



# FILATEX INDIA LIMITED

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Listing Department  
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**Subject: Transcript of Conference Call on 9<sup>th</sup> May, 2018**

Dear Sir,

This is in continuation to our letter dated 8<sup>th</sup> May, 2018 on the Conference Call on 9<sup>th</sup> May, 2018. Please find enclosed the transcript in respect of the same.

This is for your information and records please.

Thanking You,

Yours Faithfully,  
For FILATEX INDIA LIMITED

  
COMPANY SECRETARY

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# “Filatex India Limited Q4 FY2018 & Full Year FY2018 Earnings Conference Call”

May 09, 2018



**INVESTOR RELATIONS: MR. RONAK SARAF– S-ANCIAL TECHNOLOGIES**

**MANAGEMENT: MR. MADHU SUDHAN BHAGERIA – CHAIRMAN &  
MANAGING DIRECTOR – FILATEX INDIA LIMITED  
MR. ASHOK CHAUHAN – EXECUTIVE DIRECTOR –  
FILATEX INDIA LIMITED  
MR. R P GUPTA – CHIEF FINANCIAL OFFICER –  
FILATEX INDIA LIMITED**

**Moderator:** Ladies and gentlemen, good day and welcome to the Filatex India Limited Q4 FY2018 and full year FY2018 Earnings Conference Call. 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 an operator by pressing “\*” and then “0” on your touchtone phone. Please note this conference is being recorded. I now hand the conference over to Mr. Ronak Saraf from S-Ancial Technologies. Thank you and over to you Mr. Saraf!

**Ronak Saraf:** Good afternoon to all. On behalf of S-Ancial Technologies Private Limited, I welcome all participants on the Q4 FY2018 and full year FY2018 Earnings Concall of Filatex India Limited. From the management, we have Mr. Madhu Sudhan Bhageria, Chairman & MD, Mr. Ashok Chauhan, Executive Director, Mr. R P Gupta, CFO. I would now like to hand over the call to Mr. Bhageria to give the opening remarks post which we can open the floor for Q&A. over to you Sir!

**M S Bhageria:** Thank you. Hello everyone. A warm welcome once again to all of you on our earning call for the quarter ended March 31, 2018 and FY2018. I presume you would have gone through the presentation, which has been uploaded on our website as well as on the stock exchanges. I have with me Mr. Chauhan, our Executive Director, Mr. Gupta our CFO and S-Ancial Technologies, our investor relation advisor.

It is a pleasure to brief you all about our Q4 results along with full year performance for FY2017-2018. I would like to share key developments in operational and financial performance of the company along with future prospects of the textile industry. I have several times discussed the history and milestone of the company, so I would skip repetition.

I am pleased to convey that our company is on a steady growth path. Let me give you a quick recap about the industry. Indian textiles industry is one of the oldest industries of ancient Bharat. It is amongst continuously growing industries of India. It is expecting to be US \$230 billion in size in three to four years down the line. The industry is labour intensive and continues to be second largest employer. It employs about 45 million people directly and 20 million people indirectly. The Indian textile industry contributes approximately 4% to India’s GDP, 10% of manufacturing production and 14% to overall index of industrial production.

The future of the Indian textile industry looks promising, buoyed both by strong domestic consumption as well as export demand. With consumerism and disposable income on the rise, the retail sector has experienced a rapid growth in the past decade. This has led to rise

in demand for textile products creating a huge domestic market. The domestic market for apparel and lifestyle products currently estimated at US \$85 billion is expected to reach US \$160 billion by 2025. Polyester has become the most preferred fiber in the textile industry due to its good physical properties, lower price, versatility and recyclability, which offers a complete unique set of benefit unmatched by any other natural or synthetic fiber. Polyester has penetrated into applications like apparel, home furnishing, automotive, construction, filtration, personal care and hygiene applications. In the production capacities we have done expansion, which resulted in the enhancement of our overall capacity to 328,300 tonnes per annum, which was 236,500 tonnes at the end of FY2017. We now are employing around 2000 people directly and around a similar number indirectly. Our market reach is global and we have footprint in 34 countries.

With regard to financials of Q4 FY2018 on standalone basis, the company has reported revenues of Rs.578.93 Crores as compared to Rs.448.75 Crores in the corresponding quarter of last year signifying the growth of 29% on year-on-year basis. EBITDA for the quarter stood at Rs.46.55 Crores as compared to Rs.37.79 Crores in Q4 FY2017, which shows growth of 23.2% on year-on-year basis. The net profit for Q4 stands at Rs.17.77 Crores as compared to Rs.13.66 Crores in Q4 FY2017 signifying a growth of 30% on a year-on-year basis.

Now let us see a few parameters for a full year performance on consolidated basis. The revenue stood at Rs.1,928 Crores an increase of 24.3% as compared to Rs.1,551 Crores in FY2017. EBITDA stood at Rs.156.96 Crores with an increase of 17.9% and net profit stood at Rs.60.05 Crores an increase of 48.2%. This is a comparison on year-on-year basis. Now we would like to open the floor for questions and answers. Thank you.

**Moderator:** Thank you very much Sir. Ladies and gentlemen, we will now begin the question and answer session. We have our first question from the line of Pritesh Chheda from Lucky Investment Managers. Please go ahead.

**Pritesh Chheda:** Sir I just wanted to understand the QoQ rise in volumes and the YOY rise in volume for the quarter and correspondingly the EBITDA per kg and if you could give some thoughts on how the bright especially did because this quarter the bright would have started producing?

**M S Bhageria:** On QoQ, we have done a volume growth of 23% and on year-on-year our volume growth is 12.5%.

**Pritesh Chheda:** Can you give the absolute numbers Sir?

- M S Bhageria:** Absolute numbers last quarter last year was 50,348 tonnes, this quarter it has been 62,177 tonnes and year-on-year it is 194,711 tonnes.
- Pritesh Chheda:** Just a minute Sir 62?
- M S Bhageria:** 62,177 tonnes.
- Pritesh Chheda:** 62177 tonnes versus 50,348 tonnes last year?
- M S Bhageria:** Yes.
- Pritesh Chheda:** On FY2018 basis you said it is?
- M S Bhageria:** FY2018 it would be 219000 tonnes this year and 194000 tonnes last year.
- Pritesh Chheda:** Volume growth is 23% QoQ?
- M S Bhageria:** QoQ it is approximately 23%, year-on-year it will be around 12.5%.
- Pritesh Chheda:** Then Sir 62 versus 50,340 will be in Q3 right?
- M S Bhageria:** What 50,340?
- Pritesh Chheda:** 62,177 is Q4 FY2018.
- M S Bhageria:** I am talking about FY2017 and this quarter not Q3.
- Pritesh Chheda:** Then Sir the volume growth YOY will be 23%?
- M S Bhageria:** YOY on the quarter. I thought you were asking for year-on-year and quarter-to-quarter that is what. If you want quarter-to-quarter from Q3, Q3 was 56,409.
- Pritesh Chheda:** 56,409?
- M S Bhageria:** Yes. So that will be around I think may be 12% or something.
- Pritesh Chheda:** Which means that your EBITDA per kg despite bright coming in?
- M S Bhageria:** Bright initial production has come in and initially you have to give better pricing to penetrate the market, so we cannot expect very big result in the initial introduction of the bright product.

- Pritesh Chheda:** Can you tell what would be the EBITDA per kg on bright that you must be earning on the initial?
- M S Bhageria:** I do not have the numbers as of now?
- Pritesh Chheda:** When do you think this goes to its potential EBITDA?
- M S Bhageria:** I think may be around Q2 and Q3 of this current year.
- Pritesh Chheda:** My last generally industry related question there is this NCLT resolution round for Alok do you think that capacity might come up, which is a dormant capacity?
- M S Bhageria:** Alok is still running at 50%. It is not 100% dormant and in filament yarn whatever is capacity garment is not very big I think it is not running fiber and other things. Filament yarn is around 350 tonnes capacity, which is not running.
- Pritesh Chheda:** What is the update on Bhilosa capacity of 300,000 and what is the impact if any?
- M S Bhageria:** I think it will start from end of this month or early next month some production will start coming in and the full production will be by end of this calendar year.
- Pritesh Chheda:** Do you see impact on realization when your capacity came up for bright?
- M S Bhageria:** I think there could be some disturbance, but not a very big disturbance because for textured yarn and POY already there is a huge demand. Only in FDY there could be some disturbance, but still exports have started picking up and I feel by the time we come to exports market should be good, but there could be some disturbance. I cannot say there will not be any disturbance.
- Pritesh Chheda:** Thank you very much.
- Moderator:** Thank you Sir. We have the next question from the line of Agastya Dave from CAO Capital. Please go ahead.
- Agastya Dave:** Thank you for the opportunity Sir. Sir when the new capacity now that it is fully operational and we will see it running for the full year. This year how much will our cost go up by on the P&L and also on the depreciation side what is your guidance towards depreciation for next year?
- M S Bhageria:** The depreciation I think will go up by Rs.13 Crores to Rs.14 Crores.

- Agastya Dave:** Rs.43 Crores Sir to Rs.44 Crores?
- M S Bhageria:** Yes. Cost would be pro-rata could be production as a number we have not seen, but we should get a topline of around Rs.750 Crores to Rs.800 Crores from the new production.
- Agastya Dave:** Historically whenever we have added capacity our cost have not gone up proportionately, so this time because capacity addition I would say significantly slightly different products should we assume that employee cost from 49 Crores will grow proportionately?
- M S Bhageria:** It is not the employee cost. I mean the other cost like raw material definitely go proportionately, finance will not be.
- Agastya Dave:** Obviously.
- M S Bhageria:** You do not need to employee senior employees so many you need to have workers more.
- M S Bhageria:** That way there will be some cost advantages and interest also will not go proportionately definitely.
- Agastya Dave:** Sir in terms of running of the plant the process itself is it significantly different economically speaking?
- M S Bhageria:** Process only.
- Agastya Dave:** Sir two further questions Sir if I may ask, one is on the antidumping duty any changes on the raw material side or on the finished part where you are expecting any changes because representations have been made?
- M S Bhageria:** See there are two antidumping at the present on PTA, one for three countries that is Thailand, Korea and one more name is there I just forgot. There are three countries, which the antidumping is expiring next year July 2019 and the others it will be there till 2020.
- Agastya Dave:** Sir the PTA disadvantage that we have is it still US \$50 to US \$60 or it is more than that?
- M S Bhageria:** It is down US \$25.
- Agastya Dave:** US \$25 and finally Sir on the spreads I am slightly confused about how much bright will command. You in the previous concall had given some figures, so how should we look at the full optimal spread in Q2 and Q3, what are the spreads on the chips level and on the FDY levels if you can guide through some numbers there?

- M S Bhageria:** Normally in chips EBITDA is around Rs.1.5 to Rs.2. I can give you in EBITDA terms. POY is around Rs.8 to Rs.9. Textured gives you another Rs.3 to Rs.4 and FDY is around Rs.10 to Rs.12. These are the numbers, which normally keeps changing from time to time, but these are the figures normally, which remain.
- Agastya Dave:** How much is the FDY number you gave?
- M S Bhageria:** Rs.10 to Rs.12. Right now we are not getting extra in bright, but normally you get 1% to 2% extra in bright Rs.1 or Rs.2.
- Agastya Dave:** Over and above Sir these are the numbers?
- M S Bhageria:** These are semi-dull, over and above this in bright you get Rs.1 or Rs.2 extra.
- Agastya Dave:** Fine Sir, but last quarter you were saying that the spreads are closer to Rs.5 to Rs.6 right over and above semi dull?
- M S Bhageria:** Last quarter in January they were very well, but by the time we came in the margins have eroded and for bright the market would be very good after June basically.
- Agastya Dave:** It is because of the seasons right?
- M S Bhageria:** It is a season from June end till January it is very good and then for three to four months it is not that good.
- Agastya Dave:** I will move back in the queue Sir. I have one more question, but I will ask later. Thank you very much Sir.
- Moderator:** Sir do you have any further questions Mr. Dave?
- Agastya Dave:** I have, but I will move back in the queue. I have already asked three.
- Moderator:** Sure Sir. Thank you very much. We have the next question from the line of Rohan Mehta from Riqueza Capital. Please go ahead.
- Rohan Mehta:** Sir congrats on a good set of numbers. Our debt on our books is roughly around Rs.630 odd Crores, so what is the plan to reduce this number for the coming year?
- M S Bhageria:** The coming year I think we will be able to reduce close to Rs.100 Crores in this year.



- Rohan Mehta:** Any exercise to get the share pledge released with this debt number coming down and our topline also increasing subsequently?
- M S Bhageria:** Yes definitely.
- Rohan Mehta:** Sir any timeline for that for the pledge to be debt released?
- M S Bhageria:** Pledge only in FY2020 once we are able to finalize our FY2019 balance sheet then only we can request the bankers to release once we have performed what we have promised and this pledge is mostly to only the bankers who have given us term loan and working capital loans. It is like additional collateral given to them.
- Rohan Mehta:** Understood. Thanks a lot.
- Moderator:** Thank you Sir. We have the next question from the line of Pritesh Chheda from Lucky Investment Managers. Please go ahead.
- Pritesh Chheda:** What kind of volumes will you sell in FY2019 and FY2020?
- M S Bhageria:** FY2019 I think we should be able to do volumes around 287000 tonnes.
- Pritesh Chheda:** In FY2020, you will have any capacities then or will it be flat?
- M S Bhageria:** Yes we are working on something, so maybe we will have some additional capacity for which I cannot say. It will be much better than this that is for sure at least 10%.
- Pritesh Chheda:** Is it bright being there in FY2019 is it fair to assume that the EBITDA per kg will be higher than FY2018?
- M S Bhageria:** Yes it should be higher than FY2018.
- Pritesh Chheda:** Thank you.
- Moderator:** Thank you Sir. We have the next question from the line of Agastya Dave from CAO Capital. Please go ahead.
- Agastya Dave:** Thank you Sir. In the previous interactions you have mentioned and also in the annual reports that crude is a complete pass through, so has that been happening now that is first question, second question when you pass on the raw material prices and that is not a problem, but what about your fixed cost, let us say you spread is Rs.7 a kg at the EBITDA level more or less, but you also pay cost ratios from employees themselves or power and

fuel cost have gone up, so how much to what extent would you pass on that, is there any pass through that even though they are tiny percentage of your cost, but still I am just trying to understand the pricing power over the next three to four years especially when product mix is improving so much?

**M S Bhageria:** The pricing bar mainly comes from demand and supply although everything is a pass through, but if the demand is good you can definitely improve your margins, so right now demand is on the rise. I don't see we should have any problem in passing through and also improving our margins going forward.

**Agastya Dave:** Sir do you have any outlook towards cotton production this year any early estimates, any expectations and in terms of market share gains for manmade fiber the commentary that you write in your annual reports what is your say Sir?

**M S Bhageria:** I think manmade fiber definitely as a percentage and as a volume also will grow because globally only the growth is coming from manmade in textiles. The cotton production is virtually at a stagnant number, so any growth, which is around 4% of the world growth, which is predicted, which is 4 million tonnes is coming mainly from the polyester only.

**Agastya Dave:** Sir over the last four to five months any major announcements or capacity additions anywhere either in the country or in China? China you were saying last time that there have been some shutdowns?

**M S Bhageria:** China there some capacity additions, but net capacity additions are not very much. Basically there are some old plants, which are shutting down and some new ones coming in. India there is no announcement.

**Agastya Dave:** Is my understanding correct Sir last year there was no supplier demand on an incremental basis a deficit of 3 million tonnes and will that number be same this year?

**M S Bhageria:** A deficit of 3 million tonnes.

**Agastya Dave:** What I am saying is that every year the demand goes up by around 3 million tonnes right?

**M S Bhageria:** Right.

**Agastya Dave:** So no fresh net capacity additions happened last year is my understanding correct?

**M S Bhageria:** Not in India, but China definitely some fresh capacity additions happened and also if they were not able to utilize their existing capacity they had increased their productivity like they were using 80% they would have gone to 85% utilization levels.

- Agastya Dave:** Sir what are the utilization levels for us domestically and globally do you have?
- M S Bhageria:** Domestically only two to three companies, which are in some kind of problem they are not able to utilize their capacity and that is not due to the market. That is due to their financial problems or the other things like Alok, Indo Rama to name a few. Rest everybody is virtually running on a very high capacity utilization maybe 90% to 95%.
- Agastya Dave:** Sir one final question on your debt I believe 40% debt is foreign currency, have you hedged any of it or do you need to hedge?
- M S Bhageria:** Foreign currency long term debt we have not hedged because that is for 8 years and 10 years and I do not think that 8 years and 10 years is a very long period and the hedging cost will be much higher than the depreciation if it happens.
- Agastya Dave:** Sir including bank charges what can be your decent estimates for finance cost?
- M S Bhageria:** I think going forward it should be close to Rs.65 Crores this current year.
- Agastya Dave:** That will be a jump Sir from this year?
- M S Bhageria:** Yes that will be some jump. This also includes LC opening charges and other charges, financial charges everything comes in this. It is not only interest. Because of the activities going up the LC charges and everything will also go up.
- Agastya Dave:** Sure. Final question from my side Sir. Any tentative date for the AGM?
- M S Bhageria:** I think it will happen only in August end or September beginning.
- Agastya Dave:** Thank you very much Sir. Good luck.
- Moderator:** Thank you Sir. We have the next question from the line of Pratim Roy from Stewart & Mackertich. Please go ahead.
- Pratim Roy:** Congratulations for the good set of numbers and I have only two questions, one is if you can guide me on the capacity utilization front means what is the present capacity utilization if you can say?
- M S Bhageria:** The capacity utilization as far as yarn productions are concerned is close to 95%, only in the chips areas we are doing around 65% to 70%.
- Pratim Roy:** Any increase in capital expense and capacity utilization you can expect?

- M S Bhageria:** Not in the chips I do not think we will be able to on a long run utilize more than this, but yarn of course we are doing almost close to what best is possible.
- Pratim Roy:** One thing that what is your comment on stocks split, is there any liquidity fund you can do stock split, but otherwise any other reason for that?
- M S Bhageria:** Just to increase the liquidity in the market.
- Pratim Roy:** Actually thing is that coating around almost lower levels in 200 and 210 so that is a thing?
- M S Bhageria:** If people don't stand see textile stock at 200 levels, so it is better to bring it low.
- Pratim Roy:** Thank you Sir and best of luck for the coming months.
- M S Bhageria:** Thank you.
- Moderator:** Thank you Sir. Now we have the next question from the line of Prashant Pagarey, an Individual Investor. Please go ahead.
- Prashant Pagarey:** Actually thank you so much. Basically whatever I wanted to ask that has been already answered in the previous question.
- Moderator:** Thank you Sir. We have the next question from the line of Vivaan Awasthi from Saucer Capital. Please go ahead. Vivaan Awasthi Sir your line is unmuted. Please go ahead and ask your question.
- Vivaan Awasthi:** Thank you for the opportunity Sir. Just wanted to ask with the bright facility setup when can we expect the blended margin to increase and by how much bets?
- M S Bhageria:** Whole year I can say we should do close to 10% and gradually every quarter we should have some increment. Very difficult to give you exact guidance, but year as a whole we should be very close to 10%. If the raw material price is increased of course the percentage can go down, but the absolute number would remain the same.
- Moderator:** Sir do you have any further questions?
- Vivaan Awasthi:** No that is all.
- Moderator:** Thank you. We have the next question from the line of Alok Sharma from Ista Securities. Please go ahead.

- Alok Sharma:** Thank you for the opportunity. Sir I just want to ask you anything else in your mind about the financial position for the next financial year?
- M S Bhageria:** Anything I did not understand.
- Alok Sharma:** I just want to ask you the financial projections like what is on your mind from the topline and bottomline points of view? What are you looking for next year?
- M S Bhageria:** In the current year of course as I have told we should do anything around 750 to 800 on the last year's topline and with the EBITDA close to 10% at the current prices of raw material and going forward we have some plans to expand and then that would come into effect in FY2020 and our volumes and margins and everything should go up more.
- Alok Sharma:** Sir right now company is utilizing overall capacity for production?
- M S Bhageria:** Yes chips has a very low EBITDA and sometime it does not give you anything for your bottomline, so we do not utilize that fully, otherwise all the other capacities we are virtually 100%.
- Alok Sharma:** Sir anything in your mind from the export point of view because you are exporting to so many nations?
- M S Bhageria:** What I think going forward it should increase. Right now we are doing close to 20% of the volume. Going forward we can do another 2% to 3% more not much. Already the volumes are increasing so as a number it will be higher, but as a percentage I do not think we should be able to do much more than 20% to 23% and it is also very good the demand is good.
- Alok Sharma:** Thank you very much and all the best for the next quarter.
- Moderator:** Thank you Mr. Sharma. We have the next question from the line of Lavita Lasrado from Athena Investment. Please go ahead.
- Lavita Lasrado:** Sir you guided the EBITDA as 10% for next year, but already the EBITDA has come down to 8.1% from last year's 8.6% and the raw materials are already at peak do you think it is possible next year 10% EBITDA margin?
- M S Bhageria:** If the raw materials go up then definitely EBITDA margins would be lower as a percentage, but as an absolute number, which I feel it should be close to 260 plus that we should be able to achieve.
- Lavita Lasrado:** If the raw material prices go up you think?

- M S Bhageria:** Let us say if the turnover is around 2,600 to 2,700 and if it goes to 3,000, but the EBITDA would remain around 260 to 270 levels. The percentage wise it will drop.
- Lavita Lasrado:** That is like 200 basis points increase, but then again how much has the raw material price increased compared to last year?
- M S Bhageria:** Year-on-year it has increased by almost 10% from 2017 to 2018.
- Lavita Lasrado:** 10%?
- M S Bhageria:** That way we would have done close to 9% or may be 8.9% this year and the raw materials prices remain same.
- Lavita Lasrado:** Sir 9% would be a fair assumption if the raw material prices come down by 10% from today's peak?
- M S Bhageria:** That is what I am saying I am giving an absolute number also 260 to 270 something like that, so that we should be able to achieve whether the topline is 2,500 or 3,000 is immaterial.
- Lavita Lasrado:** Going forward what will be your debt next year are you trying to reduce the debt?
- M S Bhageria:** Debt we should be able to reduce by almost Rs.100 Crores?
- Lavita Lasrado:** Next year it will be Rs.550 Crores?
- M S Bhageria:** Next year it could be, it s Rs.630 Crores as of now, so next year it could be Rs.530 Crores.
- Lavita Lasrado:** Sir your volumes for yarns next year would be? What are you guiding on volumes for yarns next year?
- M S Bhageria:** Next year we should do around 287,000 tonnes. It is the overall volume.
- Lavita Lasrado:** So 1 lakh increment additional volume?
- M S Bhageria:** 1 lakh. This year we have done 219,000 I think so it will be like 60,000 tonnes.
- Lavita Lasrado:** I was talking about the yarn volume. It is 187,000 in your presentation?
- M S Bhageria:** Yarn volume whatever we have given in the presentation I think 95% of that we should be able to do.

- Lavita Lasrado:** For chips it will remain the same?
- M S Bhageria:** Chips will be around 60% to 70%, so whatever deficit from 328,000 would be mainly because of chips.
- Lavita Lasrado:** Fine Sir. Thank you.
- Moderator:** Thank you. We have the next question from the line of Vasant Pandey, an Individual Investor. Please go ahead.
- Vasant Pandey:** Congratulations Sir on a great set of numbers. Sir you have mentioned that you are functioning at a capacity utilization of 95% so does that include the new capacity also?
- M S Bhageria:** New capacity is not 100% it is around 80% at the moment. I think within a quarter we should be close to 90%.
- Vasant Pandey:** So you are already at 80% in the new capacity also?
- M S Bhageria:** For the yarn yes.
- Vasant Pandey:** That is great and another thing Sir I have just seen that there has been an inventory buildup this quarter for about Rs.24 Crores?
- M S Bhageria:** Mainly because of the new production coming in the bright production that is why the inventory has increased. It is difficult to penetrate the market that is why, but now I think going forward we should be, overall the volumes have also increased so that also gives an increase in the inventory.
- Vasant Pandey:** So this inventory buildup is mainly because of the new production, which has come in?
- M S Bhageria:** Yes.
- Vasant Pandey:** Not the trial, you were doing trial runs right from January I think so?
- M S Bhageria:** Yes trial runs and we were selling that also.
- Vasant Pandey:** Fine Sir. Thanks a lot.
- Moderator:** Thank you Sir. As there are no further questions from the participants, I now hand the conference over to Mr. Ronak Saraf of S-Ancial Technologies for closing comments. Over to you Sir.

**Ronak Saraf:** Thank you. On behalf of S-Ancial Technologies Private Limited I thank Mr. Bhageria, Mr. Ashok Chauhan and Mr. R P Gupta and all participants joining us in the call. Thank you and good day.

**Moderator:** Thank you Sir. Ladies and gentlemen, on behalf of S-Ancial Technologies that concludes this conference call. Thank you for joining with us. You may now disconnect your lines.