

LANCO Infratech Limited
Third Quarter and Nine Months Results Conference Call, Financial Year - 2008
January 30, 2008

- Moderator: Good afternoon Ladies and Gentlemen. I am Kevin, the moderator, for this conference. Welcome to the LANCO Infratech Ltd. Q3 FY-2008 results Conference Call hosted by Edelweiss Securities. For the duration of the presentation, all participants' lines will be in the listen-only mode. After the presentation, the question and answer session will be connected for the participants connected to the international bridge. After that, the question and answer session will be conducted for participants in the India. I would now like to handover to Mr. Shashi Kiran of Edelweiss Securities. Thank you and over to you sir.
- Shashi Kiran: Thank you Kevin, and Good afternoon to all the participants. This is Shashi Kiran from Edelweiss Securities. I welcome you all to this third quarter earnings conference call of LANCO Infratech. We have Mr. Suresh Kumar, Chief Financial Officer and Mr. S. Kasturi, Head Investor Relations of LANCO representing the company. Mr. Kasturi, you can start with your initial comments on third quarter earnings followed by the Q&A session. Over to you Sir.
- S. Kasturi: Thank you, and Good afternoon to all of you. I am Kasturi here, head of the Investor Relations at LANCO. I am joined in this call by our CFO, Mr. Suresh Kumar, who is joining into the call from Mumbai.
- Suresh Kumar: Good afternoon to all.
- S. Kasturi: I would begin the conference call with a briefing on the results, which will be followed then by a Q&A session. As you are all aware, LANCO announced its quarterly and 9-monthly results for the period ending December 31, 2007 yesterday. Consolidated results for the quarter as well as for the 9 months have been quite encouraging. I will first brief you on the consolidated top-line growth, which has been achieved during the quarter. During the quarter, the company registered a turnover amounting to Rs. 7.8 billion in comparison to 4.2 billion recorded for the same quarter in the period previous year registering a robust growth of almost 84% on year-on-year basis. When compared to a turnover of 6.5 billion, which was registered in the previous quarter this fiscal, this growth is around 20%. On a 9-monthly basis, the turnover during the current fiscal was 20 billion rupees as compared to 11.2 bn in the 9 months for the previous year, which is about 81% growth. The bottom line too on a consolidated basis has grown substantially. Profit after tax after adjusting for the minority interest for the third quarter was Rs. 825 million growing by a robust 33% from the PAT in the previous year for the same period

of 662 million. While on a quarter-on-quarter basis, the profits have actually grown by 36% from the 608 million rupees, which was recorded in the previous quarter this fiscal. For the 9-month period the net has grown 49% from 1,131 million in the previous year to 1.9 billion the current year. On a consolidated basis, the margins have also shown an improvement. The overall margin was 22.5% for the quarter compared to 21% for the same quarter in the previous year. The operating revenues, in fact, include income from sale of power which is coming through the trading arm of the company in which the margins are capped. If we are to exclude the operating revenues of 4.6 billion of the trading company and the corresponding operating profit of that company of 56 million, then the margins for the balance of the portfolio would be 26% for the current quarter. Now, I will give you a rundown on the performance of the different business portfolios within the company.

Performance on the power businesses have been extremely good. Kondapalli power station has registered an increase of 86% in generation by improving its plant load factor from 38% in the same quarter in the previous years to 71% for this quarter. The turnover for Kondapalli increased by 27% from 1,188 million to 1,422 million. Net profit for the plant has grown to 394 million from 232 million in the previous year, which has registered increase of 70%. For the 9-month period, the profits of the plant have increased by 38% from Rs. 714 million in the previous year to Rs. 982 million this current year. The full year's profit for the Kondapalli plant last year was Rs. 1,014 million, and right now we are at 982 million for the 9 months. Operating margins for the plant too have been very good. The operating margins of Kondapalli during the quarter was 37% compared to 33% in the previous year.

Similarly the ABAN power plant too has performed exceptionally well. Plant load factor for this plant was 87% compared to 72% in the previous year for the same quarter. Sales have increased by 5% from 460 million rupees to 484 million. Profits have substantially increased from 85 million the previous year to 296 million, and major contributors for the increased profit have been the sale of carbon credits which amounted to Rs. 208 million during the quarter. The 9-month profit for ABAN has been 554 million for the current year, which has already exceeded the full-year profit of 320 million, which was achieved in the previous year. The operating margins for this station too have been extremely good at 50%.

LANCO electric utility, the power trading arm of LANCO has also performed very well. During the quarter, the company traded 667 million units of power as compared to 274 million units in the same quarter for the previous year, thus showing a growth of almost 2.5 times. The turnover for the quarter stood at 1,840 million compared to 1,249 million the previous year registering growth at

47%. Net profit for this current quarter for the power trading utility was 17 million rupees, while the same for the 9-month period was 39 million rupees as compared to the 20 million for the whole of the previous year.

The construction and the EPC portfolio of the company has also been performing well. Topline for the quarter was 3,782 million as compared to 1230 million the previous year growing by almost 3 times. For the 9-month period, the revenue in construction was 8,977 million as compared to 3,120 million in the previous year, an increase by almost 3 times. The order book for the construction in EPC has increased from 76 billion rupees in the previous quarter to 114 billion now at the end of the current quarter. Major additions to the order book have been the orders from LANCO Anpara and also some of the building contracts, which was won during the current quarter. This is the rundown on the overall results.

And for the major developments during the quarter, as you all would be knowing, the first one was the development plans which we are finalizing for the 2640 megawatts of plant in Orissa, for which we have been allocated a captive coal-mining block which will cater to about 1000 megawatts, and the balance of the coal would come from coal linkages. A long-term off-peak agreement has also been finalized through a competitive bidding process for about 1000 megawatts, which will be supplied to Haryana and Madhya Pradesh. During the quarter, there was an advance in the financial closures for various projects and Anpara 'C' has achieved a dry financial closure. We also have been receiving loan sanctions for 1200 megawatt of Amarkantak III project and LANCO- Genting consortium which put in a qualification bid for the Tilaya Ultra Mega Power Project has been qualified for that and now we will be preparing the RFP for the same. Also LANCO had submitted a bid for a power plant, which we will be putting up in Indonesia. LANCO also took a 5% stake in the Indian Energy Exchange, which is promoted by Financial Technologies and PTC. In the non-power infrastructure space LANCO has been qualified for bidding for port developments in Paradip and Vizhinjam in Kerala, and we have also been shortlisted for bidding for Dharavi redevelopment project. That's about all for the quarter's update, and now I hand it over for the Q&A session.

Moderator: Thank you very much sir. At this moment, I would like to handover the proceedings to Ameena to conduct the Q&A for participants connected to the international bridge. After this, we will have a question and answer session for participants at the India bridge. Thank you and over to Ameena.

International Moderator: Thank you Kevin. We will now begin the question and answer session from participants connected to the international bridge.

Please press 01 to ask a question. The first question is from Mr. Rohan, on the line sir.

Rohan Juneja: Hi guys, do you hear me? Hello?

Suresh Kumar: Yeah, I can hear you.

Rohan Juneja: Hello? Hi. Thank you. Mr. Kasturi, how are you doing? Its Rohan Juneja from FrontPoint Partners. I had a couple quick questions. Firstly, your guidance for profit after tax for the full year, if I have not mistaken, is 318 crores and for the first 9 months you guys made a 194. Lot of the revenues back-ended in the last quarter by any chance? Is that how it works?

Suresh Kumar: Yeah, this is Suresh. I will take your question. Typically, like the quarter of December, the quarter of March, and the quarter of June are typically good years for the construction business, and we have seen some good numbers for this quarter of December. We have seen good visibility by the end of March, both on the topline as well as on the bottomline for constructions. So, from guidance point, I think, it will be there, I don't think there is a concern there.

Rohan Juneja: Perfect. And then, also you have not recognized any revenues from your real estate projects as yet, right?

Suresh Kumar: That's right. So we intend to that by March.

Rohan Juneja: By March? Okay, great. And then, just, what's this, you know, this India Energy Exchange? Can you just give some more clarity on this if you don't mind?

Suresh Kumar: It is power exchange that has been created in a joint venture between Financial Technologies, which is the promoter of MCX. They along with PTC of India are holding together close to about 77% of power exchange, and the balance 23% is being distributed amongst IDFC, Adani, Reliance, REC, TATA power, and us. So, we are owning a 5% stake of the balance 23 that is available to other participants. This is the exchange that is being created for trading in power going forward.

Rohan Juneja: Okay, okay. And then, also, I mean, coming back to real estate, I know you all are bidding for the Dharavi project, but I mean in terms of any kind of expertise towards slum redevelopment primarily? I mean, I don't think you guys have done any kind of projects, right?

Suresh Kumar: which is true, but what we have done is we have tied up with Sunway of Malaysia and Nagarjuna Construction of Hyderabad. Three of us have joined together as a consortium for this project.

Rohan Juneja: Okay, and is there going to be a significant amount of capital devoted towards bidding for road projects in the future?

Suresh Kumar: Yeah, because that is part of the expansion that we want to create within the nonpower infrastructure portfolio, apart from roads, transmission and ports will be a large focus for us as an infrastructure developer.

Rohan Juneja: Okay, good. Thank you guys.

Suresh Kumar: Thanks.

International Moderator: Thank you. Please press 01 to put a question. Please press 01 to put a question. At this moment there are no further questions from participants in the international bridge. I would like to handover the proceeding next to Kevin.

Moderator: Thank you Ameena. We will now begin the Q&A interactive session for India participants. Participants who wish to ask questions, please press * and 1 on your telephone keypad. On pressing *1, participants will get a chance to present their questions on a first in-line basis. Participants are requested to kindly use handsets while asking the question. To ask a question, please press *1 now. Our first question comes from Mr. Gautam of BNK Securities.

Mr. Gautam: Good afternoon sir.

Suresh Kumar: Yeah. Hi Gautam.

Mr. Gautam: Hi sir. Just wanted to know what is the status of your real estate projects, and can we expect contribution from the sales in topline as well as bottomline?

Suresh Kumar: Real estate project, all uncertainties related to Waqf board issue have been sorted out. Supreme court, in fact, has even dismissed the petition that was filed by the petitioners when they lost the case in the high court in AP.

Mr. Gautam: Okay.

Suresh Kumar: So, construction work is in progress across the residential project as well as some non-SEZ IT projects.

Mr. Gautam: Okay.

Suresh Kumar: In terms of, what I would say on the realization, revenue recognition on real estates, we are not expecting much of revenue recognition for the quarter of March, but 2009-2010 will see a large amount of revenue recognition. So, I would say that this

fiscal there will be a component of revenue recognition, both topline and bottomline, but not as much as one would see in 2009 and 2010.

Mr. Gautam: Fine sir. And sir, what is the size of Indonesian plant where you have bid for?

Suresh Kumar: It is a 200 megawatt plant, coal-fire tar plant, plus or minus 10%.

Mr. Gautam: Okay. And sir, what is the tariff structure over there?

Suresh Kumar: We put in a bid. Once the bids are opened, and if we happen to win the project, we will announce to the entire market.

Mr. Gautam: Okay. And sir, there has been difference in volume in power trading business, so just wanted to understand the reason behind that?

Suresh Kumar: In terms of volumes, power trading has really gone up. Part of the volumes are in terms of banking transactions, where no turnover is booked, but margin is booked. While in the other nonbanking transactions, the turnover is booked as well as the margin.

Mr. Gautam: Okay.

Suresh Kumar: In terms of ranking, I would like to say that amongst the private sector LAMCO's trading business is #1 in the private sector this quarter.

Mr. Gautam: Okay.

Suresh Kumar: So, we are #3 in the overall stakes, #1 is PTC, #2 is NTPC's trading arm, and #3 is LANCO.

Mr. Gautam: That is great sir. And sir, what is the implementation schedule of your various power projects, I mean what is the expected COD of various power plants?

Suresh Kumar: In line with the guidance that we have been given through all our investors, and which is part of the Investor Relations presentation also on the website, we are not seeing much deviations from what we have given guidance on the website.

Mr. Gautam: Okay. And all the power plants on status like they will be implemented as per the schedule?

Suresh Kumar: Actually, in fact....

Mr. Gautam: or, there could be some delay, I mean some months of delay in few of the power plants?

Suresh Kumar: I am not seeing much of delay in the coal-fire tar plants, for example Amarkantak unit 1 and unit 2 will come by June 2008 and December 2008. All the four small projects, hydro projects, will come up by June 2008 as per guidance. Nagarjuna is headed in the direction where by December 2009 we will be done with the entire power plant. Anpara will be by latest by September 2010, or may be November 2010, not being on that.

Mr. Gautam: Okay.

Suresh Kumar: Teesta is headed in the right direction. By 2011, you should see Teesta fully operational.

Mr. Gautam: Okay.

Suresh Kumar: Budhil is going to happen by 2009 calendar year. So, we don't see much of delay in execution. Of course, hydro is associated with its risks on execution, but I think we have some cushion over there on the time line.

Mr. Gautam: Okay. And sir, I also wanted to understand the revenues booked by the construction division, like the power plant which is implemented by your construction division, the revenue recognition is bell shaped, or flat, or like it is less in initial period and then it ramps up?

Suresh Kumar: See, conservatively we want to recognize cost as much as we can, as early as we can,

Mr. Gautam: Okay.

Suresh Kumar: and see if we can postpone revenues almost to the final stage. To that extent, you will see some lumpy quarters where margins are down and immediately thereafter margins come back, converge to, on an annualized basis.

Mr. Gautam: Yeah.

Suresh Kumar: So, you may see some parts of the contract where a large amount of supply contracts are booked where there are not much margins,

Mr. Gautam: Okay.

Suresh Kumar: but on an annualized basis there will be kind of smoothing out that will happen.

Mr. Gautam: Okay, and you still maintain your margin guidance of construction division that you have been mentioning 18 to 20%?

Suresh Kumar: Yeah, on an EBITDA base.

Mr. Gautam: Yeah. And sir, how has been the ramp up of resources during past, like you have set up your ambitious target of expanding the power capacities and the work will be done by your construction division,

Suresh Kumar: Yeah.

Mr. Gautam: so, how has been the ramp up of resources?

Suresh Kumar: Quite aggressive, but not enough, I would say. To give you a statistic, when we started in November 2006, we were close to about 700 odd employees.

Mr. Gautam: Okay.

Suresh Kumar: Today, we are close to about 2,300 employees across businesses.

Mr. Gautam: Okay.

Suresh Kumar: So, we are aggressively ramping up, but not enough. Ideally, our preference is that by today we should have been at least 3,000.

Mr. Gautam: Okay.

Suresh Kumar: But, it is not effecting us right now because we are not yet peaking out in construction, but given that we have our own in-house construction, we are able to like redeploy our labor gangs from project to project, without having to allow them to go to other projects where we are not associated.

Mr. Gautam: Okay. And sir, what about the equipment part?

Suresh Kumar: Equipment, largely we are sourcing it from Dong Fang in China.

Mr. Gautam: Okay.

Suresh Kumar: And given Dong Fang's efficiency levels and their surplus capacities, we are getting equipment deliveries well within time, in fact some times in advance.

Mr. Gautam: Okay. And sir, I was talking about construction equipments.

Suresh Kumar: Construction equipment, today our equipment land bank is close to about 90 crores and we placed orders for about 120 odd crores with delivery scheduled over the next six months.

Mr. Gautam: Okay.

Suresh Kumar: So, we are okay with that.

Mr. Gautam: Okay. Sir, your Manikonda real estate project has not been reflected in your construction order book. I was just wondering whether LANCO is doing the work over there or you are outsourcing it?

Suresh Kumar: No, it is definitely there. It is part of others building projects...

Mr. Gautam: Okay, but sir the portion is small. It is around 400 crores of rupees.

Suresh Kumar: Yes, it is just about 20% of the overall plan.

Mr. Gautam: Fine sir. Thank you very much sir. I will get back to you if I have further questions.

Suresh Kumar: Yeah.

Moderator: Thank you very much sir. Our next question is from Mr. Shalabh Agarwal of Sundaram BNP Paridas.

Shalabh Agarwal: Good evening sir.

Suresh Kumar: Hi Shalabh.

Shalabh Agarwal: Good evening sir, and congratulations on a good set of numbers.

Suresh Kumar: Thank you.

Shalabh Agarwal: Sir, I just wanted to understand more on the power plant in the Orissa, that 2640 megawatt power plant. The coal linkage that we have is 1000 megawatts, how do we plan to get for the other 1600 megawatt?

Suresh Kumar: I will slightly correct the situation there.

Shalabh Agarwal: Yeah.

Suresh Kumar: 1000 megawatts is to captive coal block,

Shalabh Agarwal: Okay.

Suresh Kumar: 660 we already have coal linkages,

Shalabh Agarwal: Okay.

Suresh Kumar: so we need to do it for the balance.

Shalabh Agarwal: Okay. So, 660 coal linkages are already there.

Suresh Kumar: Yeah. For 1 unit of 660, we have coal linkages. Additional 1000 megawatts, we have captive coal blocks.

Shalabh Agarwal: Okay.

Suresh Kumar: And we are in the process of sourcing the balance.

Shalabh Agarwal: Okay, okay, and sir regarding the off-peak agreement with Haryana and Madhya Pradesh, 1000 megawatts, what is the status over there? What is the progress over there?

Suresh Kumar: In November, we won the two bids for about 1000 megawatts, and we get into PPA soon between LANCO Baban and Haryana and MP.

Shalabh Agarwal: Okay. So LANCO will be setting up this 1000 megawatt power plant?

Suresh Kumar: No, out of the 2640 megawatts that we have in Orissa,

Shalabh Agarwal: Right.

Suresh Kumar: The one we are planning in Orissa, 1000 will go to Haryana and MP, about 600 will go to Orissa,

Shalabh Agarwal: Okay.

Suresh Kumar: and the balance we kept it open.

Shalabh Agarwal: Okay, okay. So, the balance are you saying will be on the merchant level?

Suresh Kumar: We are hoping that we would be able to do that.

Shalabh Agarwal: Okay, okay, and sir if you can also tell us what has been the rate for which it has been agreed to sell at Haryana and Madhya Pradesh.

Suresh Kumar: On a levelized basis 2.32-2.35 kind of levels.

Shalabh Agarwal: For both these sales?

Suresh Kumar: Yeah.

Shalabh Agarwal: Okay. Okay sir, thank you. If I have any other questions, I will get back to you. Thank you.

Suresh Kumar: Yeah.

Moderator: Thank you very much sir. Our next question is from Mr. Aman Batra of Kotak.

Aman Batra: Hello, Good evening Suresh. Good evening Kasturi.

Suresh Kumar: How are you Aman?

Aman Batra: I am fine. Just a quick take on the carbon credits. How did it flow into the revenue statement, both at the segment report and numbers as well as the numbers that you report for the individual power project? Did it get captured in both the places? And ...

Suresh Kumar: Yeah, it does.

Aman Batra: Okay. The second is this carbon credit sale pertains to which period? During which period have you earned these carbon credits if you can give some details?

Suresh Kumar: Yeah. Kondapalli is basically not CER sales. They are VER sales, that is the voluntary emission, sold in the Chicago market. We sold at almost 4 dollars because it was not complying of the Kyoto protocol.

Aman Batra: Sure.

Suresh Kumar: So, we sold about a million credits through the VERs at about 4 dollars.

Aman Batra: Okay.

Suresh Kumar: 4, 4-1/2 dollars in that range.

Aman Batra: Okay.

Suresh Kumar: That is the only revenue that we booked in Kondapalli.

Aman Batra: Correct.

Suresh Kumar: Now, Kondapalli is going through registration for CERs.

Aman Batra: Okay.

Suresh Kumar: That should happen by March, and once they get registered, then they can be sold through the European market in the form of CERs,

Aman Batra: Okay.

Suresh Kumar: where obviously realization would be much better.

Aman Batra: Right.

Suresh Kumar: So, CERs is for the period from Jan 2006 onwards.

Aman Batra: Okay, so these VERs which have been sold

Suresh Kumar: is up to December 2005.

Aman Batra: up till December 2005?

Suresh Kumar: Yeah.

Aman Batra: Okay, and how about ABAN?

Suresh Kumar: ABAN is CERs, as you would be aware, some time in October or September, we had registered close to about 2010 credits with UNFCCC,

Aman Batra: Yeah.

Suresh Kumar: We sold those credits close to about 16 odd Euros.

Aman Batra: Okay, and these pertain to till 2007?

Suresh Kumar: Yeah.

Aman Batra: Okay. The second question that I had is on the project implementation side.

Suresh Kumar: Not 2007, sorry. It will be till, I think, December 2006.

Aman Batra: Okay. Okay. The second question I have is pertaining to cash flows, we see several new projects moving on the ground, Orissa 2640 megawatt is one, a large project, Amarkantak phase 3, and probably Kondapalli expansion. So, do you see any kind of cash flow requirement for putting in equity, enhanced equity state in terms of...

Suresh Kumar: Not at all. My read is Kondapalli is going to be financed entirely out of debt.

Aman Batra: Okay, entirely out of debt?

Suresh Kumar: Entirely out of debt. So, we have already, out of 1200 crores that we need for the project, 450 has already been sanctioned, and this is complete on-balance sheet financing with no recourse to internal accrues or further equity. Our expectation is that Amarkantak unit 3 will also happen the same way because unit 1 and unit 2 will have about 2 to 3 years of operations by the time Amarkantak 3 is fully funded.

Aman Batra: Okay.

Suresh Kumar: I would expect the EPC margins from Babandh to take care of a huge amount of equity funding for Babandh, and I guess we are

not seeing much of a requirement for equity for either Kondapalli or for that matter Amarkantak and even for Babandh as well.

Aman Batra: Okay. Lastly, if you can just clarify on the fuel linkages available for Amarkantak 3. So Amarkantak 3 anything on coal linkage as of now?

Suresh Kumar: We have got a coal linkage for phase 3.

Aman Batra: So that is already there?

Suresh Kumar: Yes.

Aman Batra: Okay. Thanks a lot.

Suresh Kumar: Yeah.

Moderator: Thank you very much sir. Participants who wish to ask questions, please press * and 1 on your telephone keypad. Our next questions is from Mr. Parag Gupta of Morgan Stanley.

Parag Gupta: Yeah. Hi Suresh.

Suresh Kumar: How are you doing Parag?

Parag Gupta: Good, good. Suresh I just wanted to check on your real estate rollout. What is the rollout plan going to be like going forward both for residential and when do you see your commercial space also getting ready?

Suresh Kumar: Rollout for residential is, we are planning about 27 months of execution, construction period, for all the 15 towers that we marketed in the first phase. So, I would say like look at 27 months, on a conservative basis look at 30 months.

Parag Gupta: And what about the presales like how you sold 4 million square feet sometime late last year?

Suresh Kumar: Yeah. Yeah.

Parag Gupta: What is the plan now going forward?

Suresh Kumar: We want to do a second phase of marketing, which is going to be for designer apartments. Given a little bit of lull in the residential market, we are debating when we want to launch the second phase, but we are waiting for at least a month before we take a view on the second phase.

Parag Gupta: And can you update on the Signature Towers that you are planning to go ahead with that, and if yes, when do you start marketing that as well?

Suresh Kumar: We are waiting for airport authority approval. The entire process of approval is now being shifted to the local airport authorities. Based on all the projects that are coming up in Hyderabad, the decision making is now being pushed back to the airport authorities in India. So, we are waiting for those to come in after which only we will start planning for launching Signature Towers, but I would like to say that Signature Tower is anyway a 4-year execution project. So don't give too much of a weightage in the immediate year, you know, for Signature.

Parag Gupta: Sure. And any update from the Chennai real estate development?

Suresh Kumar: Chennai, what we have done is in addition to the 47-1/2 acres for which we have joint development agreement in place, we started acquiring more land around the existing 47-1/2 acres. We eventually have a plan to, like, increase land parts of size to a much higher level to what it is today to get economies of a large developer. The way we are working on Chennai is that in the first quarter of fiscal 2009 we should start development activities.

Parag Gupta: Okay, thank you.

Suresh Kumar: Thank you.

Moderator: Thank you very much sir. Participants who wish to ask questions, please press * and 1 on your telephone keypad. Again, that is * and 1 on your telephone keypads if you wish to ask questions. At this moment, there are no further participants in the question Q..... Yes please.

Male Speaker: Kevin, its Shashi here.

Moderator: Yes please.

Shashi I would like to ask a few questions.

Moderator: Sure, please go ahead sir.

Shahshi: Sir, after the financial closure, what is the revised project cost for Anpara C that you have right now?

Suresh Kumar: Project cost is around 4,200 crores.

Shahshi: Okay. You mean for the 1200 megawatts

Suresh Kumar: That's right, that's right.

Shahshi: And you are looking for the expansion from 1000 megawatts to 1200 megawatts?

Suresh Kumar: We are going through them.

Shahshi: Okay, thank you very much.

Moderator: Sir, are you through with your questions sir?

Shahshi: Yeah.

Moderator: Right sir. At this moment, there are no further participants in the question Q sir. I would now like to handover to the floor back to Mr. Shashi Kiran of Edelweiss for final remarks.

Shashi Kiran: Thank you Kevin. Thank you Mr. Suresh Kumar and Mr. Kasturi from LANCO Infratech for answering all the questions. Thanks everyone for participating. Have a good day.

Suresh Kumar: Thank you very much to everyone.

S. Kasturi: Thank you very much.

Moderator: Ladies and Gentleman, thank you for choosing WebEx Conferencing Service. That concludes this conference call. Thank you for your participation. You may now disconnect your lines. Thank you, and have a nice evening.
