

Transcript

Conference Call of Lanco Infratech Limited

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Presentation Session

Moderator: Good evening ladies and gentlemen. I'm Priya, moderator for this conference. Welcome to the conference call of Lanco Infratech Ltd. organized by ASK Securities. We have with us today Mr. J. Suresh Kumar, Chief Financial Officer of Lanco Infratech Ltd and Mr. Pradeep Kumar from Ask Securities India Ltd. At this moment all participants are in listen only mode. Later, we will conduct a question and answer session. At that time if you have a question, please press * and 1 on your telephone keypad. Please note this conference is recorded. I would now like to hand over the conference to Mr. Pradeep Kumar.

Pradeep Kumar: First of all welcome to Lanco Management, Mr. Suresh Kumar as well as Mr. Kasturi and obviously on behalf of ASK Securities I welcome all the participants. Initially, I would like to request Mr. Kumar to take us to the Q1 numbers. And first of all congratulate him for the fantastic set of numbers. I hope now Sasan should be behind Lanco and Lanco will move forward. I request him to just take us through the numbers as well as the current ongoing projects and Lanco's forays into real estate, current status of the ongoing contract book, the various power projects that are under construction, and take us through the whole Lanco group, as such. Over to you, Mr. Suresh Kumar.

Suresh Kumar: Yeah, Thank you. I welcome you all for this results conference call for Q1 of fiscal 08. I'll start with a rundown of consolidated results and walk it through slide number 3, of our red card. What we are basically saying is that, generally it is a function of various operating performances across our businesses particularly on the power side and on the construction side. I mean the drivers there for all these numbers are definitely the order book, that we have on the construction and EPC side, which today is about 7,500 crores and of course, the visibility that we have for this year and the years ahead are quite strong as far as the business opportunities that we have on the

construction and EPC side. Power of course, is an ongoing business that's been there for the last 6-7 years. So what we have seen is for the consolidated results for this quarter, vis-à-vis, the corresponding quarter of last year. We've seen our total turnover going up from 251 crores quarter of last year, to around 591 crores in this quarter of this fiscal. The drivers as I said have come in from the operating power business, which is Kondapalli, Aban. We also had a good quarter from the trading subsidiary of ours, where we clocked almost a turnover of close to 207 crores in this quarter itself. And of course what we got from our construction business where we generated close to about 150 crores of turnover from our construction business. So, a lot of the drivers coming in from our operating businesses, which are power and construction, and trading as well. All-round we've seen a profit after tax improving from 34 crores in the corresponding quarter last year to about 75 crores in this quarter. Net of minority interest from a 4-crore bottom-line in the last quarter we've moved to 51 crores in this quarter.

On the next slide that is on slide number 4, we have segment-wise revenue coming in pre-dominantly from power and construction. A slide is there to say, significant contribution on the EBIT coming in from power; this quarter; construction contributing 76% of the EBIT for this quarter. Coming to break-up of sales revenues in slide number 5, as I said earlier, income from contract operations, about 150 crores and income from sale of power at Rs 441 crores. Listed it out in terms of total turnover; Lanco electric utility, as I said our trading arm, has achieved 207 crores in this quarter. Kondapalli 171, Aban 47, Clarion and Rithwick together adding about 14 odd crores to the turnover, and our own wind power division is adding about 1.9 crores as turnover. So I would say like the power business as a whole has given about 441 crores of turnover while our construction and EPC has contributed 150 to the turnover.

Expenditure-wise breakup on the slide number 6 reflects a small portion of construction cost of only 5 crores which we have recognized in this quarter, but substantial work is actually in progress and we expect that in the next couple of quarters most of this work-in progress getting converted into actual turnover. Given the nature of some of the projects that we are executing more particularly say Amarkantak, most of the supply items are falling in place because we are in the final leg of our project execution where we are expecting unit number 1 of Amarkantak to commence operations in the first quarter of fiscal 2009 and therefore all these items that are lying in work-in progress

would get converted into turnovers for the construction and EPC division in the coming quarter. Of course there is also sub-contract cost, which, which would eventually get billed to the respective SPV which are developing projects. Development cost of Lanco Hill, which is about 30 crores, is a contra item essentially, 30 crores of cost is negated by 30 crores of closing work in progress that is part of the 476 crores. So I would say the 31 crore development cost of Lanco Hill is a P&L neutral kind of an item because it is getting carried forward as development cost for our residential and commercial projects that we are developing at our Lanco Hill. Fuel for our power project is a pass through. Fuel cost is about 122crores, now couple of indicators that we'd like to give here, in the current quarter of June 07 we have also burned naphtha to care of our temporary deficit that AP was facing on the power front but, from our point of view it is not resulting in any particular loss as such as it's a pass-through as far as we are concerned. But fuel costs have gone up mostly because we have burnt some amount of naphtha to generate more power as required by AP Lanco.

Moving on to slide number 7 giving you some profitability analysis, on a consolidated basis, for the quarter of 07 operating profit is about 115 odd crores, with a margin of close to 19 1/2 %. On an EBIT basis the margin is 16.6% and on a PBT margin basis we are about 14.9% and on an annualized basis our EPS is 9.32. On a standalone basis, moving on to slide number 8, our standalone numbers, vis-à-vis June 06 quarter of last year, we've seen a significant growth in our top-line as well as in our corresponding operating profits, clearly we see a lot of visibility going forward in the next couple of quarters. Now, as I said earlier, construction work in progress is of substantial amount, which we expect to get converted into turnover billing soon, and that is what is going to drive numbers going forward. There is a slight drop in our profit after tax corresponding to the previous quarter but, as you all know, construction EPC is not a quarter on quarter business but more of a lumpy kind of a business and the current trend of the bottom-line need not be the trend that maybe necessarily followed in the next couple of quarters. So we've seen a good visibility going forward on the quarter on quarter performance for this fiscal.

Switching on to some of the operating power projects on slide number 9, Kondapalli has achieved significant growth in its bottom-line; of-course top line is not as relevant as one would like to press on, because as I said, we have fired naphtha in this quarter, and because of which top-line is definitely higher. We have as per requirements of

accounting standard 11, and we have recognized the foreign exchange gain on the loans that we have contracted. We've have translated those loans at current dollar-rupee parity but as a matter of prudence, we've also provided for an exchange fluctuation, kind of a reserve, and we have actually provided for it by charging it to our operating expenses. So we've virtually taken only out of the 16-crore gain that we have recognized as forex gains, we have actually provided for close to about 15 crores of exchange fluctuation provision. So we have to that extent not shown the full profit that has risen on account of gain from the dollar-rupee fluctuation. Subject to that caveat, we have recognized a bottom-line of close to 28 crores, for this quarter, vis-à-vis 25 crores of corresponding quarter of last year. PLF wise 67% gas of course is an issue from KG basin of Kondapalli but since our contract is for a capacity and not for generation, we are earning a return on equities from our customer.

Stand-alone numbers of Aban also are equally strong. We've seen significant growth in our numbers vis-à-vis the previous quarter; previous quarter of June 06. Similar to Kondapalli we've also recognized foreign exchange gain but at the same time also provided for exchange fluctuation in our operating expenses. Balancing that out, I think we've had a good quarter so far. We see a good visibility going forward also. More so given the high level of PLF that we expect to enjoy from Aban, given the reasonably good supply of gas that we get from the Cauvery basin.

Moving on to Clarion again a good quarter vis-à-vis previous quarter. Of course we would like to add that a good amount of revenue has come in from carbon credit, especially in Clarion and Rithwick as well. While we are charging about 3.5 rupees per kilowatt as tariff, we are virtually breaking even in those projects but carbon credit is keeping us bottom-line positive, both in Clarion and Rithwick. Jumping on straight to slide number 13, on the electric utility business where we've had a wonderful quarter in the June '07 number. We've actually sold close to 600 million units of power to various end users that is State Electricity Board, 207 crores of turnover is what we have billed, a good portion of the number of units, quantitatively speaking the numbers of units that we have sold, also includes certain banking transactions that we've done on the trading side which need not reflect into the turnover, it's more of a barter kind of a transaction, where it gets settled in the form of in kind rather than in cash. So the good amount of banking transactions that we've done on the trading business, to the extent where we could bill

as turnover, that's what we have reflected in the numbers, which is 207 crores of top-line. The bottom-line also positive; 1.2 crores for this quarter, that is almost equivalent to what we earned in the last full year of trading operations. If I remember right we had close to about 1.9 crores for the full year of 07 for trading, and we've almost taken close to two third of that in the current quarter itself of this fiscal. So we believe that electric utility, the trading business in power, is going to do well going forward for the next couple of years as well and it gives us a lot of leverage across a phase where we are strengthening our operations there.

The recent developments on the power side are that on the slide number 14. The recent development we have achieved is, we've achieved financial closure for 500 MW Teesta VI Hydro Power Project. We've started drawing loans from the institutions to meet our project expenditures and advances that we need to pay to our customers. We are going to start work in full speed by September of this year. IFC has also taken a 5.84% stake in Amarkantak power project, and that gives a lot of confidence that we are able to meet the expectations of credible names like the IFC and DEG.

In the road sector, basically our infrastructure foray into the road sector, we have recently signed two concession agreements to develop two road projects in Karnataka on a build-operate-and transfer basis collectively aggregating to 163 kilometers that we are developing; two different stretches. The first concession is a 20-year concession and the other is a 25-year concession. We expect to develop both these projects at a cost of 1000 odd crores and we're in the process of going for financial closure of both these projects and hope to achieve the same in the next couple of quarters.

On the Property side, we've added a joint development initiative in Chennai to our property portfolio. And we believe that in the next six months, we should be in a position to bring that property initiative to the market. Essentially in Chennai, we are thinking about it more as a residential play rather than a mixed-development play. But given the large acreage that we have, we are targeting to see if we can develop about close to 4 million square feet of residential space where we'd like to begin marketing from, perhaps, from January 2008. But so far, our Chennai market is an attractive market particularly on the residential side and we see a lot of opportunities in this initiative that we've taken in Chennai. Besides that, our maiden property launch in Lanco Hill has seen an extremely overwhelming

response from the residential customers. We've already booked close to 4 million square feet of the residential space out of the 8 and a half million square feet that we intend to sell on this project. Realization-wise, we've had a good realization; much higher than what we'd estimated at some point of time in the past. Approximately, on an average, we've realized about 4,300 plus per square feet for the 4 million square feet that we have introduced into the market. The booking also provides for an increase in per square foot for floor rise from the sixth floor onwards. So, on an average we should be realizing more than about 4,500 of square feet, from the current stream of bookings that we have achieved for Lanco Hill.

On other initiatives, other developments, our 120 Megawatt ABAN power project is the first gas power project in the world, gas-based power project in the world, to have been registered under the clean development mechanism of UN (not sure). We've seeing a good visibility there from our carbon credit portfolio. And we believe that with the registration of ABAN, we would be generating about 3 million credits over the next 10 years on an aggregate basis which makes us one of the most significant players in the carbon credit market. On the EPC side our order book as I said is 7,500 crores and it's largely driven by the power projects that we are developing today. It does not include some of the orders that we expect for constructing Lanco Hill; and of course the road projects that we expect in the coming quarters. External contracts are to the tune of 450 crores and those are across sectors like roads and buildings and universities and it is our intention to increase the size of the external order book going forward. But as of today, it's predominantly focused on the internal projects that we've developed. I will stop over here and would like to say that in terms of visibility-wise, given the strong order book that we have today, and with expectations that we would achieve financial closure for the rest of the projects, that is Ankara Uttaranchal and road projects, we see a good visibility in the order book for going forward and that is good for our future businesses, especially on the construction and EPC side. Amarkantak project is going well in terms of execution. There are no slippages in the time-line; quite confident that whatever guidance is given on expected dates of commencement of operation, we believe that we will deliver those results. And of course the operating power projects, Kondapalli and ABAN, are doing extremely well. Lanco Hill, we just commenced our bookings on July 7th and we see, like, in the next couple of quarters, a good amount of progress that we can demonstrate to all of you all from the property side as well.

So, I leave it there and I hand it over to the moderator for moderating the questions. Thank you.

Moderator:

Thank you Sir. Ladies and Gentlemen we will now begin the question and answer session. If you have a question, please press * and 1 on your telephone keypad and wait for your turn to ask the question. If your question has been answered before your turn and you wish to withdraw your request you may do so by pressing # key.

Our first question comes from Mr. Bhavin from Enam Holding.

Bhavin:

Yeah. Congratulation sir on the excellent results. Sir ,just two three questions, I think there is a 12 crore other income as compared to just 3 crores last year in this quarter so what was that about?

Suresh Kumar:

That was Bhavin I said it is nothing but the forex gain that we had accounted, we also provided foreign exchange fluctuation while it reflects in other income as net credit of close to 16 odd crores. We have also increased our operating expenses by an amount of close to 15 odd crores.

Bhavin:

Because I think there is a note number 10 which is saying some figure of 179.6 million, so where is that accounted then?

Suresh Kumar:

179 is the total gain that we have accounted

Bhavin:

Okay.

Suresh Kumar:

What we have provided for has been netted out with C. In a consolidated statement ,for example; if you look at Kondapalli's numbers which of course you all don't have but we have ,we've accounted for Kondapalli and Aban together have accounted for a 18 crore gain on account of forex.

Bhavin:

Okay. So subsidiaries are having 18-crore gain?

Suresh Kumar:

18 crore gain ,at the same time they have provided for an exchange fluctuation reserve and increased their operating expenses to that extent to about to close to 16 odd crores they have basically recognized only 2 crore of net gain.

Bhavin:

In consolidated accounts your saying there is 2 crore of gain.

- Suresh Kumar:** 2 crore of gain that is been actually realized. Because we have repaid some of our foreign currency loan at a lower rate compared to what it was as of 31st March.
- Bhavin:** So net, net in consolidated accounts is that 12 crore other income figure high is how much of foreign exchange here?
- Suresh Kumar:** Only about 2 crore of foreign exchange gains;
- Bhavin:** And what is the all other
- Suresh Kumar:** Balance is interest from FD's and mutual funds.
- Bhavin:** Okay. And this power division 441 crore turnover includes the trading turnover?
- Suresh Kumar:** Of 207
- Bhavin:** 207.
- Suresh Kumar:** Yeah.
- Bhavin:** Okay. Thanks a lot sir.
- Suresh Kumar:** My pleasure.
- Moderator:** Thank you sir. Our next question comes from Mr. Deepak of Principle Mutual Fund.
- Deepak:** Hi.
- Suresh Kumar:** Hi Deepak.
- Deepak:** I just wanted a clarification on the carbon credits. You said 3 million CRs per year.
- Suresh Kumar:** No, aggregate. It is normally a 10-year cycle and if life cycle of all the credit that we have is typically when UNF triple C approves a project say they approve CR per year for a life cycle of 10 years.
- Deepak:** You are saying cumulative is 3 million.
- Suresh Kumar:** Cumulative is 3 million for the project that we have registered. There are other projects that are in the process of registration which will add to this portfolio.
- Deepak:** You've tied up for this.

- Suresh Kumar:** These get tied up over a period of time. What we are currently tied up are projects like Aban, Clarion, Rithwick and Vamshi.
- Deepak:** Okay.
- Suresh Kumar:** Vamshi, Rithwick Clarion and Aban. These are the 4 projects that we have registered our PDM project. The other project of Kondapalli, windmill projects and the Budhil hydro power project are underway for registration that will add some credit to our portfolio, then Sikkim hydro project will also add couple of credits to our portfolio. But all this will happen in future. I am talking about the 3 million credits for the project which have been registered already.
- Deepak:** Okay. And the time lines for your project Amarkantak any delay there?
- Suresh Kumar:** No. We are on course. First quarter of 2009 fiscal, we are going to start unit one of Amarkantak. And second unit of Amarkantak is proposed to be in the third quarter of fiscal 09.
- Deepak:** Okay, and Nagarjuna?
- Suresh Kumar:** Nagarjuna, the plan is to like, do it in the last quarter of fiscal 2010. But that is by about December 2009 or January 2010, somewhere around that time.
- Deepak:** Okay. I will come back if I have anymore questions. Thank you.
- Suresh Kumar:** Yeah.
- Moderator:** Thank you sir. Our next question comes from Mr. Murtaza of Kotak institutional Equities.
- Murtaza:** Hi sir. You just mentioned something about that transaction utility which was not settled in cash or something. Could you just elaborate a little more on that transaction?
- Suresh Kumar:** These are basically banking transactions where, say for example AP Transco has a surplus it wants to sell to Punjab what they do is, instead of settling it in the form of cheque, what they do is maybe one month down the line Punjab electricity board will give equal number of units back to AP Lanco. So it is like a settlement in kind with no invoices being raised. The volume trading happens but doesn't result in turnover. So many of these electricity boards which don't want to use their banking facilities they

just enter into barter trade through an intermediary, through a trading intermediary, move power from one state to the other. But we get our margins even on the banking.

Murtaza: Okay. So there it does not show in your volumes but it still shows in your revenue.

Suresh Kumar: Guarantee limits are used all those upsides are there.

Murtaza: Okay. You get your revenues, but it does not show up in your volumes.

Suresh Kumar: It doesn't show in turnover, it shows in my profit margin, net profit margin. I don't have to bear the SE charges, bank guarantee charges and all that, working capital and loads and all I don't take.

Murtaza: Okay, straight comes in as a net profit.

Suresh Kumar: Yes.

Murtaza: Okay. Thank you so much.

Suresh Kumar: Yeah.

Moderator: Thank you sir. Participants please press *and 1 for your questions. Our next question comes from Mr. Prasad of HSBC.

Suresh Kumar: Yeah.

Prashanth: Good afternoon Suresh. Prasad this side.

Suresh Kumar: Hi. How are you?

Prashanth: I am good. Congrats for the numbers.

Suresh Kumar: Thank you.

Prashanth: I just wanted the power trading volume of this Lanco power trading company, for the quarter?

Suresh Kumar: 598 million units.

Prashanth: 598 million?

Prashanth: Okay. And this is all short term?

Suresh Kumar: Yeah, it's basically like part of the contracts that are there until October, so we have contract from April to October.

So this is part of that execution, 598 millions units is part of that contract that we have on (inaudible).

Prashanth: Okay, any MoU signed for the long time contract or in discussion anyway?

Suresh Kumar: No we've not looked at long term contracts in our portfolio as of now. But we intend to over a period of time but currently our contract of six months to nine months (inaudible).

Prashanth: Okay sir kind of short term only.

Suresh Kumar: Yeah.

Prashanth: Okay. About this order book how much is from your own company and how much is from the third party?

Suresh Kumar: Yeah, out of this 7,500 crores of order book I would say 7100 is internal and, that is from our own project that we are developing. About 450 crores is from the external project that we are developing for the third party.

Prashanth: Okay that's alright from my side, thank you Suresh.

Suresh Kumar: Thank you Prasad.

Moderator: Thank you Sir. Next question comes from Miss. Kanika of Quantum Securities.

Kanika: Hello.

Suresh Kumar: Yeah Kanika.

Kanika: Yeah. Actually I wanted to know that, the results that you have shown segment-wise, there is something in others - is very less compared to last fiscal, why is that so? And where is this coming from actually?

Suresh Kumar: Others is basically our windmill I think.

Kanika: Windmill?

Suresh Kumar: Yeah. Little bit of windmill operation that we have.

Kanika: But there is a lot of difference between last year...

Suresh Kumar: This will also include your profits and gains that we made from sale of, what you call some of our long term shares, that we held in Lanco global system. Last year we had

sold some assets. 30th June 2007, 2 crores. That is all windmills.

Kanika: This is all windmills?

Suresh Kumar: Correct.

Kanika: Okay. And this huge difference is only because of that? I am not asking about the revenues. You see the PBIT; there is also a huge difference. It's like 6 crores for 2006, 30th June 2006, and this year it is very less. So what is the reason behind this? Because this is affecting the profits a lot.

Suresh Kumar: See I remember others were basically income that we are earning from long term gains and all that from our sale of investment.

Kanika: It is just majorly that?

Suresh Kumar: Yeah. Basically that.

Kanika: Ok. And the order books that you were telling me about for the EPC and construction, ie.7,500 crores, could you give a bit of details for that? For which contract, for which path lands and....

Suresh Kumar: It will be, say 3,600 crores Nagarjuna, 2,400 crores from Sikkim then Amarkantak about 900 odd crores 966 to be precise.

Kanika: Sorry.

Suresh Kumar: 966 crores from Amarkantak.

Kanika: Okay.

Suresh Kumar: Okay, then the hydro projects all put together which is close to about 250.

Kanika: Okay.

Suresh Kumar: That will add up to close to 7,000 crores.

Kanika: Okay. Which other additional projects are under stages for, like the CDM application? I mean you are registering for that, so which other projects are there?

Suresh Kumar: See the existing projects that are there in CDM are which are registered under the CDM mechanism are Aban,

Clarion, Rithwik and 4x5 Mega Watts small hydro projects. Those are the four projects which are registered.

Kanika: Okay. And you are trying for...

Suresh Kumar: We are going to get Kondapalli registered. Then our windmill project to be registered, which are in force in Chithradugra and in Tamil Nadu.

Kanika: Okay.

Suresh Kumar: Buthil, which is our 70 megawatt project in Himachal that we are intending to register.

Kanika: Okay.

Suresh Kumar: To this portfolio we will add Uttaranchal, which is hydro project that we are developing in Uttaranchal again. So that is what we will add to our registration process and we will add Sikkim also to that registration process.

Kanika: Okay. And construction of Teesta power plant has started?

Suresh Kumar: Site work is beginning. The major works will begin from September 07.

Kanika: Okay, that means you are going to recognize revenues for construction segment for Teesta?

Suresh Kumar: Yeah.

Kanika: You will start recognizing it from this quarter?

Suresh Kumar: Not yet. For this quarter, we didn't recognize anything from Teesta. We start from I guess; I would say from third quarter of this... this year. But you know we recognize only to the extent it involves high development work. The main project work and all; I don't think we will be able to recognize so early in the execution period.

Kanika: Okay. That's all sir.

Suresh Kumar: Yeah.

Sudesh: Hi. This is Surdsh. Just want a sense on what would have been your developmental cost for the Saasan power project and has it been expensed off or it will show in the coming quarter?

- Suresh Kumar:** It is not much. Our development cost must be 2-crore range. Okay, so depending on what happens...
- Sudesh:** Sorry, can you repeat I missed you there.
- Suresh Kumar:** The total development cost, of Sasan will be somewhere in the 2 crore range. So it is not significant and as soon as there is formal communication from everyone concerned we will, charge it off. Most probably this coming quarter we will charge it off.
- Sudesh:** Thank you.
- Moderator:** Thank you sir. Our next question from Mr. Amish of JM Financial.
- Suresh Kumar:** Yeah.
- Amish:** Good evening sir. Sir just wanted to understand execution period of your order book. And I don't know whether you will be able to share what kind of EBITA margin that we usually are....
- Suresh Kumar:** Apart from the hydro portion of the order book most of the order book is from thermal project i.e.; the whole power project. I would say like the execution period will be a three year time frame ,while for the hydro it will be ,I would say 4 -41/2 year time frame. So you may like, consider that for your analysis.
- Amish:** Are there any indications on the EBITDA margin? Any indicative EBITDA margin that you know these projects blended; what kind of thing...
- Suresh Kumar:** No. I would say like you can look at the historical margins that that we've earned on the construction side, on the construction standalone numbers in Lanco Infratech.
- Amish:** Okay .sir keeps in line with that sir?
- Suresh Kumar:** I would say they would be line with that.
- Amish:** Okay. And sir any update on the reality business apart from the Lanco Hill and Chennai property? Is there any further progress on any other projects that you are looking at as of now?
- Suresh Kumar:** The 22 acres that we own in Hyderabad is really a function of the outer ring road being getting operational especially the express way that connects Kashboli to the new International airport because the 22 acres that we own in

Hyderabad is very close to that express way. And our belief is that the value of that property will get enhanced significantly once express way connecting Gachiboli to the new international airport is operational. So we are waiting for some more developments on the connectivity to the new international airport to decide on what kind of a development we want to initiate. For the current thought process that we have in mind is; is that we should look at it as more of a premium villa kind of a concept. So then high rise concept that we developed for the Lanco initiative. But we have not yet taken any view there. As I said we will wait for connectivity issue get solved first, before planning our development there. But to answer at a macro level we are looking at cities like Bangalore, Chennai – to expand our portfolio in the property sector.

Amish: Okay. So this is the plan that we are looking at on that side.

Suresh Kumar: Yeah.

Amish: Okay. And in terms of Chennai you said that you will begin early 2008 right?

Suresh Kumar: Yeah. Early 2008 we believe that we can start marketing.

Amish: Okay. Okay. Thanks a lot sir

Suresh Kumar: Sure.

Moderator: Thank you sir. There are no further questions. Now I hand over the floor to Mr. Pradeep Kumar for closing comments.

Pradeep Kumar: I thank Lanco management for participating in this conference call posted by ASK credit as well thank the participants. Despite of the market conditions today. Thank you all.

Moderator: Ladies and gentlemen this concludes your conference for today. Thank you for your participation and for using Door Sabha's conference call service. You may disconnect your lines now. Thank you and have a pleasant evening.

Note:

- 1.This document has been edited to improve readability.
2. Blanks in this transcript represent inaudible or incomprehensible words.