

December 04, 2019

(through NEAPS)

**The Manager,
Listing Department,
National Stock Exchange of India Ltd.
Exchange Plaza, Bandra Kurla Complex
Bandra (East), Mumbai -400051**

Dear Sir,

Sub: Q2FY20 Earning Con-call – Transcript.

An Earning Con-call for analysts and investors was held on November 15, 2019 to discuss Operational and Financial performance of the Company for Q2 FY20. In this regard, please find attached a copy of Transcript for above Con-call.

The copy of above Transcript is also uploaded on the website of the Company www.fiemindustries.com under Investor Relations section.

This is for your information and records please.

Thanking you,

Yours faithfully
For Fiem Industries Limited



**Arvind K. Chauhan
Company Secretary**

Encls: A/a



**“Fiem Industries Limited
Q2 FY2020 Earnings Conference Call”**

November 15, 2019

Hosted by Monarch Network Capital Limited



**ANALYST: MR. ANUBHAV RAWAT - MONARCH NETWORK
CAPITAL LIMITED**

MANAGEMENT:
MR. J.K. JAIN, CHAIRMAN & MANAGING DIRECTOR
MR. RAHUL JAIN – WHOLE-TIME DIRECTOR
MR. RAJESH SHARMA – EXECUTIVE DIRECTOR
MR. O.P. GUPTA– CHIEF FINANCIAL OFFICER
MR. ARVIND K. CHAUHAN – COMPANY SECRETARY
FINANCE TEAM MEMBERS

Moderator: Ladies and gentlemen, good day and welcome to the FIEM Industries Q2 FY2020 Earnings Conference Call, hosted by Monarch Network Capital limited. Please note this conference call may contain certain forward-looking statements about the company which are based on beliefs, opinions, and expectations of the company as on date of this call. These statements are not the guarantees of future performance and involve risks and uncertainties that are difficult to predict. As a reminder all participant lines will be in the listen-only mode. 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 “*” followed by “0” on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Anubhav Rawat. Thank you and over to you Sir!

Anubhav Rawat: Thank you Ali. Good evening everyone. On behalf of Monarch Network Capital, I welcome you to the quarter two FY2020 earnings conference call of FIEM Industry. We are pleased to host the senior management team of the company today. Today we have with us, Mr. J.K. Jain – Chairman and Managing Director of the company, Mr. Rahul Jain – Whole-time Director, Mr. Rajesh Sharma – Executive Director, Mr. O.P. Gupta – Chief Financial Officer, and Mr. Arvind Kumar Chauhan – Company Secretary along with other team members of finance department. We will start the call with the initial comments about the results and the future outlook of the company and then we will open the floor for question and answers. So, now I will hand over this call to Mr. J.K. Jain, Chairman and Managing Director of the company. Over to you Sir!

J.K. Jain: Thank you very much. Good evening to all. I welcome you all to Q2 FY2020 earnings call of your company. I believe you all must have gone through the results which were released yesterday. Before going to the financial and the question-and-answer session, I would like to give you a brief about the industry and our performance.

The Indian economy continues to go through a very tough period. Various indicators point to India's GDP growth falling below 5%. While the government has announced a number of recent measures targeting real estate, automobiles and the banking sector in general but it has not translated in results on the ground.

At 5%, our GDP growth is slowest over the last six years. All major indicators like factory output etc., have lagged. Industry continue to suffer on account of limited credit in the economy in spite of high liquidity with the bank, the transmission to this to industry is not happening. Slow down in NBFC sector has also resulted in lower financing of the vehicles

and thus impacting sales. Auto sector continues to mirror the larger economy. The data is not encouraging and the industry is continued to see month over month decline in sales.

For H1 FY2020 total domestic sales of the automobile industry fell 17%, passenger vehicles and commercial vehicles recorded a decline of 23.5% and 35.8% respectively. Two-wheeler industry recorded a decline of 16%. For Q2 FY2020, sales of our key clients like Honda declined by 17% while TVS declined by 24%. Suzuki was able to buck the trend with a growth of 5%.

Now coming to our own performance in Q2 FY2020, in spite of challenging environment evidenced by the degrowth in the industry, I am pleased to report that we have managed to outperform the industry our sales has degrown by 6% with flat margins. This outperformance is driven by our strong product mix and multiple models that we supply to our customer. For example for Honda, we have close to 22 to 25 models and we believe that our diversified business approach helped us to manage this tough time significantly better.

To sum up the headwinds for the industry continues as we get into H2 FY2020. The festive season gone by has not produced much cheer for the industry. Additionally we will see the production of BS-6 commencing in Q4 of this year, this will also result in some disruptions in the market. Hence H2 current year continues to be challenging and we will continue to focus on our product diversity and operational efficiency.

Now I hand over line to Mr. O.P. Gupta, our CFO to update the financials. Thank you very much.

O.P. Gupta:

Thank you Sir. Good evening to everyone.

Total sale of the company for Q2 was Rs.368.24 Crores as against the turnover of Rs.356.3 Crores in the first quarter of FY2020 and Rs.392 Crores in corresponding quarter of FY2019.

Our sales for current quarter declined by 6% as compared to corresponding quarter of last financial year this is driven by slow down of our key customers that is Honda and TVS. During the quarter under reporting the company earned an EBITDA of Rs.41.3 Crores which is 11.22% in comparison to EBITDA of Rs.39.64 Crores in Q2 FY2019 which was 10.1%. The EBITDA margin for the current quarter has been in line with the margin of first quarter of current financial year. PBT stands at Rs.23.57 Crores as against the PBT of Rs.22.15 Crores during the quarter two of FY2019. PAT of the company stood at Rs.15.56 Crores as against the PAT of Rs.14.63 Crores during quarter two FY2019.

Coming to the investment the company has made an investment of Rs. 14.66 Crores in quarter under reporting. With this I end the financial brief and now floor is open for question and answer. Thank you.

Moderator: Thank you very much. Ladies and gentlemen, we will now begin the question and answer session. The first question is from the line of Ashutosh Tiwari from Equirus Securities. Please go ahead.

Ashutosh Tiwari: Congrats on good set of numbers considering the environment that we were operating into. Firstly, obviously there is some pickup which happened in the festival for different players but how do you see the production should do in November recently. Are you seeing any improvement over last year or it is still lower than last year?

J.K. Jain: At the moment, the sales are flat. You can say it is lower than last year.

Ashutosh Tiwari: Okay. But versus October is that similar or down?

J.K. Jain: October was similar almost. But in sales it is going down.

Ashutosh Tiwari: This bank angle sensor supplies will mainly start from which quarter to HMSI?

J.K. Jain: Basically that will start from January onwards.

Ashutosh Tiwari: January and the potential of revenue over there is how much on a full year basis?

J.K. Jain: Full year we are estimating around Rs.50 Crores to Rs. 60 Crores during the next financial year.

Ashutosh Tiwari: Any orders that we got for supplies from Yamaha Global I mean we obviously develop the headlamp for them so any orders that you received now?

J.K. Jain: No. Basically we are already supplying to, first we started supply to Yamaha Thailand then Indonesia and now it has come to India, now we are going to have Yamaha Italy. So everything is in a pipeline.

Ashutosh Tiwari: But can you derive some kind of revenue potential that these new orders will have over the coming years?

J.K. Jain: At the moment no, however it is generally for the next three years and more.

- Ashutosh Tiwari:** Okay and on the capex side we spent almost Rs.27 Crores in the first half. So what is the plan for second half and this is mainly towards which capacity or what this is mainly towards?
- O.P. Gupta:** Yes, actually we invested Rs.14 Crores in this current quarter so we will go by our existing plan of Rs.40 Crores to Rs.50 Crores in the full financial year. This is nothing exceptional. It is just to upgrade our existing capacity in all the nine units.
- Ashutosh Tiwari:** What would be your utilization on an average across all the plants?
- O.P. Gupta:** Yes, all the plants we have utilization potential of 80% to 85%.
- Ashutosh Tiwari:** Okay and for TVS NTorq we have mentioned in the PPT that we supplied DRL so do you supply headlamps as well?
- J.K. Jain:** No. In the NTorq we are with the first model. The NTorq has two models. One is the NTorq and another is NTorq racing. So in basic NTorq model we are 100% for the headlamp and every part, we supply. For the NTorq racing, we have everything, except headlamp.
- Ashutosh Tiwari:** NTorq racing is a new model you are saying basically?
- J.K. Jain:** Yes. This is a new model. This is with LED.
- Ashutosh Tiwari:** LED headlamp you are saying. Okay. What you supply were NTorq is basically the normal halogen model.
- J.K. Jain:** Normal halogen model which is continuing and will be continuing.
- Ashutosh Tiwari:** In terms of development at your customer end, how is the LED pipeline basically I mean do you have a good visibility of more models coming up with the ready headlamps in between the next year?
- J.K. Jain:** Basically different customers have different thinking and different product mix. Some customers are going towards 100% LED. Our major customer is coming in their prime model like 30% LED and 70% non-LED. So it is a different thinking. As far the development is concerned, we are in the process of more than 40 to 45 items under development, and out of that 20-25 are already developed, which will come in next few years. Basically, the development take place at least two to three years ahead.

- Ashutosh Tiwari:** Okay. And lastly on the Aisan JV how is the progress, we have got order from Bajaj earlier so is that the only customer as of now?
- J.K. Jain:** Yes. Basically it has started for Bajaj, so from this company we will be supplying to Bajaj.
- Ashutosh Tiwari:** That will mainly start in the February-March or January only?
- J.K. Jain:** No that will start from January onwards. For the trial model, most of the production will start from the January onwards, the major production will start from April onwards.
- Ashutosh Tiwari:** Sir lastly on the bank angle sensor will it be fitted in all the scooter motor cycles of HMSI or this was limited to few models only?
- J.K. Jain:** This will be limited to the motorcycle, all motorcycles.
- Ashutosh Tiwari:** All motor cycle. Okay sir. Thanks a lot.
- Moderator:** Thank you. The next question is from the line of Arun Agrawal from Kotak Securities. Please go ahead.
- Arun Agrawal:** Congratulation Sir on good set of numbers. Sir my first question is as you pointed out that the customers that OEM should be shifting towards BS-6 products in second half. How do you see I mean in terms of because of OEMs should be launching these two new products, so how do you see the headlamps moving from halogen to LED in the second half with the launch of BS-6?
- J.K. Jain:** As I told earlier some customers are going towards fully LEDs which were non-LED lamps and some customers are coming with 30% of LED and 70% non-LED.
- Arun Agrawal:** Sir here you have good visibility here in the sense that are there any, do you see a meaningful shift in the second half with a new model is getting launched towards LED or they would be only certain models, or high end models getting into LED?
- J.K. Jain:** No. basically this will depend. They will have now one by one introducing their model and how the customer respond. Basically the real thing will come from April onwards, when the sale begins for BS-6.
- Arun Agrawal:** Sir, for this quarter can you share your customer wise revenue growth on a year-on-year basis for second quarter for HMSI, TVS, Yamaha, Suzuki?

- O.P. Gupta:** Yes. Sir we have already shared on H1 basis for Q2, HMSI is 43.06.
- Arun Agrawal:** This is Sir?
- O.P. Gupta:** 43.06.
- Arun Agrawal:** No. I am looking at on a year-on-year basis as compared to what would be the revenue growth?
- O.P. Gupta:** No. Revenue growth of the customer, you are talking?
- Arun Agrawal:** Yes, for HMSI second quarter or second quarter last year what revenue growth will have seen in the second quarter?
- O.P. Gupta:** See you have the total numbers and Honda is -6%
- Arvind Chauhan:** Let me understand your question correctly. You are asking what is the sales of our customer in Q2 of last year and the Q2 of this year that is under reporting quarter? Are you asking this question?
- Arun Agrawal:** Yes, so what is the growth or degrowth on year-on-year basis?
- Arvind Chauhan:** So this HMSI and TVS is degrowth of 6% almost and Yamaha is 16% degrowth this quarter.
- O.P. Gupta:** Last quarter was growth.
- J.K. Jain:** And then Suzuki is at plus side 14%.
- Arun Agrawal:** Okay and Sir if I compare you data from first quarter to second quarter, in Suzuki we have seen that year over all two wheeler production has grown by 10% whereas our revenue seems to have degrown slightly. This is I am comparing first quarter, second quarter to first quarter of this year. So we already have I think 100% share of business in the headlamps and rear mirrors and 87% in tail lamps so I want just wondering that we lose some business?
- J.K. Jain:** No. See the first quarter also and the second quarter also both the quarters we witnessed a growth in the Suzuki. So there is no question of loosing.

Arun Agrawal: There is no degrowth.

J.K. Jain: Yes.

Arun Agrawal: Okay and Sir on your margins while for the four quarters now we have been sort of achieving 11% plus margins now. Prior to that used to be somewhere close to 10% but if we look at the earlier picture where between FY2012 to FY2017 we were at around 12 to 13% EBITDA margin. Now going forward, what factors you think will help us to achieve those 12% plus margins maybe over the next say one year or something?

O.P. Gupta: Actually we are trying to maintain the margin at the level of 11% to 11.5% because we have now taken over from 10.2% to 11% to 11.5%. Our target is to cross 12%, which we have been getting earlier and then reaching to 12% to 13% and there are two reasons that one is we are increasing the efficiencies you will see that our cost of goods sold is gradually coming down if you compare from that quarter two of the last year and the quarter two of this year, our raw material cost of goods sold has come down. This one factor will work it on. Secondly of course will work on other expenses and the topline growth will definitely give us the better margin. You will appreciate that in this quarter our turnover has gone down but still our margins have improved. That is what we would continue to strive to achieve better margin even if we do not get turnover and our first aim is to touch 12%.

Arun Agrawal: Sir my last question is under tax rate front this quarter the tax rate was I mean around 34% so we did off for the low tax rate?

O.P. Gupta: Yes, actually we are evaluating that option and will take a call in the next quarter and last quarter, as we do not have any MAT credit and this new tax regime is going to give us a benefit, hence hopefully we will go for this new regime but we will take a final call from the next quarter.

Arun Agrawal: All right that is it from my side. Thank you.

Moderator: Thank you. The next question is from the line of Raga Bindra an Individual Investor. Please go ahead.

Raga Bindra: Sir are there any new talks with new four wheeler like KIA or few other guys were trying to scale up in Indian market?

- J.K. Jain:** For four wheelers, we are supplying like warning triangles, small lamps that is because, as I told earlier, four-wheelers require joint venture, for which we are looking for and we hope in the years to come will have something.
- Raga Bindra:** Lot of this two-wheeler guys they had some shutdown and stuff like that I think we did not have any shutdowns or such like that?
- J.K. Jain:** No there was no shutdown. There was no shutdown in our factory. Of course we have done a five day a week for convenient time for the last quarter.
- Raga Bindra:** Thank you Sir.
- Moderator:** Thank you. The next question is from the line of Pritesh Chheda from Lucky Investment Managers. Please go ahead.
- Pritesh Chheda:** Sir in your review growth performance vis-à-vis the auto two wheeler volume decline is a much better performance, I just wanted to know which OEMs have we gained and where is our gains and not from the two wheeler decline in volumes?
- J.K. Jain:** See Honda and TVS declined, but impact on us is not that much the reason is we are across the models and share in the commuter models are high so this is despite of all this double digit decline on our customers, our degrowth is only 6%.
- Pritesh Chheda:** You said Honda and TVS declined, but you would have gained somewhere right, so you would have gained any of the other models?
- J.K. Jain:** Yes. We are gaining in Suzuki and all other customers. The mix compensated actually.
- Pritesh Chheda:** Okay and in Suzuki what is the scope considering, look at your Yamaha, there is global export opportunity for us, so our share of business in Yamaha has gone in our revenue mix also which has gone up so if you could give some visibility on the next couple of years for Yamaha and Suzuki?
- J.K. Jain:** Yes. Definitely we are expecting the growth. It will happen.
- Pritesh Chheda:** So what kind of growth is possible in the OEMs for us? Whatever more difference will come, we will be there.

- J.K. Jain:** Based on their volumes and their expectations, the model what we have developed, there are going to be another five to six models of the same, similar. So for the next couple of years they are going to come and we are expecting a very good volume in business.
- Pritesh Chheda:** Okay. With Suzuki what kind of growth is any possible do you know any export numbers that is possible?
- J.K. Jain:** Basically their growth will be our growth and we cannot predict their growth.
- Pritesh Chheda:** Perfect. And other two questions what is the progress on the Aisan JV and the product line and what kind of revenue and PAT is possible of our Aisan JV in FY2021?
- O.P. Gupta:** Actually that Mr. Jain as just narrated that Aisan JV will start coming to operation effective from April 1, so you will see the first topline growth in 2021. That we are expecting to the tune of 150 Crores to 200 Crores that is the business plan that the company has made, based on the market conditions and growth of Bajaj on this.
- Pritesh Chheda:** So will there be a PAT at 150 to 200 Crores of revenue side?
- O.P. Gupta:** Growth of please?
- Pritesh Chheda:** Will there be a positive...
- O.P. Gupta:** Yes. It will be profitable of course
- Pritesh Chheda:** Lastly on the bank angle sensor, have we got the SOP and what kind of business is possible in FY2021 on bank angle sensors?
- J.K. Jain:** As I told earlier, we are expecting a business of 50 Crores to 60 Crores in next financial year. We have already received PO and then everything on trial production is done, sample production has gone, now we are in the final stages. We hope that from January onwards, some models will go and April onwards, it will be 100%.
- Pritesh Chheda:** So for us the growth driver in FY2021 will be whatever volume growth comes in two wheeler market plus whatever export volume ramp up happened with Suzuki plus the bank angle sensor?
- J.K. Jain:** Yes of course not only Suzuki, but Yamaha also, because international model will be more of Yamaha.

- Pritesh Chheda:** Yes, Yamaha and whatever comes on the Aisan JV profits next year?
- J.K. Jain:** Not only Suzuki, Yamaha but Honda as well, because we are exporting through Honda for Honda Japan and Honda Thailand.
- Rajesh Sharma:** See Honda is having their SKD & CKD. Separately we are supplying to them and they are exporting to the other countries, so next year we are expecting good volume of export models also, because those all will be BS-6 model and BS-6 models will be available for other countries, which will be very easily sold out. This is what HMSI is also planning.
- Pritesh Chheda:** And in HMSI have you started seeing the pickup because beginning November, they had a very bad base last year, so have we started seeing accelerated pickup in HMSI ordering?
- J.K. Jain:** Not yet.
- Pritesh Chheda:** Okay. Thank you Sir. All the best.
- Moderator:** Thank you. The next question is from the line of Vinit Gala an Investor. Please go ahead.
- Vinit Gala:** Congratulation on a good set of numbers given the environment, Sir could you please give me company wise product breakup for headlamps, tail-lamp and rear view mirror please?
- O.P. Gupta:** Yes, sure. We have lighting business of 72% in the total sales. Out of which 40% is LED and 60% is non-LED. Rear view mirror is 11.10%, plastic parts is 11.55%, sheet metal is 1.51% and rest others.
- Vinit Gala:** Great and Sir what is your update on LED segments if you could throw light there?
- O.P. Gupta:** Actually in LED segment, in the current scenario focus is more on automotive sector and for general lighting LED segment, we have made a plan not to make any further investment and keep the production to at least keep breakeven intact.
- J.K. Jain:** We are not participating in any of the government tenders that we have decided, and for last eight to nine months, we are only increasing our marketing in the local & institutional areas.
- Vinit Gala:** Okay. That is it from my side. Thank you.
- Moderator:** Thank you. The next question is from the line of Pritesh Chheda form Lucky Investment Managers. Please go ahead.

- Pritesh Chheda:** Sir in TVS will you be supplying to NTorq?
- J.K. Jain:** As I told you earlier that the basic NTorq is our model. First model where the headlamp, tail-lamp, mirrors everything is ours. In the new racing model except headlamp, all things are ours.
- Pritesh Chheda:** Okay and so there we would have 100% share of business or a lower share of business?
- J.K. Jain:** Earlier model is 100% and in new model, other items 100%.
- Pritesh Chheda:** So Apache, NTorq and Jupiter these are the three models in TVS that we have?
- J.K. Jain:** Yes, that is right. Apache we are there, many other models we have got and Jupiter is also with us.
- Pritesh Chheda:** Thank you.
- Moderator:** Thank you. The next question is from the line of Arun Agrawal from Kotak Securities. Please go ahead.
- Arun Agrawal:** Sir could you help us out you told us that the overall capacity utilization across all the plants is now 80%-85%. Is it possible to share how much our capacity utilization would be for the halogen based units and the LED base units?
- Arvind Chauhan:** Actually as of now you see the production is low, so capacity utilization is low but our normal capacity utilization across the plants remains in the range of 75%.
- Arun Agrawal:** It is not 80%-85%?
- O.P. Gupta:** If it goes full utilization, it will go 80%-85%, even it can go to 90%. But as far as now, it is above 50%. So this is the situation as of now, the production is low at present.
- J.K. Jain:** We have different units at different levels utilization. Overall, we are saying utilization is 75%, normally. At the moment, it is lower utilization.
- Arun Agrawal:** And Sir all our LED is based on the Tapukara plant right?
- J.K. Jain:** Yes. Basically Rai and Tapukara plant both. Now we are moving towards south so in the next couple of months in south also we are shifting machines. We have heavily invested

earlier in LED machines and we are doing everything in-house, the SMT lines and everything, all electronics as you may know we were the first in India to put up the SMT line somewhere around 13 years ago. Since then, we have been improving and making internally all parts from it.

Arun Agrawal: What I was looking for Sir once we gradually shift towards LED I mean I was just looking at the capacity utilization in the current capacity, how much we could produce more as compared to the existing level?

J.K. Jain: In the current scenario, for LED we are having capacity, we can further produce around 50% more LEDs.

Arun Agrawal: Okay so currently we have 50% we can double the production of LEDs.

J.K. Jain: Yes.

Arun Agrawal: Okay. All right Sir. Thank you so much.

Moderator: Thank you. The next question is from the line of Anubhav Rawat from Monarch Network Capital Limited. Please go ahead.

Anubhav Rawat: Just wanted to know your market share in two wheeler lighting space Sir, is it still 29 to 30%?

J.K. Jain: Yes. It is almost there.

Anubhav Rawat: Sir in the given scenario of auto slow down, Sir how are we rationalizing the cost Sir. What are the steps that you have taken in this quarter?

J.K. Jain: Basically as you know that our things are standardized for last many years. So anything increase or decrease is equalized over a period of three months for which we get the result in next six months to one year. And basically we are improving our internal efficiencies as well as the wastage and also consolidating the things which will give better results.

Anubhav Rawat: Sir are we focusing more on like employee rationalization around other areas like, most of the companies have let off many workers, contractual workers. So are we also doing that?

- J.K. Jain:** We are working on all fronts, not only employees, we are working on all factors, which add to the cost, the raw materials and employees and other expenses and all overheads. Company is working in all areas where we can save the cost.
- Anubhav Rawat:** Okay so on Sir raw material cost front Sir are we facing any headwinds?
- J.K. Jain:** No. Not now.
- Anubhav Rawat:** Sir just one question, there was a lot of talk about this prebuying and that was supposed to happen in H2 so what is your view and I mean is it happening.
- Rahul Jain:** See everybody was talking but it has not happened as expected. Already we are in November, so in another three months, the BS-6 models will come. The kind of experience everybody had at the time of transition from BS-3 to BS-4, it is not happening this time.
- Anubhav Rawat:** Just one last question so I mean I am sure you would not be able to take names but like in number terms, are we looking to supply to any new models on new companies, any new clients?
- J.K. Jain:** As I told you in our previous conference, we have got the order from Kawasaki and lot of new EV vehicles we are going like Revolt, we have got the orders. It is under development, and many more is under pipeline.
- Anubhav Rawat:** Okay so Sir in EV segment I would assume that all the lights would be LED, all are going for halogens?
- J.K. Jain:** No. In EV, it will be LED only. Like the Revolt, like TORK, we are there.
- Anubhav Rawat:** Okay and Sir in Q1 on previous quarter you gave like company wise breakup like how much percentage we supply. Can you give that like headlamp, tail-lamp wise?
- O.P. Gupta:** This is already there in the previous call, it is the same.
- Anubhav Rawat:** Okay. It is the same as Q1.
- O.P. Gupta:** Yes.
- Anubhav Rawat:** Thank you.



*Fiem Industries Limited
November 15, 2019*

Moderator: Thank you. As there are no further questions, I now hand the conference over to Mr. Anubhav Rawat for closing comments.

Anubhav Rawat: I would now like to request the management to provide their closing comments.

J.K. Jain: Thank you very much for attending this conference. Thanks a lot.

Moderator: Thank you. Ladies and gentlemen, on behalf of Monarch Networth Capital Limited that concludes this conference call for today. Thank you for joining us. You may disconnect your lines.

Note: In this transcript small corrections carried to remove the errors.