



“Mahindra Forgings Limited
Conference Call”

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Moderator: Ladies and gentlemen, good day and welcome to Mahindra Forgings Q3 FY'13 Earnings Conference Call, hosted by Anand Rathi Shares and Stock Brokers Limited. As a reminder, all participants' lines will be in the listen-only mode. There will be an opportunity for you to ask questions at the end of today's presentation. If you should need assistance during the conference call please signal an operator by pressing "*" and then "0" on your touchtone telephone. Please note that this conference is being recorded. I would now like to hand the conference over to Mr. Nirav Bhat from Anand Rathi. Thank you and over to you Sir.

Nirav Bhat: Thank you and thanks to the management team of Mahindra Forgings for taking their time for this call. Today we have with us Mr. Hemant Luthra, President, Systech Sector, Mr. Sanjay Joglekar, EVP and CFO, Systech Sector, Mr. K. Ramaswami, MD, Mahindra Forgings Limited, Mr. Ajay Mantry, CFO Mahindra Forgings Limited, Mr. Burkard Rausch, CFO Mahindra Forgings, Europe, Mr. Vikas Sinha, Head, Strategy Systech Sector and Mr. Deven Kataria, Senior VP, Business development of Systech. So without further delay, I would like to handover the call to Mr. Luthra, over to you Sir.

Hemant Luthra: Good afternoon every body and thank you for being on the call. It is not Mahindra management to thank you. It is not for you to thank but for us to thank you because of your interest in our company and I think the host of this call has probably got the sequence wrong. The most important people on this call are the ones who are managing this company and managing the company well so I do not know how many of you have met but I believe on the last call Mr. K. Ramaswami MD of Mahindra Forgings was on the call and I think his most appropriate that when we are talking about Mahindra Forgings I will let him kick off the call.

My only input here is that we continue to remain committed to bringing all the Systech Businesses under one roof as we have said in the past. We have made progress towards that. We continue to have investors who have shown an interest in the business, some strategic investors but we have not made any firm commitments to them. The results that have been posted on the website as well in the stock exchange show that even though the revenues have slowed down because of general slowdown in the business the profitability has improved dramatically and for that I compliment the team.

I handover K. Ramaswami to host the questions and answers, I am still around. I do not want to add any more. Mahindra is continuing to grow the business, forging business as we will discuss today is doing well. The Stamping business results that on this website today, which is our listed company and the Gears and Casting business also seem to be doing well. We have had some hiccups in Europe, which we can talk about but K.R, why do not you kick off with taking the Q&A.

K. Ramaswami: Since we have whole team both from the Systech sector, the Mahindra Forgings and Mahindra Forgings, Europe I would like to invite questions.

Moderator: Sure Sir. Thank you very much. The first question is from Amit Kasat, Standard Chartered Please go ahead.

Amit Kasat: Thanks for the opportunity Sir. You said that there was some problem in the Europe business Can you elaborate that?

Hemant Luthra: Very quickly. The Revenue in 2011-2012 were of the order of Euro 308 million, which was a nice jump up from 2010-11 of about Euro 262 million. The first half of the current year was not so bad but the second half of the year we were told that demand will lift in the post the August holidays the demand has not lifted in post August holidays. Then we were told the demand would lift in for Christmas holidays. That also has not happened. So we are seeing something like 25% reduction in lift from offtake in Europe and we have continued to have some problems with the large press and that is why the results for Q3 in Europe have been disappointing and is apparent from the MFL consolidated highlights The most important thing though is that if you look at what has happened in MFL standalone and I know stepping in directly, but I know that K.R. is also a very modest person. The Q3 revenue Rs 317 Crores in year-to-date for previous year and gone to Rs 331 Crores shows maybe 5% increase in revenue the EBITDA has gone up by 45%. The reason why this is important is the same team that has fixed the problems of product rationalization, machine efficiency, lowest fuel consumption, lower rejection rates that have fallen from 6% to 4%, electricity consumption has come down by 20%, and the same team is now assigned under K.R., to fix the problems in Europe. So I would imagine that you would start seeing results slowly but they will come and the revised thinking inside Mahindra now is that because India has started to do very well instead of banking on volume growth in Europe we will be focusing much more on product rationalization, plant rationalization because if the growth is going to be so anemic 1%, 2% growth then we want to be a profitable company not at 335 million Euros, which was in the past with a 10% EBITDA and 16% ROC. We want to be a profitable company at 240 or 235 million Euros. That is what we are trying to fix and K. R. you can tell them.

K. Ramaswami: Overall you can add I think the situation on India as all of you know is not really degrown but definitely not all that buoyant growth, which we were expecting in the beginning of the year. So Mahindra Forgings, India has focused on cost given the fact that we cannot grow, in terms of revenue. It is more applicable to Mahindra Forgings, Europe given the European market which all of you are aware of. So we do not anticipate significant revenue growth because the market is going to remain depressed in the days to come probably a year to come. I do not know. It is very difficult to hazard a guess; of course they can even qualify how the market situation is. So the only recourse available to us is to continue to stay focussed on cost and keep bringing down cost to the extent possible, to remain profitable and that would and that would remain the focus for Mahindra Forgings, Europe in the days to come.

Amit Kasat: Sir on the standers in business if I am right or correct me, our utilization is very close to around 85% to 95%, so does this mean there will be a constraint on the capacity going forward if the volume for the Indian business improves?

- K. Ramaswami:** Are you referring to India capacity?
- Amit Kasat:** Yes Sir.
- K. Ramaswami:** I do not think our utilization is up to 85%. Having said that year-on-year our focus would remain to grow over efficiencies in terms of reduction in cycle time as well as reduction in various losses that go through in a process and improve our operating efficiencies, so we normally focus on at least getting some where around 8%-10% improvement in productivity through these activities and this would be in line with the market growth. Having said that I think we have adequate capacity in Mahindra Forging now and we have more than capacity adequate opportunity to improve on productivity.
- Amit Kasat:** So any Capex which has been planned for FY 14 on a consolidated entity basis?
- K. Ramaswami:** We do have plans for investing but I do not think we have come to a stage where we are very clear to what kind of press or what kind of line we will invest in. We know where to go in for and where to expand, but at this point; it is probably premature to say exactly where we are going to put our Capex on.
- Hemant Luthra:** Amit, one of the things I want you to understand is you know K.R. as I said tends to be more modest and less spoken than he needs to be. We are still being able to do what we are doing, but not necessarily working seven days a week and sometimes we are working five days a week and sometimes we are working 5.5 days a week and therefore utilizing our plant more efficiently. So if volume grows up and efficiencies have increased and the rejection rates have come down you will see a profitability going up even without the volume growth and K.R., said just now that capacity is not the constraint and is not 85% I think the number is probably close to 50%-55% but then there are many definitions of capacity. One is total availability, which means all the seconds in the year are counted, and how much is utilized is counted. The other is that you take what are the available capacity available seconds divided by available cycle times and therefore you see, so I think you go by different measures we still think that correct me if I am wrong, K. R. if it is in the order of 50% and the optimum utilization could be of order of 70%, or theoretical available capacity, you cannot have 100%, you still have plans for plant maintenance and so on. Am I right K.R.?
- K. Ramaswami:** There would be change. It would depend on product mix; there are umpteen variables that influence overall utilization of the capacity.
- Hemant Luthra:** Then the other thing, Amit and whoever is on the call if we have not taken conscious decision instead of having to grow Europe back to Euro 335 million before we start making profits and we want to know drop the breakeven point not at 85% of the Euro 335 million we want to breakeven point and profitability of Europe to let us say Euro 230-240 million at the present level how can we make and EBITDA margin of 10% and ROC of 16% which we made in the past. We may find that there are presses in Europe that are better used in India. We will find so far that customers were not sure about whether India has started to measure up to European standards.

And now we find that it has happened and therefore your question about whether you need to make a large amount of Capex I do not think so. The only Capex that we are planning of any significance is to buy some spares for the large 12000 tonne press that has had a problem in Germany and that press is about 2.8 million Euros what we need to spend on that.

Amit Kasat: If I can ask one more question, can you just give us the colour of your order book or any new order or the RFQ which have been floated for the new products both domestic as well as globally and how have we placed on the same?

Hemant Luthra: K.R. between you and Deven you can handle that better than I can.

K. Ramaswami: Deven can probably takeover but before that I would like to state that in India we have been able to win significant future businesses. You may be aware that we have started supplying to Damler in India, which opens up avenues for export just to augment what Hemant has said were you can kind of use the cost arbitrage when you have customer approval. If we are approved by Damler it is not more easier to produce in a place where you find there is a cost advantage. So we have business with Damler. We also have earned two future contracts with Mahindra & Mahindra also with Tata Motors subsidiary in India and also with Maruti. So there are several new businesses that are going to come in but as we know these businesses would kick in as and when the customer develops the vehicle and some of them are two years from now and three years from now and so. I would request Deven really expand and say where we are.

Deven Kataria: This is Deven. I guess like K.R. covered in India I think in the case of Europe we are actually coming off a pretty large cycle of renewal because Europe is in the process of going to Euro-6 trucks, which becomes effective at the end of 2013. So we basically got most of our big launches under the belt. We are now ramping those up and there are some new products that we would be launching some of other smaller plants. We have multiple plants in Europe so some of the smaller plants are alone seeing business with other customers. So I think right now is it trying to digest everything that we have picked up in the last cycle?

Amit Kasat: Thanks and best of luck for the whole team.

Hemant Luthra: Amit, I need to meet with you sometime. I want to do one-on-one. You know that I was down with a bypass and I am back in action. So, you have been around for long time, so can you catch up with us?

Amit Kasat: Sure Sir, I will call and come to the office.

Hemant Luthra: I would like you to meet K.R. and Ajay Mantry also because I do not think so you met them one-on-one.

Amit Kasat: Yes sure I will do that Sir.

K. Ramaswami: Would be happy to meet you.

- Moderator:** Thank you. The next question is from Mr. Srinivas Rao from Deutsche bank. Please go ahead.
- Srinivas Rao:** Thank you very much couple of questions. First in previous call you had mentioned at least that I am still in the context of your European operations that there was a bit of delay in the launches particularly by Daimler in Europe with respect to Euro-6. So, I just wanted to check how that is progressing the newer models and you did mention that the newer model ramp up would help in your contribution margin. So if you can first comment on that aspect?
- Deven Kataria:** Essentially I think from our perspective, all the launches from our customer are complete. Obviously the ramp up has been a lot slower across Euro-6. I think folks were expecting government subsidies to kick in last year and with governments being in the financial situation, or economic situation they were in chose not to offer that so we had a much lower ramp up on Euro-6 vehicles compared towards everybody thought. We think this year we will continue to see the ramp up completed itself because by the end of this year any new vehicle that is sold in western part of Europe must be Euro-6 compliant so I think that ramp up is going to happen this year, what we were expecting last year. Burkard you can respond to the piece around contribution margin etc., if you like.
- Burkard Rausch:** From the contribution margin point of view in addition to what Deven mentioned before there is continuous achievement and of course we had some difficulties making and bring the new products to profitability but here we see a continuously improvement month-by-month so on one hand, the slower development in volumes has been some help to many difficulties during last year and they will see continuous improvement here with their additional volumes.
- Hemant Luthra:** Also I think we need to mention you on the call, we do not want to be accused of hiding some material information so to speak because Europe has been slow in recovering, Europe as a whole and I am not talking about forging business but I am talking about European economies. The German government has put some pressure on the IG Metall Union to ask for higher wage increases than was in the past and the idea being to try and drive German growth to use German demand to drive the rest of Europe as the engine of growth and I think our friends on the call from Deutsche Bank will know even better than I do what is going on there. Therefore this is putting some pressure. The other thing that has happened is that over the last three years as not three years so much as two years when Fukushima happened and the German government decided to shutdown its own nuclear reactors and by power from France instead they have been subsidizing wind and solar power by imposing a green surcharge so to speak on electricity, which has meant that the electricity cost in the last three or four years, correct me if I am wrong, Burkard, have gone about 3 cents to 13 cents. What we now therefore need to do is that as I said that we in our attempts to become profitable at lower volumes, the same team that has to be successfully done this in Chakan is now been assigned to Germany and Burkard and Thomas heads there are spending more of there time on lobbying with the government because there are some concession that are possible, if you are more than 40% dependent on electricity in terms of value adds they can waive the surcharge, waiving off that that surcharge makes a difference about 5 to 6 million year-on-year. So there are number of things we are doing K.R., and teams

are leading the effort. They are making sure that we become at a lower breakeven point and Thomas and team are trying to making sure that we reorganize the company in such a manner that instead of having forging, machining, under one roof and each of the separate units in Germany can be put them altogether in one place, the machining and the forgings in one place so that because forging is more energy intensive can you avail of those electricity duties and cuts. So it is a long drawn exercise but many of you had some concerns about what was happening Chakan last year. You have seen the results in 12 months. Let us see how fast we can do the same thing in Europe.

Srinivas Rao: My second question actually is looking back at the over last three to four quarter numbers, I mean the last two quarters EBITDA and margins have a level which seems to be at a higher level in a plain than what you had practically for the last almost eight to nine quarters 14% to 16% versus some were around 10%, almost starting Q1 FY'11?

Hemant Luthra: I hope you are not complaining.

Srinivas Rao: Not at all. In fact the question was this new plain is sustainable that number one and it seems that large savings have been achieved in other expenditure. You did indicate in your opening comments about what has happened but if K.R. can throw some more light on that because of swing seems to be dramatic at that line?

Hemant Luthra: I think K.R. should speak. He is one amongst the architecting. K.R., go ahead.

K. Ramaswami: You know just certain level of comfort I can only say that in the last few quarters there has been no exceptional savings or exceptional gains that has helped the EBITDA. So the EBITDA has been operational reason and to that extent the probability is that they are sustainable. Second the kind of effort we are taking or we have taken and the results that we have got have really yielded results. The challenge for us is to sustain these kinds of improvements that have taken place and from manufacturing standpoint of view we are very confident. The EBITDA could get affected only if market goes on a down spend, which no one can predict, but from an operation standpoint of view I think we have reached a certain level of stability which would help maintain EBITDA given that the market remains, at this level or goes buoyant but if it goes negative as we know we can never predict.

Srinivas Rao: If I get an opportunity to ask one more question. In terms of your exposure to the truck segment in India from Indian operations and your truck segment exposure in Germany, what kind of numbers can we look at? Do you think margins can improve if there is a cyclical upturn in both these particular markets and geographies?

Hemant Luthra: The good and bad news is we are not a big player in trucks in India. We are big player in Europe which Deven and Bukard to elaborate. But in India we have not making trucks. We are more in the car and LCV kind of a segment and so it may not have an impact the movement of truck market. However, it will have a significant influence on Mahindra Forgings, Europe I would like Deven and Bukard to talk about it.

- Burkard Rausch:** Europe's exposure to truck market is somewhere around 60%- 65%, given the situation that the cycle goes up, we would follow this accordingly and as our products are almost in all trucks whether it is Daimler, MAN, Scania, Volvo, Renault even market share will not affect negatively. So from this point of view a swing up would be positive for the company.
- Srinivas Rao:** Your current issues to the press will not constraint you to benefit from such upturn?
- Burkard Rausch:** What you saw in Q3 negatively for we took the press for a general maintenance out of production for one month, which hit our results quite significantly in December is a good news for the future that the press is maintained and we are looking forward now to a very stable production in future.
- Srinivas Rao:** Thank you very much Sir. This is very helpful. I will come back for more questions.
- Hemant Luthra:** My offer is to Amit to meet us on one-on-one was not confined to Amit because he happens to be favorite of ours, so any of us if you feel that you need to sit down with K.R., Deven do a conference call with Burkard feel free to request for one and we will be happy to arrange it.
- Srinivas Rao:** Thank you Sir.
- Moderator:** Thank you.
- Nirav Bhat:** Can you give some light on standalone new orders that we are doing?
- K. Ramaswami:** We just started supplying parts to Daimler in India, Bharat Benz. We have order from Maruti for some certain new models that they are developing. We are also involved with JLR in India, but each of these businesses will start like one year from now, two years from now, we are also developing parts for Renault in India. I think Deven gave a more elaborate picture in terms of timing and all but we have got broad customers whom we are logging in for future business. The other significant thing, which I missed out, is that we have one contract for Mahindra for their future business for the Indian plant that they are trying to develop along with SsangYong. That will be a significant business in the days to come. Deven, you would like to elaborate on this?
- Deven Kataria:** I am happy to add a little bit to this but I think some of these as we start to look out here we do not like to make too many comments about those things but I think the thing here is in India we have winning business with customers across the board and obviously in the last fiscal we have benefited from our presence in the SUV space or MPV space, which has not had kind of downturn that the passenger cars have had. So this year that has helped us pay of debt and then going forward we have been picking up business with our traditional base of customers, so that is Tata Group, Suzuki Group and Mahindra Group and with all of them we have new programs that we are hoping to launch in between now and 2015-2016.
- Nirav Bhat:** I will come back to more questions.

- Hemant Luthra:** Interestingly as some of you have noticed that the assets quality having improvement, rejection rates having come down the supply becoming more stable, the discount that the customers used to ask us compared to the industry leader at one stage they are narrowing and or have vanished.
- Moderator:** Thank you. The next question is from Pradeep Raghunathan from Malabar Investment. Please go ahead.
- Pradeep Raghunathan:** My question is more in terms of you know comparing yourself with the industry leader. So can you talk about the similarities or differences in terms of product categories and customer segments in which you operate in and versus them?
- Hemant Luthra:** On a lighter note the only thing I can say is that instead of using a euphemism, perhaps it is not right to call them industry leaders. We are all referring to Bharat Forge, because I think in some respects we are also trying to get there and we may have got there with respect to crankshaft if not for HighBeam. They may be able to leverage the fact that they have a greater and wider basket of products, but I will leave it to Deven to answer the question and the only other thing that I would add is that is it for the last 12 months we have got COO , K.R.?
- K. Ramaswami:** About nine months.
- Hemant Luthra:** So Prakash Khose was our COO at Chakan who used to be with Bharat Forge five years ago and had spent 17 years there, so obviously he is helping us learn a few tricks of the trade and maybe as analyst he is not on this call, maybe he should ask him why did he move from there to here. So that is a different story altogether, but any industry comparison without despairing competitors I will ask Deven and K.R. to handle.
- Deven Kataria:** From our standpoint obviously it is a company we admire very much. They set a benchmark for us to follow and clearly our task is to bridge that gap and we hope one day in the near future to be a little bit ahead of them, so folks can be asking them about the industry leader, but that is clearly an aspirational goal at this moment. We recognize that. From the business standpoint, there is a slight difference in the way we approach our businesses. They do operate much heavier tonnage presses in India. We do not have that. Some of the heavy tonnage presses are in Europe. So, I think from that standpoint, where we have chosen to locate some of our equipment or heavy equipment has to be different. They tend to have a very export driven model in certain segments of the business we tend to build locally for local customers. We are growing our exports out of India and we continue to work on that process with our European business as well as prospecting for new customers around the world. The other piece of difference in non-automotive. We do not have much knowledge in non-automotive business out of our India operations and even in Europe our non-automotive business is fairly small +10 or 30% would be off highway non-auto agri sort of in that bucket. So, they tend to have a much larger share of nonautomotive business and we think that is to some extent driven by the heaviest pressures that they have that allow them to be in certain segments that we do not play in. So, I think may be that gives you a broader sense. We obviously compete in certain spaces, axle beams, crankshafts and things like that but

our manufacturing strategies tend to be a little bit different and our equipment portfolio is a little bit different and our market sectors are claimed to be a little bit different as well.

Pradeep Raghunathan: Just one question in terms of customers, do you both candidly do supply as to a customers, how does that work?

Deven Kataria: Can both be suppliers to the same customer; is that what you are asking?

Pradeep Raghunathan: Yes.

Deven Kataria: Yes we can and sometime we run into them at our own parent company.

Pradeep Raghunathan: Thanks a lot.

Moderator: Thank you. The next question is from Srinivasan Rao from Duetsche Bank. Please go ahead.

Srinivas Rao: I want to ask on this company Hinoday, rather which was brought by the Group sometime back and it is part of the Systech, as we understand. We do not get to hear about that except for the annual results, which Mahindra publishes at least seeing its performance to the last two years it does not seem to have scaled up as was expected. So would you like to comment on that?

Hemant Luthra: As long as you are not asking me to talk about numbers.

Srinivas Rao: We have the annual number for the last two years so it is fine. I am not looking for quarterly update on that.

Hemant Luthra: Why do not you talk about where they have because K.R., and Deven look after that too, so they are more competence so, Deven you want to talk about the markets and K.R., you can talk about what you are trying to do with them in the same that you have done with Chakan.

Deven Kataria: I can do a very high level of market overview. I think basically in Hinoday after we acquired the company, we have invested in significant capacity enhancement and that capacity enhancement is now in place but the market has gone very soft and that business is it plays in certain sectors that have probably been affected more than the other sectors have like off road construction and medium and heavy commercial vehicle, so I think that has been the challenge over there where we have the capacity. We put everything in place and the market is not there right now. We expect the market to come back. So we think it will be back moving in the right direction over there and be prepared for that growth in the market. K.R., anything else you want to add?

K. Ramaswami: I think last two years we have focused on increasing the capacity given the kind of indications we had two years ago. The company is depended on certain sectors like tractors and heavy axles and vehicles; obviously the sector performances have been par below FY'12 level. What we are now focusing is having invested money, keep them trim and fit to take the challenges because obviously the market will pick up soon and we are looking at to keep ourselves trim to capitalize

as the market goes up. The focus has been in that area. The other area is we are also trying to expand our customer profile to also look at new businesses outside both in India and outside.

Hemant Luthra: Let me add one or two things, when we acquired them one of the reasons for the acquisition was that the Mahindra gave us an indication that this was one of the best foundries in the country, and Hitachi was their partner so the fact was that they had already got what they call one line NL-0, which was a horizontal line and they added NL-1, which I believe was horizontal line. They are designed to produce certain type of parts. We had some hiccups during the time when these new lines got installed NL-2 and NL-3 took sometime stabilize, which was unfortunate because that was the time when the market was doing quite well; however, we also found some of the orders that have been accepted in the past were not hosted properly and therefore we had to go back to customers for getting price increases, which took a little bit longer than anticipated and some cases either the dropped us or we made our contractual commitments and further we will look for more profitable customers and parts. Many of our customers have come back, because they realized that they do not want to be dependent on the alternate suppliers who were probably not as transparent as we are and as K.R. said, that he used the word that we had a trim and fit company, I think we are beginning to have that and we are hoping that as the market comes back, we will, so they have also used about 500 Crores turnover last year, 400 Crores or something.

K. Ramaswami: Because we have both the foundry and the magnetic product division is part of Mahindra Hinoday.

Hemant Luthra: The other thing that I think you may have seen some advertising is one of the creditable things that they have done is that they used to make magnets and ferrites and the ferrites has their traditional applications for motors and for induction coils and so on, but using patented technology they have been able to develop electrode less lighting system, which are about, may be a one time cost of about 15%–20% expensive than traditional lighting system but the energy efficiency is 30% or the more and the payback period is less than a year. So that is a completely new R&D effort that they have launched and which has wanted to bear fruit.

K. Ramaswami: Hemant, we have been putting a lot of effort in R&D and we have developed induction lighting as well as the coil that typically gets used in microwave oven and that in so quite an amount of success we have reached and we are obtained and developing new products like the coils and induction lighting and the response for the induction lighting is very, very good especially from the industrial segment. We expect it to give us significant revenue in the years to come.

Hemant Luthra: I think we are all pretty safe ground over here saying that because the company is unlisted and we do not have much public and private knowledge over there and different shareholders, I think if this product line succeeds K.R., would you say that the innovation could add to as much as 10% of current turnover or 20% what is your best guess?

K. Ramaswami: Potential is far higher but so far the response is very good. I do not want to hazard a guess at this stage, but I can only say the potential for this kind of industrial lighting and in fact you can

spread this concept across to even lightings in the supermarket, lightning in the tunnels and in the railways and things like that so the potential is really huge.

Hemant Luthra: The other thing, why we are doing this is that because this company has been around for a long time in some pockets where it resides labor costs may be higher and therefore it is very important for us to value addition and because of its innovation quotient if I call it IQ, CSI have asked us to collaborate on certain projects but since they are at this moment only confidential I do not want to say more, but the R&D effort is starting to pay off so that we move away from commodity products to high value addition.

Pradeep Raghunathan: That is all from my side. Thank you very much Sir.

Moderator: Thank you. Ladies and gentlemen if you wish to ask question please press “*” and then “1.” As there is no part of question from the participants I would now like to hand over the conference back to Mr. Nirav Bhat for closing comments.

Nirav Bhat: Thanks Marina. A very big thank you to the management team for taking the time out for this call. Thanks everyone to participate in this call as well. Thanks.

Hemant Luthra: Once again the invitation is open for those of you who want the one-on-one to see how one Systech is proceeding to ask question about any of the Systech Companies to contact our friends who have hosted this conference or contact the company directly in my office and then I will pass it on to K.R., or Deven or wherever the queries are directed, finance or marketing or general management whatever. Thank you.

Moderator: Thank you. On behalf of Anand Rathi Shares and Stockbrokers Limited that concludes this conference call. Thank you for joining us. You may now disconnect your lines. Thank you.