Adi Babu – Chief Operating Officer, Finance

EPC between Vidharbha and Amarkantak in the quarter one?

Deepak Agarwal – Merrill Lynch

Hmm, hmm.

Mr. T. Adi Babu – Chief Operating Officer, Finance

Ok we will give you the details our team will be with you.

Deepak Agarwal – Merrill Lynch

Sir the next thing is on Udupi like maybe there is some reporting mistake or something because sequentially the PLF is down but the generation volume is up.

Mr. T. Adi Babu – Chief Operating Officer, Finance

Haan?

Deepak Agarwal – Merrill Lynch

Last quarter when PLF was 89% and this time its 85%?

Mr. T. Adi Babu – Chief Operating Officer, Finance

Yeah, one is the period of availability also yeah on the 90 days in the previous year it was not available. There were some outage related issue in the previous quarter previous year later, in the current quarter the plant was available for the full period. Because of that the PLF was calculated to the days it is available. In fact we have higher PLF available in the previous year compared to the current year but number of units are more in the current year and less in the last year. Hello?

Operator

Sir the participant has disconnected. We will take our next question from the line of Darshan Dodhia from ICICI Direct. Please go ahead.



Darshan Dodhia – ICICI Direct

Sir I would like to know what is working capital debt and Griffin debt in the debt numbers which you have reported?

Mr. T. Adi Babu – Chief Operating Officer, Finance

Yeah the Griffin debt is 550 million

Darshan Dodhia – ICICI Direct

550 million?

Mr. T. Adi Babu – Chief Operating Officer, Finance

Yeah

Darshan Dodhia – ICICI Direct

And working capital debt?

Mr. T. Adi Babu – Chief Operating Officer, Finance

Working capital debt should be close to 2600 crores

Darshan Dodhia – ICICI Direct

2600 crores?

Mr. T. Adi Babu – Chief Operating Officer, Finance

Yeah

Darshan Dodhia – ICICI Direct

And sir coming back to the question you have you said around 1100 crores for Udupi would be pending orders, apart from this I would like to know what are the debtors days of the company as of date and how much of that is due for more than 60 days?

Mr. T. Adi Babu – Chief Operating Officer, Finance

Yeah more than 60 days you can say 70% of that is more than 60 days.

Darshan Dodhia – ICICI Direct

So what are I would like to know what is the absolute debt the debtor amount if you can disclose?

Mr. T. Adi Babu – Chief Operating Officer, Finance

Totally it is close to 2800 crores the exact is 2700-odd figure, if you total receivable as of 30th of June.



Darshan Dodhia – ICICI Direct

Ok

Mr. T. Adi Babu – Chief Operating Officer, Finance

Predominantly from Karnataka State Electric Utility then from UP State Electric Utility then the Tamil Nadu State Electric Utility fourth one is Haryana State Electric Utility.

Darshan Dodhia – ICICI Direct

Sir if you can provide the breakup as to how much is owned to Karnataka, UP, Tamil Nadu and Haryana?

Mr. T. Adi Babu – Chief Operating Officer, Finance

Karnataka is what you were mentioning the number of 1060 is the Karnataka number and UP should be close to around close to the Anpara and the Kondapalli related also say around 900 plus

Darshan Dodhia – ICICI Direct

Ok

Mr. T. Adi Babu – Chief Operating Officer, Finance

Then we have Tamil Nadu around 300

Darshan Dodhia – ICICI Direct

300

Mr. T. Adi Babu – Chief Operating Officer, Finance

And you have Haryana around 150.

Darshan Dodhia – ICICI Direct

950? Haryana sir what is the number?

Mr. T. Adi Babu – Chief Operating Officer, Finance

150, 150 not 950.

Darshan Dodhia – ICICI Direct

Haan 150 and sir if I if you had recognized revenues 2.32 in Amarkantak unit if you can help me hypothetically what would have been the topline and EBITDA figures for Amarkantak as a whole?

Mr. T. Adi Babu – Chief Operating Officer, Finance

The reduction should have been by 24 crores

Darshan Dodhia – ICICI Direct

By 24 crores. And when is the order expected sir because last con call you indicated there would be something happening in Q1 FY13?

Mr. T. Adi Babu – Chief Operating Officer, Finance

Yeah we expected that to happen by June but I think the hearing was complete but the judgment is awaited.

Darshan Dodhia – ICICI Direct

So where are we expecting some clarity on this?

Mr. T. Adi Babu – Chief Operating Officer, Finance

We are hopeful of getting the resolution of this also as in the current month along with Karnataka

Darshan Dodhia – ICICI Direct

Along with Karnataka.

Mr. T. Adi Babu – Chief Operating Officer, Finance

Yeah

Darshan Dodhia – ICICI Direct

Ok and sir how much you have invested in total equity as well as debt in road projects till date?

Mr. T. Adi Babu – Chief Operating Officer, Finance

In road projects our equity and debt investments should be close to 750 crores

Darshan Dodhia – ICICI Direct

Total?

Mr. T. Adi Babu – Chief Operating Officer, Finance

Total

Darshan Dodhia – ICICI Direct

And how much of that would be in equity?

Mr. T. Adi Babu – Chief Operating Officer, Finance

Equity should be around 350 to 400 I think it should be close to 400 less than 400.

Darshan Dodhia – ICICI Direct

Less than 400, ok and sir your presentation says that you have like you know 1320x3 units will be operational by FY14, so I would like to know what is the CapEx in FY13 and 14 and how much equity of that project is already invested by Lanco in this project?

Mr. T. Adi Babu – Chief Operating Officer, Finance

Are you asking about 12-13 or 13-14?

Darshan Dodhia – ICICI Direct

Sir '13-'14 sir?

Mr. T. Adi Babu – Chief Operating Officer, Finance

13-14 the equity requirement for this project would be anywhere between 1400 to 1700.

Darshan Dodhia – ICICI Direct

And your that is equity that will be funded by internal accruals?

Mr. T. Adi Babu – Chief Operating Officer, Finance

Yeah it will be funded by internal accruals and also the proposal plan is Supreme Strategic Investors are the financial investors into the at borrow level or at the specific SPV levels.

Darshan Dodhia – ICICI Direct

Sir total equity requirement for this 1320x3 units would be how much sir?

Mr. T. Adi Babu – Chief Operating Officer, Finance

For each of the unit we require close to 1450 crores.

Darshan Dodhia – ICICI Direct

And how much equity has already invested by Lanco Infratech?

Mr. T. Adi Babu – Chief Operating Officer, Finance

There are three things Amarkantak is having an internal accrual mechanism as well so bulk of the equity requirements are met by the operating units of Amarkantak.



Darshan Dodhia – ICICI Direct

Ok.

Mr. T. Adi Babu – Chief Operating Officer, Finance

Equity requirement is required for Babandh and Vidharbha from the holding company level

Darshan Dodhia – ICICI Direct

Ok

Mr. T. Adi Babu – Chief Operating Officer, Finance

And the 3000 crores that is required for both the projects today we have put in almost close to 1400 crores

Darshan Dodhia – ICICI Direct

And both of these project totaling together?

Mr. T. Adi Babu – Chief Operating Officer, Finance

Together another 1600 is required

Darshan Dodhia – ICICI Direct

Ok fine sir. Thanks sir for taking my questions I will get back to you if required.

Mr. T. Adi Babu – Chief Operating Officer, Finance

Thank you

Operator

Our next question is from the line of Dhawal Patel from B&KSecurities. Please go ahead.

Prem Khurana- B&K Securities

Yeah sir this is Prem Khurana Dhawal's colleague. First on our Udupi project we have filed a petition for approval of increased CapEx, what's the status there?

Mr. T. Adi Babu – Chief Operating Officer, Finance

The hearing is complete. We are expecting the interim order in the current month.

Prem Khurana- B&K Securities

Ok

Mr. T. Adi Babu – Chief Operating Officer, Finance

The final order may come after say another couple of month or so.

Prem Khurana- B&K Securities

And sir how confident are we about achieving I mean gaining approval for the higher CapEx?

Mr. T. Adi Babu – Chief Operating Officer, Finance

Because the higher CapEx already approved by the State Government

Prem Khurana- B&K Securities

Ok

Mr. T. Adi Babu – Chief Operating Officer, Finance

Once it is approved by the State Government there should not be any issue at the CERC level

Prem Khurana- B&K Securities

Sure, sure and sir for Griffin this call we have seen some way a dip in numbers it was because of basically you were not able to export so what are the issues there? Why were you not able to export this quarter?

Mr. T. Adi Babu – Chief Operating Officer, Finance

One is there is a lower quantum of export in the previous quarter because of the falling prices in the international coal market

Prem Khurana- B&K Securities

Ok

Mr. T. Adi Babu – Chief Operating Officer, Finance

The contracts that were raised by the company were at a higher rate somewhere into the prevailing market rate, so some of these customers opted to buy in the open markets rather than take the quantities in the existing contracts. So once the coal price get stabilized in international market then we will take the balance quantity of the coal in the existing contracts.

Prem Khurana- B&K Securities

Sir but since these customers are already in contract then if they backed out then did we receive I mean did we charge them any penalty or I mean for backing out?

Mr. T. Adi Babu – Chief Operating Officer, Finance

No in fact the backing out penalty is not that significant



Prem Khurana- B&K Securities

Ok

Mr. T. Adi Babu – Chief Operating Officer, Finance

Because they are only able to go to the open market

Prem Khurana- B&K Securities

Sure. Sure sir. Thanks sir, that's it from my side. Thank you.

Mr. T. Adi Babu – Chief Operating Officer, Finance

Yeah

Operator

Thank you. Our next question is from the line of Amit Golchha from Emkay Global. Please go ahead.

Amit Golchha – Emkay Global

Yeah my first question is on Udupi you mentioned that there is a forex loss of 43 crores in Udupi.

Mr. T. Adi Babu – Chief Operating Officer, Finance

Yeah

Amit Golchha – Emkay Global

Just wanted to check the rationale with you in the sense that since you are recognizing the revenues and profits based on CRC tariff and considering that forex loss is also a pass through under the CERC tariff why is it that you are not recognizing forex loss as a revenue also?

Mr. T. Adi Babu – Chief Operating Officer, Finance

Forex loss is already recognized as revenue in Udupi and this forex loss is related to the coal related forex only. So it is already taken as a revenue item only, only thing is that it is disclosed separately for you have clarity to the investors.

Amit Golchha – Emkay Global

You have already recognized it as a pass through.

Mr. T. Adi Babu – Chief Operating Officer, Finance

Yeah

Amit Golchha – Emkay Global

So when you mentioned that your loss is higher because of the forex loss, if you have recognized forex loss as revenue and there is an offsetting impact already and the loss cannot be higher because of the forex loss so then why the loss is higher in case of Udupi?

Mr. T. Adi Babu – Chief Operating Officer, Finance

Here the pass through mechanism is not transaction to transaction because we forex losses which are happening because of the buyer's credit that is available to this coal transactions. So these coal transactions get squared up maybe say down the line after the 3 months or 6 months very much like as and when the coal is imported at the then prevailing rate the tariff is then fixed and the working capital interest is also as per the CERC mechanism as per the SBILR+ is the interest that is allowed for the tariff purpose. And then we go for the buyers' credit we take the interest at a much cheaper rate compared to the allowed working capital rate. The advantage of the interest to a large extent now is got offset by the forex fluctuation in fact the forex fluctuation was almost close to 10% in the quarter whereas the interest savings for the entire year it will be 10%, so because of that say 7.5% EBIT is in the bottom line that is the reason why you have a lower EBITDA number compared to the normal number.

Amit Golchha – Emkay Global

So sir if I consider 15% ROE on this project which you would have been recognizing the CERC the profit would have been somewhere around 40 crores per quarter on the minimum side and you are reporting a loss of 32 crores.

Mr. T. Adi Babu – Chief Operating Officer, Finance

Yeah

Amit Golchha – Emkay Global

Effectively you are under recovering by about 70-80 crores per quarter so how does that number?

Mr. T. Adi Babu – Chief Operating Officer, Finance

Here the biggest culprit is the receivable from the Karnataka, means almost close to 1100 crores got blocked with Karnataka we are forced to go for higher borrowings to purchase coal.

Amit Golchha – Emkay Global

But on the one side when you have already availed buyers credit for the coal which you already have then why you need funds for the receivable part because you have bought coal on the buyer's credit and receivables are there against debt so you are paying interest on both the sides in the buyers as well?

Mr. T. Adi Babu – Chief Operating Officer, Finance

That's what I am telling naa because of the interest we are not getting any interest on the receivables and whatever the inventory we are holding and whatever is the coal purchase is to get converted that into power and into the electric utilities the entire working capital related to that the cost whether it is cash credit or buyer's credit entire cost is loaded to the P&L account. If you had taken suppose the interest income on the receivables we should have got it as 70 crores income there interest income in the P&L account.



Amit Golchha – Emkay Global

So what you are saying is that the 70 crores is the interest amount on this project that's what you are saying?

Mr. T. Adi Babu – Chief Operating Officer, Finance

The initial cost that has incurred because of the receivables

Amit Golchha – Emkay Global

70 crores?

Mr. T. Adi Babu – Chief Operating Officer, Finance

Yes close to 70 crores.

Amit Golchha – Emkay Global

But sir the receivable amount itself is 1100 crores and even if I take 13 to 14% which is not there in case of buyer's credit the order interest would not be higher than 30 crores?

Mr. T. Adi Babu – Chief Operating Officer, Finance

So I am telling this 70 crores is a cumulative number, if you want for the current quarter, current quarter it should be around 23-24 crores.

Amit Golchha – Emkay Global

I think we would take this offline that would be better.

Mr. T. Adi Babu – Chief Operating Officer, Finance

Ok

Amit Golchha – Emkay Global

Second thing is on the Kondapalli 3 gas supply since now the AP contract is signed your PLF would have improved I mean gas supply has improved?

Mr. T. Adi Babu – Chief Operating Officer, Finance

The PLF cannot improve because the gas supply is still continued at the existing levels of 33% to 34% to unit 2.

Amit Golchha – Emkay Global

So because of the lack of PPA it was not curtailed that's what you are saying.

Mr. T. Adi Babu – Chief Operating Officer, Finance

It is not lack of PPA the gas was not available. So atleast the 1A PPA is PPA to get the gas but since the gas was not available we are not able to get a gas beyond say 31% 32% level

Amit Golchha – Emkay Global

And lastly sir if you can highlight or give some brief on the notes to accounts which is there in terms of you getting advance from your subsidiary but lender is not approving it as of now and you are in that process of getting approval, so which project is this related to number one and what exactly is the auditors?

Mr. T. Adi Babu – Chief Operating Officer, Finance

Its related to the Amarkantak where the already the application is made and there is an approval already given to release the retention money against the corporate guarantee bank guarantee so now we have already got the approval and now with that the transaction will get regularized.

Amit Golchha – Emkay Global

Ok sir there are two notes accounts in which one has retention money and one has an advance for the?

Mr. T. Adi Babu – Chief Operating Officer, Finance

Those are related if you read both you will get the answers.

Amit Golchha – Emkay Global

Ok and sir your unallocable capital employed has been increasing significantly in the last two three four quarters what is that amount sir?

Mr. T. Adi Babu – Chief Operating Officer, Finance

It is nothing but the debt. The entire debt is shown as unallocable

Amit Golchha – Emkay Global

Sir you have converted your associates into subsidiaries?

Mr. T. Adi Babu – Chief Operating Officer, Finance

Subsidiaries so all the debt related to those companies also be shown as capital employed in the unallocable category

Amit Golchha – Emkay Global

Ok sir. Thank you very much.

Mr. T. Adi Babu – Chief Operating Officer, Finance

Thank you

Operator

Our next question from the line of Parvez Akhtar from Edelweiss Capital. Please go ahead.

Parvez Akhtar – Edelweiss Capital

Good morning sir, thanks for taking my question. Just you said that your forex loss is around 230 crores and this is largely pertaining to under construction projects which you are showing in line number item number 7 in the P&L statement and then you are saying that there is some operational projects are there some forex related elements.

Mr. T. Adi Babu – Chief Operating Officer, Finance

Yes

Parvez Akhtar – Edelweiss Capital

Now these are included in which items.

Mr. T. Adi Babu – Chief Operating Officer, Finance

Item 230 only

Parvez Akhtar – Edelweiss Capital

Ok so it is part of 230 only.

Mr. T. Adi Babu – Chief Operating Officer, Finance

Yeah 180 is related to the capital FX and fifty related to the operational

Parvez Akhtar – Edelweiss Capital

Ok now between Q4 that is sequential quarters the both interest and depreciation have gone up significantly.

Mr. T. Adi Babu – Chief Operating Officer, Finance

Yeah

Parvez Akhtar – Edelweiss Capital

Now correspondingly there is no significant capacity that has got added.

Mr. T. Adi Babu – Chief Operating Officer, Finance

Yeah

Parvez Akhtar – Edelweiss Capital

So can you please explain the key reason why it has almost like almost like 50 to 60 jump in them?

Mr. T. Adi Babu – Chief Operating Officer, Finance

Yeah the two associates Anpara and Udupi got converted into subsidiaries in the last week of March 2012

Parvez Akhtar – Edelweiss Capital

Ok

Mr. T. Adi Babu – Chief Operating Officer, Finance

So accordingly the interest and depreciation is only taken for a period of say one week in the quarter

Parvez Akhtar – Edelweiss Capital

In Q4?

Mr. T. Adi Babu – Chief Operating Officer, Finance

Yeah and whereas in the current quarter that is Q1 it is for the full period because of that you find higher depreciation and higher interest costs at the same capacity

Parvez Akhtar – Edelweiss Capital

Ok and has there been any other associate which has become a subsidiary in this quarter?

Mr. T. Adi Babu – Chief Operating Officer, Finance

There is one associate which has become a subsidiary but it is only I will just tell you it is yeah one associate has become a subsidiary.

Parvez Akhtar – Edelweiss Capital

Yeah which one?

Mr. T. Adi Babu – Chief Operating Officer, Finance

This associate is holding company holding shares some of the shares in the power projects Phoebe company name is Phoebe which was earlier an associate has become a subsidiary which is holding the balance sheets in the Udupi project.

Parvez Akhtar – Edelweiss Capital

And is there are you going to merge any other further associate to make it a subsidiary going forward or this is all now?

Mr. T. Adi Babu – Chief Operating Officer, Finance

For the time being this is all. This structure will continue for some time.

Parvez Akhtar – Edelweiss Capital

So which are the projects which are currently as associate which can potentially become a subsidiary going forward?

Mr. T. Adi Babu – Chief Operating Officer, Finance

One is Babandh and the other one is Vidharbha which are under implementation they are under the associates which we.

Parvez Akhtar – Edelweiss Capital

Once it has achieved COD you will convert that?

Mr. T. Adi Babu – Chief Operating Officer, Finance

Yeah once they become operational they become subsidiaries.

Parvez Akhtar – Edelweiss Capital

Ok sir and secondly on the Anpara project you notice the losses have significantly increased in this particular quarter and now if you are saying that it is by and large the UP Government has approved both in terms of Opex and all the other things and you are practically receiving a tariff in terms of regulation the losses seem to be very high for the quarter.

Mr. T. Adi Babu – Chief Operating Officer, Finance

Yeah

Parvez Akhtar – Edelweiss Capital

Now like you broadly gave an explanation for the losses for the quarter in Udupi can you let us know what are the key elements which is causing this loss in Anpara for this 180 crores in a quarter?

Mr. T. Adi Babu – Chief Operating Officer, Finance

Just the issue is the operating capacity of the plant. We were not able to operate the plant beyond 40% PLF we need to operate the plant to 80% PLF and above

Parvez Akhtar – Edelweiss Capital

Right

Mr. T. Adi Babu – Chief Operating Officer, Finance

Ok then only the bottom-line increases.

Parvez Akhtar – Edelweiss Capital

No, that I agree but you showed an availability of 60% so under recovery should be to the extent of 20% so that will still safeguard your profits. You would not incur huge loss.

Mr. T. Adi Babu – Chief Operating Officer, Finance

Yes that is for the purpose of variable cost

Parvez Akhtar – Edelweiss Capital

Even at percentage charges you would get pro rata right.

Mr. T. Adi Babu – Chief Operating Officer, Finance

No for the fixed cost it is a BID tariff it is not a part of the fixed cost. Because of the additional interest that is continuing to the project it could be not first start it has to be absorbed by the operations.

Parvez Akhtar – Edelweiss Capital

So you mean to say that the working capital interest is what you will have to pay right?

Mr. T. Adi Babu – Chief Operating Officer, Finance

No working capital interest to an extent is a pass through but the turnover interest which is the increase in rates it is not a pass through and lower utilization is not a pass through.

Parvez Akhtar – Edelweiss Capital

But it is based on availability or PLF?

Mr. T. Adi Babu – Chief Operating Officer, Finance

Availability, availability

Parvez Akhtar – Edelweiss Capital

Now sir if the availability is 60% you will at least get only you will under recovery of capacity charges will only be to the extent of 75% oh sorry 25% you will get 75% of the capacity charges.

Mr. T. Adi Babu – Chief Operating Officer, Finance

It will be to tune of 75%?



Parvez Akhtar – Edelweiss Capital

Yes

Mr. T. Adi Babu – Chief Operating Officer, Finance

But one is the additional costs that have gone into the system by a way of interest.

Parvez Akhtar – Edelweiss Capital

Yes but is it both put together as high as 180 crores in a quarter?

Mr. T. Adi Babu – Chief Operating Officer, Finance

180 in it you remove 50 towards forex fluctuations. If you remove forex fluctuations it would be 130.

Parvez Akhtar – Edelweiss Capital

Ok and how much is interest part of it?

Mr. T. Adi Babu – Chief Operating Officer, Finance

In 130 I don't have the number right away

Parvez Akhtar – Edelweiss Capital

I will take it from Dheeraj. Ok. That's all from my side thanks.

Mr. T. Adi Babu – Chief Operating Officer, Finance

Thank you

Operator

Our next is from Vijay Kumar from Spark Capital. Please go ahead.

Vijay Kumar – Spark Capital

Yeah my question was more I wanted to know the interest and depreciation on both Udupi and Anpara during the quarter, the presentation had begun I just wanted to know the interest and depreciation figures down there.

Mr. T. Adi Babu – Chief Operating Officer, Finance

Ok our team will provide those details both to Anpara and Udupi the interest cost, you want this quarter as well as the previous quarter also?

Vijay Kumar – Spark Capital

Yes that would be ideal and also my question is some form a continuation to the previous one regarding Anpara I mean assuming the tariff goes through and you are able to maintain PLF of 80% during the year and assuming you are able to do it and supplement it with outside purchases of coal which you mentioned there is an approval for that. Assuming 80% PLF what kind of say EBITDA we can look at just to have an idea.

Mr. T. Adi Babu – Chief Operating Officer, Finance

The EBITDA level should be because maybe at say close to 27 to 28% level

Vijay Kumar – Spark Capital

Sir I don't want a percentage I just want an absolute number to have an idea as to how much of EBITDA you can say an annual number but it may not be a quarterly number just to have an idea.

Mr. T. Adi Babu – Chief Operating Officer, Finance

You have that number right now?

Vijay Kumar – Spark Capital

Right now we are talking of only about 8 crores of quarterly EBITDA at Anpara so that I certainly cannot annualize that so what is the kind of EBITDA that you will be looking to I mean you might make assuming a 80% PLF?

Mr. T. Adi Babu – Chief Operating Officer, Finance

It should be close to around I am just giving an hunch number the exact number we will give you.

Mr. T. Adi Babu – Chief Operating Officer, Finance

500 crores

Vijay Kumar – Spark Capital

500 crores for the year.

Mr. T. Adi Babu – Chief Operating Officer, Finance

Yeah.

Vijay Kumar – Spark Capital

That's it from my side I will ask I will come back in the queue.

Mr. T. Adi Babu – Chief Operating Officer, Finance

Yeah

**Operator**

Thank you. Our next question is from the line of Abhishek Puri from Deutsche Bank. Please go ahead.

Abhishek Puri – Deutsche Bank

Yeah good afternoon just a couple of questions, one if you can give us the updated cost for project costs for Anpara at this point in time.

Mr. T. Adi Babu – Chief Operating Officer, Finance

I am sorry could you repeat the question?

Abhishek Puri – Deutsche Bank

The updated project cost for Anpara?

Mr. T. Adi Babu – Chief Operating Officer, Finance

The Updated project cost for Anpara is close to 4800 crores.

Abhishek Puri – Deutsche Bank

4800 crores. And does this cost have any forex components?

Mr. T. Adi Babu – Chief Operating Officer, Finance

There is there is a forex component in that

Abhishek Puri – Deutsche Bank

What would be the amount sir?

Mr. T. Adi Babu – Chief Operating Officer, Finance

The forex component is visible in the initial forex component was close to 310 million level. Whatever is the forex related cost that have gone up on the 310 million this provided is for it is 480 crores.

Abhishek Puri – Deutsche Bank

Fair enough, secondly on Griffin side you have mentioned that when I am looking at the press release the average realizations are close to \$AUD41 million, has that been the reason for the losses which have exaggerated in Griffin at this point?

Mr. T. Adi Babu – Chief Operating Officer, Finance

There are two reasons one is the quantum of exports have is reduced and the second one is that the average realization got dropped

Abhishek Puri – Deutsche Bank

Right

Mr. T. Adi Babu – Chief Operating Officer, Finance

And the third one is the overall operating capacity at the mine level has also dropped compared to the previous quarter.

Abhishek Puri – Deutsche Bank

Dropped from the previous quarter?

Mr. T. Adi Babu – Chief Operating Officer, Finance

Yeah

Abhishek Puri – Deutsche Bank

I understand that the volumes have gone up by 10% in this quarter.

Mr. T. Adi Babu – Chief Operating Officer, Finance

Sure they have gone up by 10% but normally to get the coal but there is a the primary part to that is the over burden removal. The over burden removal it could not be done much due to some rains and other things, if you are not able to maintain that over burden removal subsequent periods the production will get affected.

Abhishek Puri – Deutsche Bank

So you are trying to say the second and third quarter production could be impacted because of this?

Mr. T. Adi Babu – Chief Operating Officer, Finance

Second quarter not the third quarter. For some period it will get affected and the effect of that is considered in the first quarter itself

Abhishek Puri – Deutsche Bank

Ok and if you can tell us some details of the cash cost which is there at this point in time?

Mr. T. Adi Babu – Chief Operating Officer, Finance

Cash?

Abhishek Puri – Deutsche Bank

Cash costing or the production cost for the coal mining?

Mr. T. Adi Babu – Chief Operating Officer, Finance

In coal mining the cash cost is close to rate is working out of \$45like and our target is to bring down these things to sub-40 level but that will happen only once when we are able to increase the production and we are planning to increase to production from the current level of say 3.7-3.8 to 5.5 in the next financial year that is starting from April 2013 once we go to that 5.5 million tonnes level this cost of mining should get dropped down to even at \$38 level.

Abhishek Puri – Deutsche Bank

Sir if we look at the EBIT level for Griffin it is giving us a 75 crores of losses in one quarter, if it is extrapolated there could be 200 to 300 crores of losses in this financial year, that's just an assumption. Have we done any cash injection into Griffin from Lanco Infratech?

Mr. T. Adi Babu – Chief Operating Officer, Finance

Yeah we have been doing cash injection into this Griffin to operate and also to meet cash flow requirements. We will need to support Griffin maybe for another 3 months and the second half of in the current financial year it should have atleast operating cash breakeven and it should have some cash surplus going forward in the next financial year.

Abhishek Puri – Deutsche Bank

Updating cash be given as projected on the basis of the current prices of coal?

Mr. T. Adi Babu – Chief Operating Officer, Finance

Target of 7 million ton operating cash breakeven means excluding basically the interest cost

Abhishek Puri – Deutsche Bank

Ok and just my last question on CapEx requirement you mentioned is about 1600 crores for Babandh and Vidharbha how much would be for Amarkantak?

Mr. T. Adi Babu – Chief Operating Officer, Finance

That is equity.

Abhishek Puri – Deutsche Bank

Equity requirement right sorry.

Mr. T. Adi Babu – Chief Operating Officer, Finance

We need to complete those two projects so because if those two projects of 3000 crores of that 1400 is already invested and another 1600 needs to be invested say in the next two years' time to complete those two projects.

Abhishek Puri – Deutsche Bank

Ok and how much is the amount for Amarkantak?

Mr. T. Adi Babu – Chief Operating Officer, Finance

Amarkantak the requirement is 1500 crores and that will be met out of internal accruals from Amarkantak unit 1 and 2.

Abhishek Puri – Deutsche Bank

Amarkantak units 1 and 2 is actually making a profit of close to 100 crores and I can say depreciation would also be there somewhere in that range.

Mr. T. Adi Babu – Chief Operating Officer, Finance

Yeah and as I earlier said the operations should improve because the quarter one unit 2 could not operate due to non-supply of coal, unit 1 could not operate full because of shortage of coal. Maybe in the current quarter the performance maybe improved as the whole plants at say 65% to 70% level but from next quarter onwards we are open to have these two plants operating at 85% plus. Once we are there at 85% plus level I think the cash generation should be good number which can take care of the requirement of the unit 3 and 4.

Abhishek Puri – Deutsche Bank

Ok and just one last thing on the other current liabilities of 1470 crores which you mentioned in the showdown could you throw some light on that as to what would be the reasonable period and what is it regarding?

Mr. T. Adi Babu – Chief Operating Officer, Finance

I know a reasonable fixed payment, we just mentioned the current liabilities, just you are mentioning about the receivables, we have mentioned that both the liabilities as well to have overall picture of that number whereas these receivables has to be received right away and these current liabilities are not payable right away those things are payable over a period of next 9 to 12 months.

Abhishek Puri – Deutsche Bank

What are current liabilities regarding if you can throw some light?

Mr. T. Adi Babu – Chief Operating Officer, Finance

These are the buyer's credit and the suppliers credit

Abhishek Puri – Deutsche Bank

All right sir. Thank you so much and all the best.

Mr. T. Adi Babu – Chief Operating Officer, Finance

Thank you.

Operator

Thank you our next question is from the line of Avinash Agarwal from Sundaram. Please go ahead.

Avinash Agarwal – Sundaram

Sir the receivables that you have mentioned in accounts of about 2700 crores does that include the Udupi receivable as well?

Mr. T. Adi Babu – Chief Operating Officer, Finance

Yeah it includes the 1060 crores Udupi receivables as well.

Avinash Agarwal – Sundaram

Ok, ok and sir the Kondapalli PPA that you have signed with AP is that at a particular PLF or is it based on gas availability?

Mr. T. Adi Babu – Chief Operating Officer, Finance

It is of course a fixed tariff line and gas availability parcel mechanism is not there in this. The separate link is to the gas availability.

Avinash Agarwal – Sundaram

Ok so as and when you receive gas, whatever quantities you receive and the quantity you sell there are no penalties?

Mr. T. Adi Babu – Chief Operating Officer, Finance

No penalties.

Avinash Agarwal – Sundaram

Ok so essentially whatever we get it from KG-D6 only we would be supplying to them.

Mr. T. Adi Babu – Chief Operating Officer, Finance

Yeah of course there are no other source as such

Avinash Agarwal – Sundaram

Ok. Ok and sir on the FSA with Amarkantak one we were in the pre-2009 power plant so are we not supposed to get 80 or 90% kind of coal there?

Mr. T. Adi Babu – Chief Operating Officer, Finance

See you have to get 80% but ultimately with all the supply bottlenecks and other things as of now what we are getting is around 74-75% level.

Avinash Agarwal – Sundaram

Ok so we do get some penalties from Coal India or?

Mr. T. Adi Babu – Chief Operating Officer, Finance

In the old FSA there was no penalty.

Avinash Agarwal – Sundaram

Ok. Ok. And on the EPC sir would this be the kind of run rate about 6 to 8% kind of margin going forward?

Mr. T. Adi Babu – Chief Operating Officer, Finance

No, no, no these are the margins that were dropped from say 18% to 8% significantly because of the two projects which are getting completed they ran into the additional costs to address various infrastructure related issues. We havemade alternative fuel supply mechanisms and also to facilitate alterative operational rigged handling facility. Infrastructure basically at Anparathat has costed us significantly in quarter one.

Avinash Agarwal – Sundaram

Ok.

Mr. T. Adi Babu – Chief Operating Officer, Finance

That's ok, continuing better going forward.

Avinash Agarwal – Sundaram

Ok so what is the kind of sustainable margin that you see sir for this division because now we have couple of external projects as well?

Mr. T. Adi Babu – Chief Operating Officer, Finance

Yeah but 18% is I think is quite reasonable.

Avinash Agarwal – Sundaram

Ok fine sir, thanks. That's it from my side.

Operator

Thank you our next question is from the line of Murtaza Arsiwalla from HSBC. Please go ahead.

**Murtaza Arsiwalla – HSBC Securities**

Sir I had question on the Anpara EBITDA of 500 crores which you mentioned could be the annual number just wanted to check on your project cost which is about 4800 crores and your interest cost could be around 420 crores, so 500 crores doesn't it look too low because it won't even cover much of your interest and?

Mr. T. Adi Babu – Chief Operating Officer, Finance

In fact in the current year to quarter one we loss naa.

Murtaza Arsiwalla – HSBC Securities

Ok but going forward what do you see there sir?

Mr. T. Adi Babu – Chief Operating Officer, Finance

Going forward the unit should give at the current interest rate level, it should give atleast a 6%ROE and once the interest rates drops to say by 2% then the ROE should be close to 14 to 15%.

Murtaza Arsiwalla – HSBC Securities

Ok and what is the interest cost over there like percentage level?

Mr. T. Adi Babu – Chief Operating Officer, Finance

Percentage level it is close to 14%.

Murtaza Arsiwalla – HSBC Securities

14%?

Mr. T. Adi Babu – Chief Operating Officer, Finance

Yeah

Murtaza Arsiwalla – HSBC Securities

Ok. Ok. That's it from my side sir. Thanks a lot.

Operator

Thank you our next question is from the line of Deepak Agarwal from Merrill Lynch. Please go ahead.

Deepak Agarwal – Merrill Lynch

Sir just got disconnected in between just want to understand on that Udipi where the PLFs sequentially are down but volumes is up so can you just explain that?

Mr. T. Adi Babu – Chief Operating Officer, Finance

Yeah I think the line got disconnected when I was answering that question. The last year the plant was not available for all the 90 days, just for a limited period and the PLF was calculated for the available period.

Deepak Agarwal – Merrill Lynch

Ok. Ok.

Mr. T. Adi Babu – Chief Operating Officer, Finance

In the quarter one it was for the full period.

Deepak Agarwal – Merrill Lynch

Ok secondly what's the on the road side what's the average daily toll collection what you are getting at this operating road?

Mr. T. Adi Babu – Chief Operating Officer, Finance

Today we are getting I think around 11.5 level

Deepak Agarwal – Merrill Lynch

Rs. 11.5 lakhs per day

Mr. T. Adi Babu – Chief Operating Officer, Finance

Per day and from September because desired increase is effective from September, from September you should get at a 16 level.

Deepak Agarwal – Merrill Lynch

Why such a big jump?

Mr. T. Adi Babu – Chief Operating Officer, Finance

Because the tariff increase, there is a tariff increase as per the formula of NHAI, that formula and the cost of indexing and other things we should get close to 16 from the 11.5 levels.

Deepak Agarwal – Merrill Lynch

Ok, ok and lastly at the standalone level why your interest cost be flat because there would be a big chunk of parent level borrowing that is there and so the interest cost is flat can you explain that?

Mr. T. Adi Babu – Chief Operating Officer, Finance

Yeah, yeah because it is at 145 crores level it last quarter and current quarter also. So borrowings remain at more or less the same level and the interest cost remains at the same level.



Deepak Agarwal – Merrill Lynch

Ok, ok fair enough.

Operator

Our next question is from the line of Salil Desai from IDFC Securities. Please go ahead

Salil Desai – IDFC Securities

Sir I am sorry I got disconnected somewhere along the way could you give me the realizations for Amarkantak one and Udupi and Kondapalli 2 during the quarter please?

Mr. T. Adi Babu – Chief Operating Officer, Finance

The realization of Amarkantak and Udupi in the current quarter. Amarkantak I think it was close to 4.2 on an weighted average basis, 4.3 rather and for Kondapalli 4.3 for Amarkantak it is 3.6.

Deepak Agarwal – Merrill Lynch

And sir what is the standalone debt on books?

Mr. T. Adi Babu – Chief Operating Officer, Finance

What?

Deepak Agarwal – Merrill Lynch

Debt on standalone books?

Mr. T. Adi Babu – Chief Operating Officer, Finance

For LITL?

Deepak Agarwal – Merrill Lynch

Yes

Mr. T. Adi Babu – Chief Operating Officer, Finance

Should be close to 3900 crores

Deepak Agarwal – Merrill Lynch

And sir this would include working capital and what would be the breakups between working capital and longer terms loans?



Mr. T. Adi Babu – Chief Operating Officer, Finance

Some term loans because there are certain assets also on standalone solar assets are there on standalone wind assets are there on standalone

Deepak Agarwal – Merrill Lynch

Ok

Mr. T. Adi Babu – Chief Operating Officer, Finance

Those asset related turnover are there

Deepak Agarwal – Merrill Lynch

Right

Mr. T. Adi Babu – Chief Operating Officer, Finance

And working capital of course is 2000 crores around close to 500 crores would be the capital assets and the asset related loan is there. Rest are other corporate loans in the books.

Deepak Agarwal – Merrill Lynch

Sir these corporate loans how would they have moved in the last 6 or 12 months? 1400 crores which is the balance corporate loans, what levels would these have been say over the last year?

Mr. T. Adi Babu – Chief Operating Officer, Finance

Last year also they are at the same level in fact these corporate loans are getting reduced year on year, since the maturities are happening as and when maturity is there those things are getting reduced.

Deepak Agarwal – Merrill Lynch

So you are needing to borrow at the corporate level to say support any of the?

Mr. T. Adi Babu – Chief Operating Officer, Finance

No we are not planning to borrow further monies at the corporate level, just we are trying to get some of the borrowings reduced by doing some divestment in the non-core assets also and at hydro SPV levels.

Deepak Agarwal – Merrill Lynch

Sir any what's the progress on the Hydro SPV we keep hearing something in papers and on TV about some deals happening so any?

Mr. T. Adi Babu – Chief Operating Officer, Finance

Yeah like this was happening it will take some more time to make the news public maybe say a couple of months.

Deepak Agarwal – Merrill Lynch

Ok sir. All right sir. Thank you sir.

Mr. T. Adi Babu – Chief Operating Officer, Finance

Thank you

Operator

Our next question is from the line of Atul Tiwari from Citigroup. Please go ahead.

Atul Tiwari – Citigroup

Yes sir in one of the answers to one of previous questions you very briefly mentioned that Karnataka Government has already approved a higher tariff higher CapEx ok

Mr. T. Adi Babu – Chief Operating Officer, Finance

By the committee appointed by the Karnataka Government the interim committee

Atul Tiwari – Citigroup

Ok, ok so there is no dispute on higher CapEx and correspondingly higher fixed costs tariff.

Mr. T. Adi Babu – Chief Operating Officer, Finance

No, no CapEx is higher than the CapEx approved by the Guru Rajan committee but what is requested you know is tariff application as per the CapEx approved by the Guru Rajan committee itself. We have not asked anything more than that.

Atul Tiwari – Citigroup

Ok so what is the CapEx approved by the committee?

Mr. T. Adi Babu – Chief Operating Officer, Finance

The Guru Rajan committee I think the number was 5500 without IDC. With IDC everything should be close to 6400 level

Atul Tiwari – Citigroup

So Rs 6400 crores of CapEx has been approved by the committee?

Mr. T. Adi Babu – Chief Operating Officer, Finance

Yeah by the Guru Rajan committee

Atul Tiwari – Citigroup

And how much is the total CapEx that you have actually incurred?

Mr. T. Adi Babu – Chief Operating Officer, Finance

Should be another 450 plus so it should be around 6850

Atul Tiwari – Citigroup

And this incremental of 450 crores will relate to roughly what I mean is it a general cost escalation is it, can it be identifying to any particular part of project because of which you are not asking for the you know pass through tariff?

Mr. T. Adi Babu – Chief Operating Officer, Finance

Firstly related to the infrastructure cost that is jetty, the railways and the other things were not totally approved when they have initially given the approval for the CapEx because there was a significant cost increase in the jetty and related infrastructure facility creation

Atul Tiwari – Citigroup

And sir this committee I mean because so this companies consisted of senior bureaucrats of Karnataka Government and Karnataka?

Mr. T. Adi Babu – Chief Operating Officer, Finance

Yes correct.

Atul Tiwari – Citigroup

Ok. Ok so even in CERC they have not gone and opposed you know the 6400 crores CapEx?

Mr. T. Adi Babu – Chief Operating Officer, Finance

Whatever they have approved to that extent.

Atul Tiwari – Citigroup

Ok fine sir. Thank you. Thanks a lot.

Mr. T. Adi Babu – Chief Operating Officer, Finance

Thank you

Operator

Our next question is from the line of Amit Golchha from Emkay Global. Please go ahead.

Amit Golchha – Emkay Global

Yeah my questions have been answered. Thank you.

Mr. T. Adi Babu – Chief Operating Officer, Finance

Thank you

Operator

Thank you. Our next question from Parvez Akhtar from Edelweiss Capital. Please go ahead.

Parvez Akhtar – Edelweiss Capital

Sir Thank you for taking my question again. Has there been any change in the equity requirement for Amarkantak 3 and 4, Vidharbha and Babandh?

Mr. T. Adi Babu – Chief Operating Officer, Finance

Debt equity requirement change means?

Parvez Akhtar – Edelweiss Capital

Sir the originally it was envisaged in the debt equity ratio has to be 80:20 or 78:22.

Mr. T. Adi Babu – Chief Operating Officer, Finance

Now also it is 80:20

Parvez Akhtar – Edelweiss Capital

The reason why I am asking this is last year same time as per the release you have already fused close to 900 crores in Babandh via equity Vidharbha 470 crores Amarkantak 3 and 4 875 crores and during this call you said you need to fuse another 1450 in Amarkantak 3 and 4.

Mr. T. Adi Babu – Chief Operating Officer, Finance

No I told that total number is 1450 but two projects of Babandh and Vidharbha total requirement is 3000 crores, of that which we have already invested 1400 crores we need to invest 1600 more crores going forward in the next two years. Shall I repeat it again?

Parvez Akhtar – Edelweiss Capital

No. even in Amarkantak how much do you need to invest more?

Mr. T. Adi Babu – Chief Operating Officer, Finance

Invest more?

Parvez Akhtar – Edelweiss Capital

Yes

Mr. T. Adi Babu – Chief Operating Officer, Finance

Total requirement is 1450 and as on date the investment is close to 1000 crores. So we need to spend only 400 crores more over the next two years.

Parvez Akhtar – Edelweiss Capital

And Babadhn you require roughly another 600 crores more?

Mr. T. Adi Babu – Chief Operating Officer, Finance

Yeah

Parvez Akhtar – Edelweiss Capital

And Vidharbha 1000 crores more?

Mr. T. Adi Babu – Chief Operating Officer, Finance

Yeah, yeah.

Parvez Akhtar – Edelweiss Capital

Ok so is it safe to assume that over the last one year you have largely funded the CapEx whatever has been achieved so much largely through debt?

Mr. T. Adi Babu – Chief Operating Officer, Finance

Debt and equity both.

Parvez Akhtar – Edelweiss Capital

Because there has not been any significant changes in the equity since over the last one year?

Mr. T. Adi Babu – Chief Operating Officer, Finance

There is if you see last one year, have you been looking at last one year and last one quarter?

Parvez Akhtar – Edelweiss Capital

Last one year because the data is only available from last year.

Mr. T. Adi Babu – Chief Operating Officer, Finance

There is significant increase of equity into these projects the Vidharbha and Babandh.

Parvez Akhtar – Edelweiss Capital

Ok then I will take those details from Dheeraj because as per what you just mentioned the 1450 is requirement in each of the overall project and you have already done whatever the status as to a large period. I will take those further details because the numbers do not stack.

Mr. T. Adi Babu – Chief Operating Officer, Finance

Yeah ok I will yet again recap again. The overall requirement is close to 4500 crores for these three projects taking 1500 for each of the project.

Parvez Akhtar – Edelweiss Capital

Ok

Mr. T. Adi Babu – Chief Operating Officer, Finance

Of these 4500 crores already we have infused into the system 1400 in Vidharbha and Babandh and 1000 in Amarkantak so say total is 2400. So another 2100 crores to be invested into these three projects in the next two years. And if you want still further details you can take from the team.

Parvez Akhtar – Edelweiss Capital

Yeah I will call up Dheeraj and take it from him. Thank you. Thanks.

Dheeraj Sood – Head, Investor Relations.

Rupa would we have the last question please now?

Rupa Shah – Prabhudas Lilladher

Yes sir sure sir. Let us take the last question.

Operator

Yeah we will take our last question from the line of Mr. Agarwal from Sundaram Mutual Fund. Please go ahead.

Avinash Agarwal – Sundaram Mutual Fund

Sir just a doubt on Anpara being a phase 2 project, is the coal risk with us or with the State Government?

Mr. T. Adi Babu – Chief Operating Officer, Finance

In this case the price risk is with the State Government but the supply risk is with us



Avinash Agarwal – Sundaram Mutual Fund

Ok sir when we say availability it includes coal availability?

Mr. T. Adi Babu – Chief Operating Officer, Finance

Yes.

Avinash Agarwal – Sundaram Mutual Fund

Ok sir do we need permission from State Government to import coal?

Mr. T. Adi Babu – Chief Operating Officer, Finance

Yeah, yeah they need to give because they have a policy to approve the purchasers rather than FSA which we need to apply in advance and get their approval. We already got their approval to operate the plant now.

Avinash Agarwal – Sundaram Mutual Fund

This is for how many years sir?

Mr. T. Adi Babu – Chief Operating Officer, Finance

Well they give for a particular quantity it is not for a particular period. Suppose you want say 10 lakh tonne, you will get the approval for the 10 lakh tonne

Avinash Agarwal – Sundaram Mutual Fund

But sir Anpara is kind of quite far away from the coast, how do we plan to bring it sir?

Mr. T. Adi Babu – Chief Operating Officer, Finance

Either rail, there is no other mechanism either you have to buy in e-auction or you have to import either through Mumbai or you have to import through Vizag.

Avinash Agarwal – Sundaram Mutual Fund

Through road we will bring it internally?

Mr. T. Adi Babu – Chief Operating Officer, Finance

Through rail, road is very expensive.

Avinash Agarwal – Sundaram Mutual Fund

Ok. And sir on Griffin what is the CapEx requirement over the next two years?

**Mr. T. Adi Babu – Chief Operating Officer, Finance**

Griffin the CapEx over the next one year is very less it is maximum less than half a million because we are in the process of obtaining approvals. Real CapEx will start from April 2014.

Avinash Agarwal – Sundaram Mutual Fund

Ok and sir out of our SPV receivable of 2700, 1000 crores is from Udupi could you give a breakup of the rest of it sir?

Mr. T. Adi Babu – Chief Operating Officer, Finance

1060 is from Udupi, close to 900 plus is from Uttar Pradesh, 300 is from Tamil Nadu, 150 is from Haryana and the rest is from other.

Avinash Agarwal – Sundaram Mutual Fund

Ok sir when do you expect to get receivables from UP and TN?

Mr. T. Adi Babu – Chief Operating Officer, Finance

Yeah TN of course started paying I think they have realized half of that and balance also we are hopeful of getting it realized by say by December. TN will get normalized in December. Udupi also we are hopeful of getting atleast 60% recovered in the next couple of months once the interim tariff is released and the balance on final tariff which we are expecting in the next 3 months and the recovery should happen before March that is the target for Karnataka, then Uttar Pradesh once the Central Government funding is made available to Uttar Pradesh, the Uttar Pradesh Government should release on a partial release basis. We expect to get the entire money because there are two recoveries from UP one is for Anpara plant and the other one is for Amarkantak and Kondapalli. So the Anpara they are paying promptly but you see nowadays the payment is being made in reasonable time they are paying and Amarkantak I think we should get partial release starting from say September onwards. By March I think the last portion of that receivables should be recovered for Amarkantak and Kondapalli plants.

Avinash Agarwal – Sundaram Mutual Fund

Are we still supplying from Amarkantak to UP sir?

Mr. T. Adi Babu – Chief Operating Officer, Finance

No we are not supplying now, we stopped from 1st June.

Avinash Agarwal – Sundaram Mutual Fund

Ok fine sir. Thanks a lot sir.

Mr. T. Adi Babu – Chief Operating Officer, Finance

Thank you. Thank you very much.



Operator

Thank you sir I would now like to hand the conference over to Miss Rupa Shah for closing comments.

Rupa Shah – Prabhudas Lilladher

Thanks Mr. Babu and the team for Lanco for giving us the time for this conference and the participants for attending the call. Thanks and have a good day.

Dheeraj Sood – Head, Investor Relations.

Thank you very much Rupa and thanks everybody for joining in. Thanks a lot.

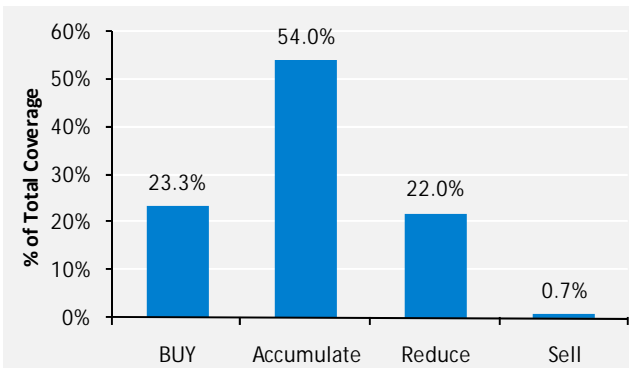
Operator

On behalf of Prabhudas Lilladher Private Limited that concludes this conference. Thank you for joining us. You may now disconnect your lines.



Prabhudas Lilladher Pvt. Ltd.
 3rd Floor, Sadhana House, 570, P. B. Marg, Worli, Mumbai-400 018, India
 Tel: (91 22) 6632 2222 Fax: (91 22) 6632 2209

Rating Distribution of Research Coverage



PL's Recommendation Nomenclature

BUY	: Over 15% Outperformance to Sensex over 12-months	Accumulate	: Outperformance to Sensex over 12-months
Reduce	: Underperformance to Sensex over 12-months	Sell	: Over 15% underperformance to Sensex over 12-months
Trading Buy	: Over 10% absolute upside in 1-month	Trading Sell	: Over 10% absolute decline in 1-month
Not Rated (NR)	: No specific call on the stock	Under Review (UR)	: Rating likely to change shortly

This document has been prepared by the Research Division of Prabhudas Lilladher Pvt. Ltd. Mumbai, India (PL) and is meant for use by the recipient only as information and is not for circulation. This document is not to be reported or copied or made available to others without prior permission of PL. It should not be considered or taken as an offer to sell or a solicitation to buy or sell any security.

The information contained in this report has been obtained from sources that are considered to be reliable. However, PL has not independently verified the accuracy or completeness of the same. Neither PL nor any of its affiliates, its directors or its employees accept any responsibility of whatsoever nature for the information, statements and opinion given, made available or expressed herein or for any omission therein.

Recipients of this report should be aware that past performance is not necessarily a guide to future performance and value of investments can go down as well. The suitability or otherwise of any investments will depend upon the recipient's particular circumstances and, in case of doubt, advice should be sought from an independent expert/advisor.

Either PL or its affiliates or its directors or its employees or its representatives or its clients or their relatives may have position(s), make market, act as principal or engage in transactions of securities of companies referred to in this report and they may have used the research material prior to publication.

We may from time to time solicit or perform investment banking or other services for any company mentioned in this document.