



Premier Explosives Limited Q1FY16
Earnings Conference Call

August 12, 2015



MANAGEMENT: **DR. A N GUPTA – CHAIRMAN & MANAGING DIRECTOR**
MR. C. SUBBA RAO – CHIEF FINANCIAL OFFICER

MODERATOR: **MR. VIKASH VERMA – VICE PRESIDENT**
– S-ANCIAL GLOBAL SOLUTIONS PVT LTD



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Moderator: Ladies and gentlemen, good day and welcome to the Premier Explosives Limited Q1FY16 Earnings Conference Call, hosted by S-Ancial Global Solutions Private Limited. As a reminder all participants' line will be in the listen-only mode. And there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing * and then 0 on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Vikash Verma. Thank you and over to you Sir!

Vikash Verma: Thank you Aman. I, on behalf of S-Ancial Global Solutions Private Limited, welcome you all to Premier Explosives Limited Q1FY16 Earnings Conference Call. We have with us Dr. A N Gupta – CMD and Mr. C Subba Rao – CFO of the company on the call. I now hand over the call to Dr. A N Gupta. Over to you Sir!

A.N. Gupta: Thank you. Good afternoon everyone. I welcome everyone to Premier Explosives Limited June quarter 2015 Conference Call.

The net sales for the quarter June 2015 stood at INR.376 million, a 7% year-on-year increase. The company's operating profit for the quarter was at INR 30 million, a growth of 67% year-on-year. The operating margin during the first quarter was at 7.9% a rise of 280-basis point year-on-year.

The profit before exceptional item and tax was at INR14 million a growth of about 130% year-on-year. However due to a onetime expense of INR 37 million on account of VRS paid by the company, there was a net loss before tax of INR 23 million.

The explosive business grew by 6.5% year-on-year, defence products grew by 13.3% year-on-year and the services business grew by 2.4% year-on-year. In the quarter June 2015 the current order book of the company stands at about INR 1899 million for explosives and INR 919 million for defence products and INR 390 million for services.

The company has received various licenses in explosives and defence division from Department of Industrial Policy and Promotion. We are looking for market



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expansion in explosives and defence business with these new industry licenses obtained.

India is poised to build a vibrant local defence industry ecosystem that could support both domestic and export demand ending material benefit to the industry and the nation. To conclude, I would say the demand for defence product is satisfactory and the company is positive on the sector prospects. Now I would like to answer all your questions.

Moderator: Thank you very much. We will now begin the question and answer session. The first question is from the line of Hardik Jain from Whitestone. Please go ahead.

Hardik Jain: Sir, how much you said the order book was in defence and services?

A.N. Gupta: Well I will give it to you again. In the defence products, it is about INR 919 million and the services are INR 390 million.

Hardik Jain: In the last concall, you said that we are making two rockets and both these products we got the enquiry and so if you can share some development in that?

A.N. Gupta: Well, we got an order for one of them that is called the Pinaka Mark-II and the other one is still awaited.

Hardik Jain: So have we started delivering those orders or how is that?

A.N. Gupta: We received this order about a week to 10 days back. So we are in the process of conducting trials and the trials that have been successful. Now we have to get the free issue material from ARDE and once we get the free issue material we will start taking action, but I think the order would be completed in about three to four months time.

Hardik Jain: Sir how has been the demand for detonators and the pricing?

A.N. Gupta: Well detonators remain status quo. It is almost like bad pricing and bad demand. As you can see, the entire Maharashtra, Gujarat, Rajasthan there were heavy rains and somewhere floods are coming even right up to the north, it is only that



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Telangana which remains drought prone and there had been very rare occasions of rain.

Hardik Jain: Sir you said that Coal India was supposed to hold some tender in June. If you can share some details?

A.N. Gupta: Coal India we got good orders for Singrauli, that is northern coal fields we got an order of 17,000 tonnes which was in the previous period about 12,000 tonnes per year. Western coal field where last year we had the order, but they did not take the supply, it is now 5,000 tonnes per year. For Neyveli Lignite Corporation, we were supplying 2,000 tonnes last year, now we have got a 3,000 tonnes order. So the coal order seems to be better but regretfully that prices in Singrauli are a little lower while the others are okay and they are better than the previous times.

Hardik Jain: That is it. Thank you Sir.

Moderator: Thank you. We have next question from the line of Kartik Mehta from Sushil Finance. Please go ahead.

Kartik Mehta: Good afternoon Sir. Thank you very much. Sir, this VRS related exercise what we have done, so are we done with these or it is yet to come in subsequent quarters?

A.N. Gupta: VRS is completed that is how the total amount has been debited to the P&L Account.

Kartik Mehta: This is pertaining to which particular plant or any idea on that side?

A.N. Gupta: It is in the detonators. The demand is less so we wanted to reduce the manpower and there were some people with almost four to five years left in their service, they have pushed us and we were quite happy to relieve them.

Kartik Mehta: Sir regarding order book if you can guide on the timeline of the execution of all the three verticals that is explosive, defence and services?

C Subba Rao: Out of the total orders approximately 150 Crores will be executed in the remaining period of the year.



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- Kartik Mehta:** In the ensuing three quarters right?
- C Subba Rao:** Yes.
- Kartik Mehta:** Remaining would be carry forward in next year?
- C Subba Rao:** Yes, it is actually multi-year order. Some of them are three years like that.
- Kartik Mehta:** Yes that services is multi-year I believe.
- C Subba Rao:** Yes. Even Coal India also is two years.
- Kartik Mehta:** Sir in this quarter we have seen a significant operating level margin expansion compared to same quarter last year, so any specific reason behind this?
- A.N. Gupta:** The reason is that we have done better in the defence production and the services contract has been renewed. We have exported a lot of material, two three consignments have gone and another two three consignments are expected to go in the next month in September, so that should continue.
- Kartik Mehta:** Sir, Can you quantify the revenue breakup of this quarter between defence, explosive and services?
- A.N. Gupta:** It is difficult right now to quantify like this. We have received a very good offset order from a foreign defence company which is about \$1 million, about say at the present rate about INR 6.4 Crores or so.
- Kartik Mehta:** Sir in the last concall our defence order book was 90 Crores inclusive of services or it was separate?
- A.N. Gupta:** Inclusive.
- Kartik Mehta:** So this time it is 91 plus 39 so that is what the progress we have made on the defence orders?
- A.N. Gupta:** Exactly.



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Kartik Mehta: With this kind of margin expansion already seen in first quarter do you see this sort of margins are sustainable or rather improving in subsequent quarters?

A.N. Gupta: Yes.

Kartik Mehta: How is the order book pipeline in terms of defence side? What sort of activities are you seeing? Of course it is just three months, but then are you seeing more participation or activity from the government side and you feel that there is going to be very healthy pipeline coming ahead.

A.N. Gupta: We believe that the work which we have done and the policy of the government, the orders should be increasing as we have seen the increase now. But nothing can be predicted until the order is in hand. These are not something which takes a negotiation. The government has approved as you have seen in the papers about three days back about 5,000 Crores for Akash. I do not know how long it will take. About three to four months time is the process time by BDL because they will now go to their board take their approvals and then they will send the tender enquiry and we will participate and negotiate and get the order, but I think within the next quarter, we should see more orders coming in so that will increase our order book but delivery will depend upon they getting other components. Also there is a Missile which contains something like probably 1200 to 1300 various components so anyone which does not come in time that upsets the whole process of assembly. This being an explosive material and there is a restriction on the storage capacity so it will depend upon how the army fix it up and then how they get the hardware. There are many factors involved but as far as we are concerned we are sort of the ready. It is almost like 100 booster with us in our stock, so as soon as they ask it, the delivery can be done next day.

Kartik Mehta: Sir are we done with most of the licenses, or we are yet to see couple of license is falling ahead?

A.N. Gupta: Probably one more application which we are making, but the licenses now give us a great leeway. We are in the process of technology collaborations and all that, so making drawings and submitting to their statutory authority for approval, that is the chief controller of explosives.



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- Kartik Mehta:** So that collaboration and entire process of commercialization is going to be little lengthy right?
- A.N. Gupta:** About a year and a half. Our projects do not take more than nine to twelve months but this technology part is uncertain so we already are in touch with various companies. We have visited two and are visiting another one.
- Kartik Mehta:** So if the explosive or ammunition side which is your licenses, are all your forte so the other party would be coming out with the technology of the finished products and that is how it will be a collaboration?
- A.N. Gupta:** Yes exactly, the product should be tested and a sort of tried out and it should have a good name then only the government is going to take. There would be advantage of Make in India but it has to work and the ammunition you fire at the enemy see it should not fire back.
- Kartik Mehta:** That is all from my side and thank you very much. Best of luck!
- Moderator:** Thank you. The next question is from the line of Madan Gopal from Sundaram Mutual Fund. Please go ahead.
- Madan Gopal:** Good evening Sir. Sir your service order book seems to have gone up from 15 Crores last quarter to 40 Crores this quarter. If you can highlight what sort of orders that has been added in our order book in this quarter?
- A.N. Gupta:** The main orders we have is Jagdalpur for services that is our Chhattisgarh project and Coal India. When we talked last quarter, Coal India order was not finalized now the Coal India order has been finalized.
- Madan Gopal:** No I am talking about the services order book this was INR 14 Crores in Q4 now gone to INR 40 Crores?
- A.N. Gupta:** Yes, because one order was expiring and it expired on April 1st and then got it renewed on June 1st.
- Madan Gopal:** This was related to defence right?



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- A.N. Gupta:** Yes.
- Madan Gopal:** You cannot name the project is it?
- A.N. Gupta:** I told you know Jagdalpur, Solid Fuel Complex.
- C Subba Rao:** That is a five-year contract.
- Madan Gopal:** The remaining 190 Crores explosive order book you seem to have got quite a number of them from Coal India, now what is the execution time period?
- A.N. Gupta:** Two years.
- Madan Gopal:** And the order book in defence that is 92 Crores that has execution period of?
- A.N. Gupta:** About one and a half years, March 2017.
- Madan Gopal:** Thank you Sir.
- Moderator:** Thank you. Our next question is from the line of Ketan Gandhi from Gandhi Securities. Please go ahead.
- Ketan Gandhi:** My question is regarding LRSAM. Is it the same that Barak-8 Sir, which is going to be tested next month?
- A.N. Gupta:** Exactly, that is a very important test for us because if that test gets through LRSAM will be cleared and MRSAM also will be cleared, the medium range.
- Ketan Gandhi:** We are participating in MRSAM also.
- A.N. Gupta:** Yes LRSAM and MRSAM both.
- Ketan Gandhi:** Sir can you throw some light on the Akash ramp up by BDL as well as BEL, I mean they are able to produce 500 I think they are ramping up to 1000?
- A.N. Gupta:** Yes that will double our production and supply.



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- Ketan Gandhi:** Are you hearing from them that they will be ramping up within six months, one year, two year?
- A.N. Gupta:** The sanction of money has come but ramping up to double the capacity, we have not yet heard from them.
- Ketan Gandhi:** Sir this LRSAM project how big it can be?
- A.N. Gupta:** Till it comes we cannot tell you.
- Ketan Gandhi:** Thank you. I will join back in the queue if I have something else.
- Moderator:** Thank you. Next question is from the line of Kamlesh Kotak from Asian Market Securities. Please go ahead.
- Kamlesh Kotak:** Good afternoon Sir. Sir just wanted to understand. You said that the pricing environment has been stiff so overall what kind of margin we see in terms of the Coal India orders that we have bagged 17000, 5000 and 1000 metric tonne you said. So how the pricing vis-à-vis the last pricing and how the margin profile would be?
- A.N. Gupta:** It is too early to say because we just received the orders and started producing and supplying only about a week back. I think in a month time we will certainly know how it is because the orders except WCL, MCL order is on a slightly lower priced but we are also trying to get gear up and see how we can reduce the cost and increase our margins but WCL and NLC, Neyveli Lignite Corporation have a better prices and we hope that it would be a fairly reasonable margin.
- Kamlesh Kotak:** So Singrauli coalfield would have what kind of price decline if it is there.
- A.N. Gupta:** Singrauli the decline is about 10%.
- Kamlesh Kotak:** Compared to the same price last year.
- A.N. Gupta:** Last year.



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Kamlesh Kotak: Sir what kind of investment we need to make to get this industry license that we have got over the next two years three years what kind of investment we envisage across this production facilities and joint ventures?

A.N. Gupta: Right now it can be a guesstimate. Until and unless we tie-up with the technology because basically it would be the technology transfer cost and also the equipments for which some details would be here but not fully. So I would not like to make a guess in that but maybe in the next quarter we would be able to do that.

Kamlesh Kotak: Sir by any fair estimate what could be the timeline for these projects to actually come up on stream in terms of the plant being ready and the execution starting what could you see the timeline for the same?

A.N. Gupta: About one and a half years.

Kamlesh Kotak: Thank you.

Moderator: Thank you. Our next question is from the line of Giriraj Daga from SKS Capital. Please go ahead.

Giriraj Daga: Good evening Sir. Sir my question is related to the order book like is there any seasonality in terms of quarter four to quarter one like quarter one we get normally higher return in explosive side or this is like 190 Crores is likely almost highest order book we have in the history?

A.N. Gupta: No it is seasonal to some extent because during the monsoon period the mining activity is slightly on the slower side.

Giriraj Daga: But like from Q4 of 80 Crores our explosive order is 190 Crores so it is actually very good?

A.N. Gupta: See Q4 is always better because the mining companies also want to fulfill their total targets and everybody is trying to push the production and see that their targets are fulfilled so when they produce more coal they use more explosives and that is how our quarter four is also slightly better and after the completing the target in the month of April almost like for half a month they relax.



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- Giriraj Daga:** Sir I am talking about order book. It is actually improved in quarter one, quarter four was weak at 80 Crores.
- C Subba Rao:** Yes the same ratio we cannot expect to increase every quarter because rest of the year we will be working on the same order book.
- Giriraj Daga:** What is the pipeline we have in terms of explosive order book and if I can put it that way what is the optimum number we can do on revenue side on explosive?
- A.N. Gupta:** We have got new orders coming from Singareni and also for exports.
- Giriraj Daga:** So suppose if you get order book of 250 Crores in a year on explosive side we are in the position to do that without any further capex?
- A.N. Gupta:** Yes. In explosive we have ample capacity and we can complete it, it is only for the new line of production that is for the ammunition and other things that we require the further capex.
- Giriraj Daga:** That is all from my side.
- Moderator:** Thank you. Our next question is from the line of Kalpesh Gothi from Wallfort Financial. Please go ahead.
- Kalpesh Gothi:** Good afternoon Sir. Sir you have mentioned you have got the order for the Pinaka Mark-II what is the size of the order?
- A.N. Gupta:** We said trial orders, which is something like about 2 Crores.
- Kalpesh Gothi:** So this is included in our order book of 91 Crores.
- A.N. Gupta:** Certainly.
- Kalpesh Gothi:** Sir what kind of execution we do in the defence side this year out of 91 Crores, you had said this is going to be executed in next 18 months. What is our estimate that out of 90 Crores, 60 Crores we will book in this year.



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A.N. Gupta: About two third we should be able to do in this year and whereas one-third will flow over.

Kalpesh Gothi: But majority will be in the second half?

A.N. Gupta: Yes.

Kalpesh Gothi: Sir going to your LRSAM missile projects, India is going to test in October?

A.N. Gupta: September, October. I do not know some people are saying we will still try to make it in September and some are saying that in case something slips here, it will be in October so we cannot say it definitely whether it will be in September or it will be in October.

Kalpesh Gothi: So when we expect they will come out with the bulk of the orders, will that trial will successful?

A.N. Gupta: It should be successful. I am 100% sure and if it is successful there would be larger orders but we cannot predict right now. People are talking in big numbers but until unless the numbers I see I do not want to guess on that.

Kalpesh Gothi: On your offset orders, Sir we have supplied for 6.2 Crores that is \$1 billion we have mentioned.

A.N. Gupta: Yes, not supplied we have got it and we are in the process of sort of executing it. We hope that it should be over by within this calendar year.

Kalpesh Gothi: This is for Israel Company?

A.N. Gupta: I cannot tell you Sir.

Kalpesh Gothi: Now on export side you have mentioned in our presentation we are focusing on the export opportunity could you share some data on which country and where we expect to get orders?

A.N. Gupta: We are focusing both on Far East as well as on the Middle East and Jordan, Turkey part of Europe. We have been exporting. Now there seems to be a little



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better demand because performance would have been rejoiced by now and we have a good name there.

Kalpesh Gothi: Sir on FY15 how much we have exported what is the percentage of sales in export?

A.N. Gupta: It is about 11 Crores.

Kalpesh Gothi: Sir, in presentation you have said that we have signed MoU with the global missile players this is for the defence products?

A.N. Gupta: Yes NDA and MoUs we are all going on. See NDA and MOU are basically to start talking to each other. NDA is nondisclosure so that whatever we discuss with them and they discuss with us we should not reveal it to others, and MoU is that we want to work together. So now when the project comes in we convert it to MoU from MoU to orders so there are a number of MoUs we have entered into.

Kalpesh Gothi: What is the status of the Pinaka tender Sir?

A.N. Gupta: Same. We quoted and then it has not been opened. See what happens is whatever goes to the ordnance factory, they do not want to share with others that is they got the technology for Pinaka-I so that is the one which I do not they are not allowing others to come in. We have been trying knocking on the door, trying to say that we can supplement their capacity and make their requirements but it is not moving that is why the Pinaka-II has come which has got different technology for which ordnance factory does not have the facilities immediately, so that has been sort of a given to us in the private sector.

Kalpesh Gothi: What would be the capex for the FY16?

A.N. Gupta: I will be able to give a better picture for the next quarter.

Kalpesh Gothi: Ok. Thank you Sir.

Moderator: Thank you. Our next question is from the line of Jayesh Gandhi from Harshad Gandhi Securities. Please go ahead.



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- Jayesh Gandhi:** My question is regarding the two new licenses which we have got. Are we already making the products or are we going to make the product only in these new two licenses?
- A.N. Gupta:** These are the new products. We are not presently making them and that is what we have been discussing that we like to tie-up with the technology and we already have the land. It is all fenced off and ready to take up the projects. So as soon as we are able to tie-up the technology, we will prepare the drawings, and get approval and then we will start up.
- Jayesh Gandhi:** Next question is regarding detonators. Can you just give me what is the pricing currently of the detonators, is it lesser than INR 2 also?
- A.N. Gupta:** No the price is around INR 2.80 to INR 2.90.
- Jayesh Gandhi:** I think in last concall you had said it was closer to INR 2.5 to INR 3, is it just same?
- A.N. Gupta:** It is more or less same yes, but the demand is very low.
- Jayesh Gandhi:** Forgive me if I am pronouncing it wrong nickel hydrogen nitrate?
- A.N. Gupta:** Yes that is a component which goes inside a detonator.
- Jayesh Gandhi:** Yes so how is it acceptability in the market Sir?
- A.N. Gupta:** It is well accepted and we have produced more than 100 million detonators with that material and it has been very well accepted.
- Jayesh Gandhi:** From last what you had said it is like four times better in safety norms, can't we charge a higher pricing for detonators in that case?
- A.N. Gupta:** You see what happens the present detonators themselves are so depressed if we talk about higher price then nobody will come to our door, which is the problem. Though we have a better technology and it is environmentally absolutely safe, it is a green technology but nobody is ready to give higher price. There is an enquiry for the technology from a company abroad and have received a draft for transfer of



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technology and hope that within next one month or this quarter we will be able to transfer the technology and get paid for it.

Jayesh Gandhi: The next question is regarding BF Premier Energy. I am not very clear what are we doing there?

A.N. Gupta: See we have applied for a license BF Energy and as soon as we get the license we will start working on that project. That will be a project where the metallic portion for the ammunition and all that would be made by Bharat Forge and in explosive components we will make. So it will form a complete set which can be ready to use for the Indian Army.

Jayesh Gandhi: That is all from my side. Best of luck!

Moderator: Thank you. Our next question is from the line of Kartik Mehta from Sushil Finance. Please go ahead.

Kartik Mehta: Sir just wanted to know this Jagdalpur solid fuel complex five-year contract what you have got what could be the size of that?

A.N. Gupta: INR 5 Crores per annum.

Kartik Mehta: 25 Crores out of 39 Crores would be from this side only right?

A.N. Gupta: Yes.

Kartik Mehta: The remaining is that ISRO one, which is getting expired in 2017?

A.N. Gupta: Yes, it is only two years left now, but that one is the renewable for another ten years.

Kartik Mehta: Hopefully we get that. Sir how about this INR weakness, what we have seen recently due to the Chinese currency depreciation. Does that impact us positively or negatively?

A.N. Gupta: It does not bother us at all.



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- Kartik Mehta:** It does not make any difference to you. What I am saying is that Indian currency depreciation vis-à-vis dollar does it make any impact to you on your business?
- A.N. Gupta:** Indian currency depreciates then the export income will increase and the only thing is that if we are importing something that cost will certainly increase.
- Kartik Mehta:** Yes, so net-net are we an importer or exporter my basic question lies that?
- A.N. Gupta:** We are net exporters.
- Kartik Mehta:** Where exactly do we export if you can throw the lights on territory?
- A.N. Gupta:** Well it is a confidential question but I can tell you we export to Turkey, Jordan, Sri Lanka, and this side to Nepal, to Thailand, to Philippines. These are the major countries.
- Kartik Mehta:** It would be predominantly explosives or it would also have some defence?
- A.N. Gupta:** It will be predominantly explosives except for the offsets, which will be going abroad.
- Kartik Mehta:** Sir my last question in the last financial year we had roughly 40 Crores revenue from the defence which was roughly 26% of our total revenue. So do you think that this needle moving on a higher percentage point this financial year?
- A.N. Gupta:** Yes, certainly it should be.
- Kartik Mehta:** Any sort of idea around 400, 500 basis point revenue mix can move in favor of defence in this financial year?
- A.N. Gupta:** It is difficult to answer that now.
- Kartik Mehta:** Thanks a lot.
- Moderator:** Thank you. Our next question is from the line of Hardik Jain from Whitestone. Please go ahead.



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- Hardik Jain:** Sir what is the progress on this Bharat Forge JV plant. Do we expect the plant to be get completed in by year-end?
- A.N. Gupta:** By next year end probably.
- Hardik Jain:** Thank you.
- Moderator:** Thank you. Next question is from the line of Kamlesh Kotak from Asian Market Securities. Please go ahead.
- Kamlesh Kotak:** Can you have the breakup of this 189 Crores order from explosive in terms of the Coal India side, private and exports?
- C Subba Rao:** Most of it is Coal India and Neyveli Lignite. The detonator will not be so much of order book and supply to get that will come through trade export like that. So commercial explosives that is bulk, those only flows through order book.
- Kamlesh Kotak:** Sir is this only including this current year supplying to be made to Coal India or is it price contract which we have got 189 Crores?
- A.N. Gupta:** This is two-year contract.
- Kamlesh Kotak:** This 189 Crores would be two-year contract?
- A.N. Gupta:** Yes.
- Kamlesh Kotak:** Sir suddenly the service contract, which we have got the order book INR 390 million is it of the comparable margin compared to what exposed last year for the same contract?
- A.N. Gupta:** Yes more or less.
- Kamlesh Kotak:** Same margins.
- A.N. Gupta:** Yes.
- Kamlesh Kotak:** Thank you.



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Moderator: Thank you. Next question is from the line of Ketan Gandhi from Gandhi Securities. Please go ahead.

Ketan Gandhi: Is it possible for you to share the name of the project for offset contract?

A.N. Gupta: I am constrained. I will not be able to share that.

Ketan Gandhi: Thank you Sir.

Moderator: Thank you. Next question is from the line of Kalpesh Gothi from Wallfort Financial. Please go ahead.

Kalpesh Gothi: Sir, are we stuck to the previous guidance given by Q4 or FY 16 of 200 Crores?

C Subba Rao: Yes more or less it should be positive depending upon again like I earlier mentioned the off take from Bharat Dynamics Limited, if they stuck somewhere that will impact us, those are the factors but otherwise with the Coal India order we are a little more confident than earlier but these are the factors we need to count.

A.N. Gupta: Unless what you suggest what you have read in the paper if Akash orders to ramp up like what we have been said, we will be very confident to reach that target.

Kalpesh Gothi: Sir what are your feel about the development in the defence?

A.N. Gupta: Development in defence is all positive. Everything is moving well but slightly slow. Probably give another quarter to Mr. Parikar and then maybe he would be able to accelerate that procurement policy and all that.

Kalpesh Gothi: Sir out of 91 Crores of the defence order book, can you breakup from which we have got these orders?

A.N. Gupta: No it is not possible.

Kalpesh Gothi: But it is mainly for the Akash and others right?

A.N. Gupta: Yes.



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Kalpesh Gothi: Thank you Sir.

Moderator: Thank you. Ladies and gentlemen, as there are no further questions I now hand the conference over to Mr. Vikash Verma for closing comments. Thank you and over to you Sir!

Vikash Verma: Thank you Sir. Thank you everyone for your participation.

A.N. Gupta: Thanks a lot.

Moderator: Thank you. Ladies and gentlemen, on behalf of S-Ancial Global Solutions Private Limited that concludes this conference. Thank you all for joining us. You may now disconnect your lines.

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