



“Premier Explosives Limited Q3 FY2018  
Earnings Conference Call”

February 12, 2018



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**Moderator:** Ladies and gentlemen, good day and welcome to the Premier Explosives Limited Q3 FY2018 Earnings Conference Call hosted by S-Ancial Global Solutions Private Limited. As a reminder all participant lines 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, please signal the operator by pressing “\*” then “0” on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Sanidhya Jain from S-Ancial Global Solutions. Thank you and over to you Sir!

**Sanidhya Jain:** Thank you. Good evening everybody. I am Sanidhya on behalf of S-Ancial Global Solutions welcome you all to Premier Explosives Limited Q3 Results 2018 Earnings Conference Call. From the management team, we have with us Mr. A.N. Gupta – Chairman and Managing Director and Mr. C. Subba Rao, who is the CFO. May I request A.N. Gupta to take us through the initial remarks subsequent to which we will open the floor for Q&A session? Over to you Sir!

**A.N. Gupta:** Thank you Mr. Jain. First of all, I along with whole Premier family would like to welcome all our investors and partners to this conference call for the quarter ending December 31, 2017.

It is my great pleasure and honour to be able to host this call and update all our partners of the important milestones we have achieved this year. I believe you must have had an opportunity to see our results in the presentation that has been circulated and uploaded on the exchange. I would now present the results for the quarter ended December 31, 2017.

The total revenue is 67.49 Crores as against 55.98 Crores in Q3 FY2017, a growth of 20.6%. Our operating profit for Q3 FY2018 has been 3.85 Crores as against 5.42 Crores in the previous year. Profit before tax stood at 2.43 Crores in Q3 of this year as compared to 3.69 Crores in the previous year. Profit after tax in this year is 1.6 Crores as compared to 2.55 Crores in the previous year. Going through the results for the nine months ended December 2017, the total revenue is 182.62 Crores in 2018 as against 157.86 Crores in previous year, a growth of about 15.7%.

Our operating profit for this year has been at 14.19 Crores as against 14.95 Crores in the previous year. Profit before tax stood at 9.35 Crores during the current year as compared to 10.12 Crores during the previous year. Profit after tax is 6.28 Crores as compared to 7.03 Crores in the previous year. Total order book as on December 31, 2017 stood at 336 Crores,



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explosive business is 192 Crores, while the defence business is 108 Crores and service business at Rs.36 Crores. With this we now open the floor for questions and answers.

Before the questions come, I would like to share something, which we really have done superbly during this quarter that is on 17<sup>th</sup> of previous month (January) we had static test of the first strap-on motor, which was supplied to ISRO and that was absolutely perfect in our static test giving all the parameters, which are as expected by ISRO and I think that static test was really good. Thank you.

**Moderator:** Thank you. Ladies and gentlemen, we will now begin the question and answer session. We will take the first question from the line of Dixit Doshi from White Stone Financial. Please go ahead.

**Dixit Doshi:** Good evening Sir. I have three questions. Firstly, if we see our explosive divisions sale, it has not grown much Y-o-Y whereas our defence sale has grown substantially and still our margins were very less, is it that actually we have made losses in our explosive division?

**A.N. Gupta:** Well, you see explosive division year-on-year, the growth is not so much, but we have certainly grown in the defence sector as well as the margin is concerned that is something, which I would not like to share with you.

**Dixit Doshi:** So, we do not share segment wise margin, but I understand that defence is obviously a higher margin business and even though there was substantial growth in defence our blended margins have come down, so is it that the explosive division has not made money this quarter?

**C. Subba Rao:** Margins are certainly lower because of the reasons like Coal India tender that were very competitive selling price has come down. Actually, after award of the contract by Coal India, the prices of ammonium nitrate that was mainly supplied by RCF that has gone up. Coal India has a price escalation clause, but that will be applicable once in a quarter, so we are hoping by end of February or so the next price revision is due, let us hope our next quarter should be better.

**Dixit Doshi:** How are the prices of ammonium nitrate right now, I mean has it cooled off or it is still up?

**A.N. Gupta:** It is still up only. We are trying to reduce the burden through some imports, but of course we cannot completely replace the total supplies with imported material. The impact of the price increase, which was about 10%, is going to be with effect from March 1, 2018 and



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during the next quarter, the bad impact of the price increase of ammonium nitrate by RCF and GNFC will be cancelled by the price increase of NCL.

**Dixit Doshi:** Just couple of more questions, if you can just update about the deadline of that defence tender where we were supposed to bid for three, four products, so any fresh deadline?

**A.N. Gupta:** We had received last week that tender extended up to April 21, 2018 and this was supposed to be close during this month, but 60 days extension has been given because of the price bid meeting, which is being kept at 18<sup>th</sup> of this month and we hope that this will be the last, but you cannot say as this is the eighth or ninth meet, which has taken place of this RFP (Request for Proposal), it is a very complicated RFP, so there are certain things, which need to be corrected, but there are things, which are okay, but everybody tries to point out what is wrong with it and it has been extended by 60 days up till April 12, 2018.

**Dixit Doshi:** Just last one question, first of all congratulations for the test fire of strap-on motor in January, so just wanted to understand that will there be any another testing or this was the final testing and now we will have a commercial order going forward?

**A.N. Gupta:** Well, these are commercial orders only. The one which has been supplied was the first time that ISRO has given a propellant order to a private industry, so they wanted to go though it was the test in their presence under their supervision, they wanted to test it and now there is a question whether they will ask for one more to be made and tested or they will go for a flight test, That question is being actively participated by them and there are lot of people, who are in the mood that this should be the only static test and next order should be on the flight mode and there are also people who are saying that no there should one more test before we do it, anyway they will come to know about their decision by end of this month.

**Dixit Doshi:** Thank you Sir.

**Moderator:** Thank you. We will take the next question from the line of Rohan Gulati an Individual Investor. Please go ahead.

**Rohan Gulati:** Thank you for taking the time Sir. Just wanted to understand what is the overall order book pipeline going ahead, what are we expecting?

**A.N. Gupta:** I think, I have already answered that question. Our order book at present is about 336 Crores out of which explosive business stands for 192 Crores, our business with MOD



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stands for 108 Crores and services business that is ISRO and Solid Fuel Complex is 36 Crores.

**Rohan Gulati:** Sir, what are we expecting for the next quarter, any specific trends we have?

**A.N. Gupta:** I do not think I can share that information with you.

**Rohan Gulati:** Understood and the last one, I joined a bit late on the call, just wanted to understand any update on the ammunition on warhead orders coming out?

**A.N. Gupta:** Ammunition on warhead orders we are talking about 8 RFPs, which had been floated it have got again postponed by another 60 days, so no it will be due on April 12, 2018.

**Rohan Gulati:** The last one, overall on the industry on the government side, how are you sensing the optimism in terms of the defence sector, is there any improvement or it is the same, which has been going on?

**A.N. Gupta:** Well, defence is doing very well and there is decision making by the government and the decision is that they would like to go as much as possible for domestic production then for the imports.

**Rohan Gulati:** Thank you.

**Moderator:** Thank you. The next question is from the line of Abhijith Vara from Sundaram Mutual Fund. Please go ahead.

**Abhijith Vara:** Thanks for taking my questions. Sir. Could you please provide an update on the capex, capital expenditure, which is underway?

**A.N. Gupta:** There are two things, which we are presently considering, one is that expansion near ISRO where we have got 230 acres of land, which has been allotted by Andhra Pradesh Government and another is that for the RFPs and we have about 250 acres of land in Katepally and construction there is going on and first set of buildings, we got the approval from the Chief Controller of Explosives, Nagpur and then the construction is started and this construction is going on absolutely as per schedule and we hope that all these facilities will come into production by middle of next year.

**Abhijith Vara:** By March 2018, is it?



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- A.N. Gupta:** We are trying to make it by March, but because these are all.
- Abhijith Vara:** Middle of next year actually?
- A.N. Gupta:** Middle of next year because it would not be, these are all RCC buildings with RCC slab roof, so it will take about six to seven months to make the buildings ready. So, after that there would be installation of equipment and trials and then approval from the Chief Controller of Explosives and so on, so I think it will be middle of next year.
- Abhijith Vara:** What about the facility for ISRO? Has the land been given to you title and everything?
- A.N. Gupta:** Sorry, come again?
- Abhijith Vara:** The facility for ISRO product, has the land been handed over to you by the state government?
- A.N. Gupta:** No, they have to approve of our revised price. We sought some reduction in the price and that has to be approved by the Chief Minister, but letter has not come to our hand. We have already done the survey of that land and we found that it is okay; everything else is okay. We are waiting for the government to give us the date for presentation, so we will give a presentation and then after that we will make the payment and then will be handed over to us.
- Abhijith Vara:** How much was spent till current date in the current year on capital expenditure?
- C. Subba Rao:** Total capex up to December is something like 16 Crores that includes of course not only related to defence products. There are what we call as bulk explosive plants those things also are there, altogether it is 16 Crores we spent till December may be another 2 Crores to 3 Crores let us see whether in this financial year that will go.
- Abhijith Vara:** Sir, total plan was 150 Crores, right?
- C. Subba Rao:** Yes, out of 150 Crores say 100 Crores is for the ISRO project that is ballpark figure as of now, so that is yet to take a concrete step that will take after we get the land handed over.
- Abhijith Vara:** Sure Sir, last question from my side. What will be the revised revenue target for FY2018?



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- A.N. Gupta:** We are trying our best. Earlier we were thinking in terms of 270 Crores a kind of thing, but we may be nearer to that. May be plus minus 10%. We will certainly reach about 270 Crores.
- Abhijith Vara:** But margins look tough to achieve, last year margins look tough?
- A.N. Gupta:** Yes, last year was very good year. We cannot say anything until and unless we come quite close to it.
- Abhijith Vara:** Sure Sir. I will get back in the queue. Thank you.
- Moderator:** Thank you. We will take the next question from the line of Jasdeep Walia from Infina Finance. Please go ahead.
- Jasdeep Walia:** Good evening Sir. Thanks for taking my questions. Basically, if I see your results, your EBITDA margins and absolute EBITDA have gone down whereas your defence business has done pretty well in sense sales have increased at the decent phase, so I would presume that there would be no margin pressure in the defence business, am I right in that assumption?
- A.N. Gupta:** Yes, you are right.
- Jasdeep Walia:** So, whatever delta we are seeing on the EBITDA is basically on account of the explosives business that is it, there is no problem as far as margins are concerned in the defence business?
- A.N. Gupta:** Yes, you are right.
- Jasdeep Walia:** Got it and Sir, recently we have seen reusable rockets being launched, so I would guess that they would reduce the cost of launching satellites, so do they hamper the long-term competitive positioning of ISRO because that will be even cheaper than what at what price ISRO can launch right?
- A.N. Gupta:** You see ISRO has got cost advantage of almost like 10% of the American market, so even when the reusable rockets are used as in the space X, which you are talking about, ISRO will certainly have advantage over the American cost.
- Jasdeep Walia:** It will be still be cheaper?



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- A.N. Gupta:** I think so.
- Jasdeep Walia:** Got it and Sir, you are conducting trials for manufacturing motors for ISRO in your own plant, so I presume those trials are already over, right Sir?
- A.N. Gupta:** That is what I was telling just after reading the financials that on January 17, 2018, there was a static test conducted for with the strap on motor, which is supplied to ISRO and it was very successful and all the parameters were met.
- Jasdeep Walia:** So, when will commercial supply start?
- A.N. Gupta:** All depends upon ISRO. They will have to share on those figures they have got it and all that and then they will get back to us that is on January 17, 2018, we are hoping that by end of this month, they would take a call whether they want to go directly onto the flight mode or they want to do one more static test.
- Jasdeep Walia:** Got it and can the commercial supply start without the new facility?
- A.N. Gupta:** Yes, it is correct, can be done. You see the present first motor we supplied from the existing facility where we are making at present.
- Jasdeep Walia:** What kind of quantities can you manufacture from your existing facility for ISRO?
- A.N. Gupta:** We can do approximately two sections per month.
- Jasdeep Walia:** Section by section you imply motor?
- A.N. Gupta:** Motor consists of three sections.
- Jasdeep Walia:** Got it and one motor consist of three sections, right?
- A.N. Gupta:** Yes, one is the heading section, then the middle section and then is called the nodal section.
- Jasdeep Walia:** Got it, then you can basically do one motor per quarter?
- A.N. Gupta:** Two motors per quarter.
- Jasdeep Walia:** Got it and Sir, you were hopeful of completing a technical tie up for ammunition, so has it been done or if it has not been done what is the timeline for that?





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- A.N. Gupta:** We have done one of the tie-ups and second tie up is going, rather it is in the process.
- Jasdeep Walia:** So, what is the first one that you have done, can you give some specifics?
- A.N. Gupta:** No, we cannot. It was completed day before yesterday and first tie up has come out very well as we expected and the second one is in the process.
- Jasdeep Walia:** Got it and Sir, I believe this BDL's Bhanur unit for Astra manufacturing that was inaugurated in August?
- A.N. Gupta:** Yes.
- Jasdeep Walia:** So, have you seen any scale up in the manufacturing for Astra from BDL and commensally has your business from BDL increased?
- A.N. Gupta:** See, our business with BDL consist of many motors and we keep on doing that, but Astra which you are talking about is, they have been successfully flown and user is also very happy about it, but production of Astra has not been taken up as yet and Astra is our own so whenever it comes we will be doing with Astra.
- Jasdeep Walia:** Got it and what is delaying this manufacturing of Astra because the plant is already online, right?
- A.N. Gupta:** BDL does not manufacture anything. They only take everything from the industry and do the integration, basically an integrator so when they start it certainly they will ask for the component from us and we will supply to them and then they will integrate it.
- Jasdeep Walia:** Basically, they have not been able to build, their supplier base is not ready that is what you are implying?
- A.N. Gupta:** See, inauguration of a unit can be of various types, the political or may be other factors may be there. It might have been inaugurated, but certainly it has not started producing Astra missile.
- Jasdeep Walia:** Got it and Sir, they have done some ground breaking for the Ibrahimpatnam facility also, so when will that facility be completed and how will it help Premier to expand the business?



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- A.N. Gupta:** As I told you BDL is an integrator, more facility for integration they have it is better for Premier Explosive because we are supplying to them many other missiles also, but some of them are inducted in by MoD, some of them are not inducted by MoD.
- Jasdeep Walia:** What is the stated objective of this Ibrahimpatnam facility, they would have some specific products, which they intent to manufacture from them would we know about that?
- A.N. Gupta:** No, we do not know.
- Jasdeep Walia:** So, in the fiscal year 2019, what will be the major drivers for the defence revenue apart from the ISRO order?
- A.N. Gupta:** ISRO order is notional in the sense that it has contributed only 1 Crores so far and I do not know what will be the pay settlements they will be taking. They have promised and their promise comes through only when they start making, but that is not the major driver. Major drivers are BDL.
- Jasdeep Walia:** BDL?
- A.N. Gupta:** Yes.
- Jasdeep Walia:** And which specific product?
- A.N. Gupta:** I cannot tell you.
- Jasdeep Walia:** Got it Sir. Thanks. That is all from my side.
- Moderator:** Thank you. The next question is from the line of Sabyasachi Mukherjee from India Nivesh. Please go ahead.
- Sabyasachi Mukherjee:** Good evening. Thank you, Sir. Sir, if I look at your receivable space on the last quarter September 2017, it has jumped from around 90 days to 140 days as well as the inventory days has also jumped, so any lookout on the working capital days and any improvement you are looking at?
- A.N. Gupta:** See that receivables and payable varies from everyday to everyday. If you make the dispatches on the last date obviously the receivable is higher and you receive some major



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payment then it comes down. So, receivable is something, which cannot be taken very seriously like you have stated in your question.

**Sabyasachi Mukherjee:** So, any figure you have in mind to maintain in the coming year or may be next fiscal year around working capital days?

**A.N. Gupta:** Yes, actually most of our customers are from government sector, so these are things which they should pay very quickly, but we have to live the PSU or government those are the things, so we have to be prepared, we will continue our operations to see that it is a working capital efficient and all that, but this is a real-world issue so let's see.

**Sabyasachi Mukherjee:** So, in the future you will focus on collection as well?

**A.N. Gupta:** Yes, that is correct.

**Sabyasachi Mukherjee:** And what is the current debt level Sir?

**C. Subba Rao:** Current debt is very low. Actually, whatever the term loan, which we have taken from HDFC that is as of today approximately 10 Crores is our term liability. 10 Crores for a company like ours is very low that is what I want to say. But of course, future capex will come.

**Sabyasachi Mukherjee:** So as of last quarter I think the total debt figure was around 40 Crores is I am not wrong?

**C. Subba Rao:** Taking into consideration the working capital.

**Sabyasachi Mukherjee:** Sorry Sir.

**C. Subba Rao:** Are you taking working capital into the consideration?

**Sabyasachi Mukherjee:** No, I am only taking the short-term and long-term borrowings, long-term is very negligible, short-term is around 34 Crores as per your last balance sheet in September?

**C. Subba Rao:** No, that much liability is not there. Maybe you might have seen including the working capital as you may be when you say debt you may be saying about the debtor.

**Sabyasachi Mukherjee:** So, you are looking for any raising of debt for next year may be?

**C. Subba Rao:** Yes, as the projects progress we will have that debt element also.



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- Sabyasachi Mukherjee:** And you are looking for only term loan from Indian banks or foreign loans as well?
- C. Subba Rao:** No, for the time being Indian banks only because we can tie up with foreign currency, but to the extent of our exports, which can utilize the forex is okay, and again as of today company is not so big that exposure to forex is a little risky we feel because if we want to do the hedging there will not be much of difference between Indian borrowing cost and foreign currency. If we do not hedge certainly it will be better, but borrowing of big amount is risky without hedge.
- Sabyasachi Mukherjee:** Thanks a lot.
- Moderator:** Thank you. The next question is from the line of Arul Kartik from Karvy Stock Broking. Please go ahead. As there is no response from the current participant, we will move on to the next that is from the line of Kalpesh Gothi from Veda Investments. Please go ahead.
- Kalpesh Gothi:** Good evening Sir. Good to hear you that you have done one tie up and you are in process of second tie up for the ammunition, can you throw some light, as we looking for more tie up in future apart from this two tie ups?
- A.N. Gupta:** I think two may be maximum three would be more than adequate because we cannot quote for more than three products for this RFP, one is very important, so that we have done. Second one is in the pipeline, may be second and third, two products may be from one tie up so that could be that is all.
- Kalpesh Gothi:** So, these both tie up is with the different company?
- A.N. Gupta:** Yes, different companies.
- Kalpesh Gothi:** Sir, what will be the next steps after doing all tie up, when we likely to see the start put up our manufacturing facility?
- A.N. Gupta:** Already we have started construction of manufacturing unit as I was telling you that construction has started and it is supposed to end up some time in the middle of the next year by June or July we will be through with the construction, so as the tie-up is taking place, a little bit of changes here and there in the drawings are being made and all that that is all otherwise, the main thing, which is the inputs like high explosives or the inputs like where we have the complete technology with us are going on on-schedule.



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- Kalpesh Gothi:** So, even after putting a capacity, what will be the next step or do we have need to approve the facility from the buyer or should we have start sending a trial or go for a bidding or a tender?
- A.N. Gupta:** Bidding, already we have started. The next step after putting up the facility is to getting the license from the local Chief Controller of Explosives Office in Hyderabad and from Nagpur. After that the user or the person who is supplying the technology will have to evaluate our product and find it is equivalent to their product or user finds it what he is looking for and we will get the order.
- Kalpesh Gothi:** Sir, I am looking for the timeline of getting the order, so next year we will start new facility then all this approval will take how much time in getting an approval or license?
- A.N. Gupta:** By October, November we should be in production.
- Kalpesh Gothi:** Of the next year?
- A.N. Gupta:** Yes.
- Kalpesh Gothi:** Thank you Sir.
- Moderator:** Thank you. The next question is from the line of Abhijith Vara from Sundaram Mutual Fund. Please go ahead.
- Abhijith Vara:** Thanks for the follow up Sir. I just wanted to confirm, once the pricing has reset in March would you able to recover large portion of this raw material increase? Will that be recovered?
- A.N. Gupta:** Yes, certainly.
- C. Subba Rao:** Without retrospect effect. That is for the quarter.
- Abhijith Vara:** Yes, but lastly you will be able to come back to the original volumes?
- A.N. Gupta:** Yes, correct.
- Abhijith Vara:** But, some portion of high raw material cost will also persist in Q4, is that the scenario or has the raw material pricing started correcting?



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- A.N. Gupta:** No, raw material prices are same or more but certainly the selling price would be, see this is a linkage between the raw material price and selling price, the selling price is linked with the raw material prices and they would be corrected.
- Abhijith Vara:** And just one clarification, the explosives order book of 180 Crores currently this is to be delivered over two years, right?
- C. Subba Rao:** Yes, most of it whatever the order from Coal India that is two-year contract, some of the things are like exports are there, which will be done in a couple of months kind of things, but major part is yes.
- Abhijith Vara:** Thank you.
- Moderator:** Thank you. We will take the next question from the line of Jasdeep Walia from Infina Finance. Please go ahead. The lines of the current participant have dropped from the queue, we will move on to the next from the line of Dikshit Doshi from White Stone Financial. Please go ahead.
- Dikshit Doshi:** Sir, one more question, are there any lineup for the tender for Chaffs and Flares or whatever we have the orders we are only executing that?
- A.N. Gupta:** See, we have received two more enquiries for these products and we are yet to complete our first order. The last consignment will be going towards, it is already ready, we have asked for a previous batch inspection and after that we are quoting for two more enquiries and they are large.
- Dikshit Doshi:** That will be similar to the tune of the first order?
- A.N. Gupta:** It will be larger than the first order.
- Dikshit Doshi:** Let us say by early next financial year we can expect another order for chaffs and flares?
- A.N. Gupta:** Let us hope so.
- Dikshit Doshi:** And last thing, when we spoke, you also mentioned that we do a good turnover in chili bomb and right now the majority of the supply goes to Jammu & Kashmir state and any other states are also started enquiring, so are we seeing any traction over there?



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- A.N. Gupta:** Well you see, Jammu & Kashmir depends upon the stone palters and all that and as you know, there is some problems going on, so we hope that they would be continue to purchase and other border states of Sikkim, etc., on the eastern front, we do not want these things to continue, but certainly our product and we have also developed another product, which is for exploding the explosive division that we have done in connection with another company in the country and we hope that will also pick up.
- Dikshit Doshi:** And there was also, India stopped sourcing the solid propellant from BrahMos from Russia, so are there any enquiries from that?
- A.N. Gupta:** Yes, there are enquiries for that, but it will take some time before they completely, sort of place an order on us. There is an enquiry and technically evaluation is going on.
- Dikshit Doshi:** Just one more question, there was a product called Canopy Surveillance System and we signed a TOT a year back, there were two companies PEL and Gulf Oil happening there or nothing?
- A.N. Gupta:** No, nothing has been heard so far.
- Dikshit Doshi:** Fine. Thank you.
- Moderator:** Thank you. We will take the next question from the line of Abhijith Vara from Sundaram Mutual Fund. Please go ahead.
- Abhijith Vara:** Sir, based on the current order book, would it be possible to give a guidance for FY2019 revenues, how much topline you will be able to achieve?
- A.N. Gupta:** Topline, we are targeting at, I think we have told in the beginning about 275 Crores, but plus minus 10% we will be able to, we have already achieved something like 17% increase over the previous year and our target is to have something like 23% to 25% increase over the previous year, so let see.
- Abhijith Vara:** So, next year you are targeting 25% increase?
- A.N. Gupta:** Yes.
- Abhijith Vara:** Sir, any update on the Akash order, which was supposed to come out in the current year in terms of pipeline?



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- A.N. Gupta:** Nothing has come so far. We are waiting for that.
- Abhijith Vara:** Where does it stuck? Is it price negotiation or something else?
- A.N. Gupta:** It is not a question of anywhere you get the stuck up and all that. It is that they take their own sweet time to come up. Nothing is stuck up. There was some technical problem, which has been sorted out, so nothing stuck up.
- Abhijith Vara:** One clarity also Sir, LRSAM and MRSAM would Premier Explosive be the sole solid propellant supplier as of now?
- A.N. Gupta:** As far as LRSAM and MRSAM is concerned this is our composition. It is our IPR and we are expecting good order for that, but when it comes that is a question, which is a million-dollar question, I think your guess is as good as mine.
- Abhijith Vara:** Sure Sir. Thank you.
- Moderator:** Thank you. As there are no further questions, I now hand the conference over to Mr. Sanidhya Jain for his closing comments.
- Sanidhya Jain:** Thank you Lizaan. On behalf of S-Ancial Global Solution, I thank Dr. Gupta and Mr. Rao and all the participants for joining us on the call today. Thank you and good-bye.
- Moderator:** Thank you. Ladies and gentlemen on behalf of S-Ancial Global Solutions that concludes today's conference. Thank you for joining us. You may now disconnect your lines.