



Premier Explosives Limited

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09th November, 2018

To,
The Bombay Stock Exchange Limited
Corporate Relationship Department
Floor – 25, P.J.Towers, Dalal Street,
MUMBAI – 400 001
Scrip Code: 526247

Dear Sir/Madam,

To,
National Stock Exchange of India Limited
Listing Department,
Exchange Plaza, Bandra Kurla Complex,
Bandra (E),
Mumbai-400051
Trading Symbol: 'PREMEXPLN EQ'

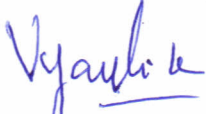
**Sub: Transcript of Conference call pertaining to the Second Quarter
ended 30th September, 2018 Results**

Please find attached the Transcript of the Conference Call hosted by, S-Ancial Global Solutions Private Limited, on 30th October, 2018 pertaining to, 'Premier Explosives Limited Q2 & FY19 Earnings'.

This is for your kind information and record

Thanking you,

Yours faithfully,
For **Premier Explosives Limited**


Vijayashree.K
Company Secretary
Encl:a/a





“Premier Explosives Limited
Q2 FY2019 Earnings Conference Call”

October 30, 2018



ANALYST: MR. NIKUNJ SETH - S-ANCIAL TECHNOLOGIES PRIVATE LIMITED

**MANAGEMENT: DR. A. N. GUPTA – CHAIRMAN AND MANAGING DIRECTOR
MR. T.V. CHOWDHARY – DEPUTY MANAGING DIRECTOR
MR. C. SUBBA RAO – CHIEF FINANCIAL OFFICER**



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Moderator: Ladies and gentlemen, good day and welcome to the Premier Explosives Limited Q2 FY2019 Earnings Conference Call hosted by S-Ancial Technologies 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 call, 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. Nikunj Seth from S-Ancial Technologies Private Limited. Thank you and over to you Sir!

Nikunj Seth: Thank you Raymond. Good afternoon everybody. I on behalf of S-Ancial Technologies welcome you all to Premier Explosives Limited Q2 Results FY2019 Earnings Conference Call. From the management team, we have with us Dr. A.N. Gupta – Chairman and Managing Director, Mr. T.V. Chowdhary – Deputy Managing Director and Mr. C. Subba Rao, who is the CFO. May I now request Dr. A.N. Gupta to give his initial remarks. Over to you Sir!

A.N. Gupta: Thank you Mr. Seth. At the outset, let me tell you that Mr. Chowdhary has been away to our new project at Katepally and he is probably delayed so he is not joining right now in the conference call. I will try to read out whatever he has given.

Good afternoon to everyone. Today I will focus on broad business metrics and our DMD, Mr. Chowdhary Deputy Managing Director is supposed to speak on expansion projects but he has been held up and our CFO, Mr. Subba Rao will update you on the respective details about the expansion project and financials.

To start with we have focused on defence products and have posted better Q2 results compared to Q1 results in the previous quarter. This is all because we have been concentrating more on defence projects, which have better profitability and divesting ourselves from the commercial explosives, which have got very high competition and low profitability. As far as missiles are concerned Akash is the only indigenous missile that has been inducted by the defence sources till now.

There are quite a few other missiles, which are due for induction like MRSAM, LRSAM, QRSAM, Astra etc., Premier has been associated with the DRDO for development of these missiles, propellants with proprietary rights for these products.



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We also have entered BrahMos and necessary TOT has been obtained by us. Our home-grown Air Target Imitator which we call as PAT and offsets of IAI who is our partner that is Israeli Aerospace Industries and they have designed 102mm motor and we are doing development of the same. So we are expecting order for Air Target Imitator as well as 102mm during the current quarter.

Regarding satellite propellant, we are planning a large project to meet the requirement of ISRO SHAR, who have targeted a large number of satellite launches. As you know our test supply has already been successful. Our technology strength had been primary reason for ISRO SHAR selection of our company for supplying of this important component of solid propellant. We have received recently an enquiry for seven numbers of Strap-on motors. Until we setup new plant at ISRO SHAR we would be able to meet the short-term requirement from our Katepally project which is nearing completion.

Counter measures like chaffs and flares offer decent business opportunity and we are expecting third order at any time now. Technology is an issue here and we have been exploring joint technology on long-term basis and we have recently got a bid through and an indigenous production of infrared would start in this year.

We also got a break through in Ammonium Perchlorate, which is our backward integration project. We got an order of 1 ton that is the trial order of. 1 ton is basically Rs.3 lakh so we got it from Solid fuel Complex at Jagdalpur. We are also expecting an order of export from Japan.

Regarding Ammunition we have submitted tenders for BMCS and 30mm grenade for RFI floated by Ministry of Defence. We have also got order for APFSDS for ARDE project and that will be our additional Ammunition. APFSDS stands for Armour-Piercing Fin-Stabilized Discarding-Sabot. Submission of prototype for test firing and opening of financial bids are the next steps. As it stands today I am unable to tell you the timeline for opening the tenders; however, we are making capex to manufacture warheads, mines, RDX, HMX, etc., at Katepally as these products can be supplied through offset and other routes.

Our other products like tear gas grenades, Air Target Imitators Pyro devices also would continue to add business. In commercial explosives low prices and low demand are impacting our turnover and high cost of ammonium nitrate has been affecting margins. We have taken a conscious decision to reduce our low margin business and expect to make the defence as our mainstay.



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Our defence expansion programs are going with a strategy as described earlier and we can split our expansion in four parts. Brownfield project expansion at our existing Peddakandukur factory, Greenfield project at Katepally, Greenfield project at ISRO SHAR and Katepally phase II.

At Peddakandukur during the last two years there have been incremental capex for Non Destructive Test (NDT), Curing, Ammonium Perchlorate, Rubber lining etc.

At Katepally structures have been erected and we have already ordered machinery which is arriving in lots and they have been placed in site. We expect the plant would be commissioned for production by end of the financial year. As mentioned already we would make solid propellants, RDX, HMX, warheads, mines, ammunition, etc., at this plant.

Regarding the new plant at ISRO SHAR, 202 acres of lands was previously allotted to us, which has been informed to you, but the cost was very high and there were some issues of layout and the government has identified another piece of land which is much closer to SHAR and we expect the allotment anytime. There we plan to manufacture solid propellant initially and backward integration later.

Katepally phase II we have acquired adequate land for further expansion. We plan to use this land for setting up of BMCS and 30mm grenade plants.

Our capex includes incremental expansion at our Singrauli and Manuguru plants also where we manufacture bulk explosives. As you must have noticed and as notified to stock exchanges we recently received licenses to manufacture Ammonium Perchlorate. So for that we have been using AP for our internal consumption and now we can sell and we have received one trial order from Solid fuel Complex.

I now request Mr. Rao to update you on the financial figures.

Subba Rao:

Good afternoon everyone. During the quarter, we had an operating revenue of 53.5 Crores versus 58.2 Crore in the last year second quarter. Operating profit for this quarter has been at 5.2 Crores as against 5.1 Crores during the second quarter last year. Profit before tax and that is before other comprehensive income stood at 3.6 Crores versus 3.3 Crores. Profit after tax is 2.4 Crores compared to 2.3 Crores in the last year same quarter.

You would have noticed the decline in the employee benefit expense and the decline is on account of corresponding decline in the revenue. The contract at SHAR ended in July and



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only skeletal operations are going on now. We expect the new contract would be received in a month's time. Another reason for decline is rationalization of work force at our Peddakandukur plant with reduced production of low margin products. There is also a small contract, which we operated last year at Jagdalpur. So that also has resulted in lower employee cost and the corresponding lower income there.

Order book as of now stands at Rs. 275 Crores out of which explosives business is Rs. 182 Crores, defence business is Rs. 84 Crore and service business is Rs. 9 Crores that is Jagdalpur only for the time being.

I take this opportunity to update you on our fund utilization. As you know last year our company has raised net funds of Rs. 70 Crores from QIP and preferential allotment of shares and warrants. This amount has been spent towards capex of Rs. 26 Crores repayment of unsecured loans Rs.4 Crores and temporary reduction of cash credit by Rs. 15 Crores. Balance of Rs. 25 Crores has been kept in the banks in fixed deposits.

With this we now open the floor for questions and answers. Over to you!

Moderator:

Thank you very much. We will now begin the question and answer session. Ladies and gentlemen we will wait for a moment while the question queue assembles. We have the first question from the line of Abhishek Shah from Valcore Capital. Please go ahead.

Abhishek Shah:

Thank you for the opportunity. Sir I had a few questions. To start with Sir in your annual report you have come up with a plan called Vision 2025, which talks about the leadership, like we want to continue a leadership in high energy material for defence and space and some other initiatives as well. Just wanted some more clarity on that and what is the roadmap and how do we plan to execute that may be across work force in terms of marketing team etc., if you can just guide us on that?

A.N. Gupta:

Mr. Chowdhary has joined us now. He is here and he can answer the questions and answers now.

T.V. Chowdhary:

Regarding 2025, Mr. Subba Rao has gone to fetch because it is a very theoretical question so he has gone to fetch the annual report. In the mean time any other questions.

Abhishek Shah:

Okay fine Sir, we can take that up later on. Sir the second question I think I joined the call a little late just wanted to check Sir what is the status of our Strap-on motor order at SHAR and on the last call you mentioned that you are putting up a new mixers and machines. Does



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that mean that we will have to go in for requalification and then we might get an order from ISRO?

T.V. Chowdhary: Yes, this is Chowdhary here. Yes, as you are aware the first Strap-on motor was made and in static tested it was found to be meeting all the requirements. Now the latest is ISRO has taken out an enquiry for another seven numbers. So now we have to again submit our quote for seven numbers and then they will visit so once we do this seven numbers and the next the other bulk orders and quantities will follow.

Abhishek Shah: So effectively no need for requalification with I think last time we mentioned that we need bigger mixer so no need for any requalification on that and we can straight away deliver. I mean if you can just help us with what could be the timeline for the same?

T.V. Chowdhary: Timeline is very difficult to say because the space and defence the timelines and all are not predictable, it can be I think seven numbers may come at the end of calendar year 2019.

Abhishek Shah: Sir the second question that I wanted to ask you was on the operational side. Just wanted some understanding if our contracts with army or any other government body - would that have a rejection clause and a penalty clause and in the past one year whatever we supplied in defence have we faced any rejections and penalty for the same?

A.N. Gupta: Not yet and we do not hope that rejections or penalties would be there but we have operated many orders and all has been completed to the satisfaction of our customers.

Abhishek Shah: Okay. Sir the working capital has reduced recently receivables is that the money that you have received from the government?

T.V. Chowdhary: Yes, we have received a major quantity from Air Force, which was held up because that earlier VAT has been replaced by the new GST and the order was not amended to that extent.

Abhishek Shah: Got it. Sir that is all. The last question on the Vision 2025 may be you could just help me with the roadmap and also if you have your immediate vision for the next may be two to three years and how do we plan to achieve it that would be helpful?

A.N. Gupta: Yes, Vision 2025 is in front of me and that is basically a leadership we are leaders in high energy material and we will continue to do this and keep our lead as far as the high energy materials is concerned both for defence and space and missiles. Basically we are the ones



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who have developed the propellant for Astra Missile as well as for all the tactical missiles, LRASM, MRSAM and QRSAM etc., and wherever it is not possible or wherever it has been developed by the government lab called HEMRL, we take the TOT from them. As far as the process innovation is concerned we have developed the low-cost processes etc., and we will continue to do that. As far as the aerospace is concerned we have been invited to join ISRO and we are likely to make that as soon as more and more confirmed news is available. As the global markets are concerned we have already submitted certain things towards our customers and we hope to obtain offset orders as well as the new orders for missiles which have been developed outside.

Abhishek Shah:

Sir one last question if I may. Sir the profits of our company have actually halved in the past financial year, the same period we were looking at cutting our employee count at the same time planning to improve our efficiency, Sir during this period obviously the shareholders have also taken a massive haircut on their investments in all of this we are seeing a situation where the directors of the company have actually taken a 15% hike and just it is a little disheartening. Can you just give some comment on that please?

A.N. Gupta:

Well I do not agree with your statement of directors taking a 15% hike, I can personally tell that I have not taken any hike at all and I have requested the Board - my tenure of three years being cut to two. They said, listen you can take the three years extension and after two years you can quit. So I do not agree with that, but yes, you are right and shareholders have taken a hit and would you please recognize that that I am also a major shareholder at 44% shareholder of the company and I have also taken a hit. All the times are not good for the company, sometime they go very good sometime they go average, sometime below the average so but we have last year we recognized that and things like commercial explosives had one year got minus 10% and the another year got another minus 10% so it is about 20% lower than that and secondly our labour cost is higher because we are 38 years old company. Our average cost per person at the factory level is almost like Rs.30000 while the other people are getting Rs.9000 – Rs.10000 per person.

Abhishek Shah:

Got it. So Sir the director end up taking up good one-fourth of the entire profit before tax that is sort of hateful, that is where I was coming to as such.

C. Subba Rao:

Yes, it would linked to profit sharing also. Whatever percentage that is given I mean in the resolution that is subject to anyway the Companies Act regulations though on the face of it, it will appear like 15% for CMD but he cannot take that much because of the restriction on the percentages of the profits.



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- Abhishek Shah:** Fair enough Sir. That is all from my side. Thank you so much.
- Moderator:** Thank you. The next question is from the line of Abhijeet Vara from Sundaram Mutual Fund. Please go ahead.
- Abhijeet Vara:** Thanks for taking my question. Sir I got cut in the middle of your introductory comment. You are mentioning something about exports to Japan could you elaborate on this?
- A.N. Gupta:** Well we got enquiry from Japan for Ammonium Perchlorate for which we have received industrial license a few days back and a sample has been sent to them and they have approved the sample and they have indicated that their requirement would be large but we are awaiting their next step.
- Abhijeet Vara:** And you also mentioned Solid-Fuel Complex also placed trial order with the Premier Explosives for Ammonium Perchlorate? Is this also an addition to this?
- A.N. Gupta:** Yes, it is a new order. Solid Fuel Complex order is for 1 ton of Ammonium Perchlorate. Ammonium Perchlorate is the main raw material for all the propellants. It forms around 75% to 80% of the total mass of propellant, which oxidizes, which is used in all solid propellants.
- Abhijeet Vara:** Sure Sir. With the current facility of Ammonium Perchlorate what you have how much of the internal demand can be met and how much will be able to sell outside? Installed capacity, Sir in terms of metric ton if you could help us understand?
- A.N. Gupta:** You see what happens is that all the compositions are approved by HEMRL. Those which are new compositions there we use our own Ammonium Perchlorate. So some compositions like Akash we cannot use it before it is approved by HEMRL. So we expect requirement of a system we have submitted certain samples and we made the samples and tested them they found everything is okay. Now it depends we are waiting for their approval, once we get their approval and we use 100% of our Ammonium Perchlorate in our composition. Presently what we are doing is a new motor, which are coming for which we are using our own Ammonium Perchlorate. For Akash we are obtaining the Ammonium Perchlorate from sources, which have been approved by HEMRL.
- Abhijeet Vara:** Okay sure Sir. Sir also a couple of orders you had mentioned the Air Target Imitator which is expected in the current year. Any broad size we can mention Sir? How much can it be in terms of rupees Crores or still all in the air?



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- A.N Gupta:** Well as per the MSQA is concerned it is in the advanced stage, technical evaluation has been completed. We got the registration from MSQA that is the quality assurance department and our commercial offer has been opened. Now the next session will be held and probably the order will be in our hand in the next one-month time. As far as the other things are concerned we are awaiting the orders from abroad.
- Abhijeet Vara:** Sir just one clarification, final question before I get back to queue. This ISRO Strap-on motors you mentioned that Premier Explosives has to submit a quote again to ISRO and then ISRO will decide - is there another competitor to Premier Explosives or is it just to discover the pricing?
- A.N. Gupta:** The scope of work has been revised and it includes the supply of certain things and all that, which was not there in the first one. The first one was already lined and all that supplied to us that was a trial order. Now this seven numbers order which is coming having certain different scope of work. So that is why they have asked for...
- T.V. Chowdhary:** Even if we are single vendor we have to still go through the process of submitting a quotation and they taking out and negotiating and placing orders.
- Abhijeet Vara:** Okay got it Sir. I will get back to queue Sir thank you.
- Moderator:** Thank you. The next question is from the line of Dixit Doshi from White Stone Advisor Capital. Please go ahead.
- Dixit Doshi:** Thanks for the opportunity. Sir firstly so apart from the 102 motor you mentioned we expect some order from export market also against the offset policy so that will be for which products?
- A.N. Gupta:** It will be basically for any of the defence products and 102-motor is also a part of offset.
- Dixit Doshi:** Okay and anything on the chaffs and flares because in last call also you mentioned that we do expect some orders from there?
- A.N. Gupta:** Yes, flares, now we have a partner who can supply the technology for us and chaffs we have quoted and it is under discussions.
- Dixit Doshi:** Okay but we expect something within a year I mean this financial year?



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- A.N. Gupta:** Yes, within one month anytime.
- Dixit Doshi:** That is helpful. Secondly Sir, in terms of Strap-on motor just wanted to understand the opportunity so let us say annually how much Strap-on motors does ISRO consume and how much is supplied by us?
- A.N. Gupta:** Presently we received only one trial order, which has been completed and it has been found to be good and we are expecting now further order for seven numbers, one of them will be static tested and six will be flown. After that the order will depend upon the number of flights they have and six are used for every flight.
- Dixit Doshi:** Okay and how much maximum we can supply from our existing setup what we have?
- A.N. Gupta:** Mr. Chowdhary will answer that question.
- T.V. Chowdhary:** We are already geared up for supplying 24 numbers per annum and then later it will increase with a little more balancing equipment when it can go beyond. At Katepally we have geared up for 24 numbers. But like everybody is aware, at Sriharikota what we are planning is our project will meet their entire requirement.
- Dixit Doshi:** Okay and that will be operational by when?
- T.V. Chowdhary:** It will take I think probably in year 2020-2021 it will come into operations.
- Dixit Doshi:** Okay so atleast for next couple of years maximum we can supply 24.
- T.V. Chowdhary:** Per annum.
- Dixit Doshi:** Secondly Sir in terms of what you did mention last time also that we work on a weekly orders for this service part from SHAR, mean what is the headwind over there for a ten year contract. I mean is there some other player is also targeting or is just a formality thing?
- T.V. Chowdhary:** No, the tendering and the opening of the price bid and negotiation everything is over, it is only the file which needs to be signed by ministry level because it is a long ten years contract not a small contract.
- Dixit Doshi:** Lastly Sir anything you would like to share about the BMCS in 30mm grenade tender; I mean if I understand correctly so first the ministry will give chance to all the competitors;



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we have to supply some quantity and then it will be tested and then the final award will be given to one of the players. So where is the process right now and what will be the going forward? How it will happen?

T.V. Chowdhary: Yes, the process is after they identify technically qualified people they ask for NCNC (No Cost No Commitment) trials and samples to be supplied. So right now the technical evaluation process is going on, once that is done then they will ask for NCNC trial samples once the samples are submitted they test them and which are all qualified technical evaluation then they open the price bid. That is the process but how much time that process will take we will not be able to tell.

Dixit Doshi: Thank you.

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

Abhijeet Vara: Sir could you please give us the details on how much capex has been incurred in H1FY2019 and how much will be done in H2FY2019?

Subba Rao: As mentioned in the initial remarks the capex till September 30 is Rs. 26 Crores that includes whatever we have capitalized as additions to fixed assets, some amount is there as capital work-in-progress as of now, there are some capital advances remaining with the vendors yet to supply the equipment and of course there is an increase in the term loan I have reduced that amount, actually capex will be if you take gross it will be little higher because at the time of before the QIP, we have a 6.5 Crores term loan, now it is 10.5 cr so net QIP utilisation later on it has come down, in between and the capex creditors we have repaid so all net-to-net it is Rs. 26 Crores that is the amount of capex as of now.

Abhijeet Vara: Sure Sir. For next six months how much is expected to be spent Sir?

Subba Rao: Yes, may be another Rs. 25 Crores by March.

Abhijeet Vara: This fund Sir are readily available with you because of fixed deposit you have said Rs. 25 Crores?

Subba Rao: Yes, Rs. 25 Crores we have and of course we have temporarily reduced the cash credit that also we can draw as and when required.



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- Abhijeet Vara:** Sir second question Sir, since six months have passed any update on the guidance for FY2019 how much do you think is practically achievable now in terms of topline?
- A.N. Gupta:** See the topline is certainly under stress right now but we have taken a decision in the board to review if any after the Q3.
- Abhijeet Vara:** And how is the Q3 looking Sir in one month any further improvement compared to Q2?
- A.N. Gupta:** Certainly there would be improvement compared to Q2 but you know we are not the astrologers and we believe and only talking after completion of the quarter.
- Abhijeet Vara:** Those were my questions Sir. Thank you.
- Moderator:** Next we have a follow up question from Dixit Doshi from White Stone Advisor Capital. Please go ahead.
- Dixit Doshi:** Thanks for the opportunity again. Sir one thing there was a recent, last quarter you did mention that government gave order of Rs. 9000 Crores to Bharat Dynamics for LRSAM so anything happening over that side, I mean can we expect anything in the near term or it is still will take time?
- A.N. Gupta:** Well the order comes. This is only financial approval when the order comes certainly it will be passed on to BDL and then BDL will pass it on to the private vendors and we are one of them and we expect it to be given to us but it will all take time, the government works very slowly.
- Dixit Doshi:** Okay and apart from that there was also one media article that India has signed some \$777 million defence deal with Israel for LRSAM so that can we are eligible for there also right?
- A.N. Gupta:** Yes. We have also read that article.
- Dixit Doshi:** So anything you would like to share apart from that article?
- A.N. Gupta:** Well article says that very clearly that missile, which is LRSAM is approved. The front end is made by Israel and the backend that is the rear end which includes the propellant and all that would be done by India and we are in that and we have been approved and that is our composition which is going into that.



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- Subba Rao:** There is no competition there for that product with respect to solid propellant.
- T.V. Chowdhary:** We are the only vendors for solid propellant whether for Israel we make or for BDL we make.
- Dixit Doshi:** Thank you.
- Moderator:** Thank you. Next we have a follow up question from the line of Abhishek Shah from Valcore Capital. Please go ahead.
- Abhishek Shah:** Thank you for the opportunity again. Sir just wanted an understanding on what technology tie-ups do we have at this point in time for our products for defence?
- A.N. Gupta:** That is a very general question but I do not think it is possible to tell you about our technology tie-up, most of the technology is our own developed and all that.
- Abhishek Shah:** For instance BMCS and the 30mm do we have technology tie-up for that?
- A.N. Gupta:** Yes, BMCS we have technology tie up with the best supplier that is NEXTER and for 30mm we have technology tie-up from Serbia.
- Abhishek Shah:** Got it. Sir I just remember a few concalls back we were talking about you know we were looking for a few companies to have tie-ups with, just trying to follow up on that, just trying to get an understanding for a Katepally.
- A.N. Gupta:** Yes, we also have a tie-up for **PJ - 10** with HEMRL, that is the **PJ - 10** is nothing but on-BrahMos.
- Abhishek Shah:** Sir finally we have bid for two products. It is a whole recent bidding from the government which is BMCS and 30mm. Just trying to understand Sir what were the other products that we had which we could have bid for which is 23mm or even the grad rockets so was it that we did have required technology or it was just balance sheet strength that we did not have? Sir just repeating my question we have applied for 30mm and also a BMCS the technology that we have received from NEXTER, just wanted to check Sir there were five in total which we have applied for this 23mm I think there is also grenade so just trying to understand was it that we did not have the technology for the same or the balance sheet strength?



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- A.N. Gupta:** See basically the maximum you can apply is for three numbers and because of our balance sheet and also because of the large quantum of bank guarantee which required and is required for something like 13 years we had applied for only two, BMCS and 30mm grenades but in addition to that we are working with ARDE for APF SDS for the tanks we have. We are also working with another international company for 70mm rockets, which is separate RFP or rather make to there was an enquiry floated by Indian Air Force.
- Abhishek Shah:** Understood. Got it. Sir how was the competition like do we have any local competition as well in this field or is it just MNCs?
- A.N. Gupta:** Well, see we understand that HEMRL are ready with the technology for BMCS but that technology is based on something, which is imported, and all that we do not know.
- T.V. Chowdhary:** As we understand only there is another vendor who has quoted only one each.
- Abhishek Shah:** Got it. That is all Sir, thank you so much.
- Moderator:** Thank you. As there are no further questions I would like to hand the conference back to Mr. Nikunj Seth from S-Ancial Technologies for closing comments.
- Nikunj Seth:** Thank you Raymond. I would like to thank Dr. Gupta, Mr. Chowdhary, Mr. Rao and all the participants for joining us on the call. Thank you.
- C. Subba Rao:** Thank you very much.
- Moderator:** Thank you very much. On behalf of S-Ancial Technologies that concludes this conference. Thank you for joining us, ladies and gentlemen you may now disconnect your lines.