



RAIN INDUSTRIES LIMITED
(Formerly Rain Commodities Limited)

RIL/SEs/2015

May 11, 2015

The General Manager Department of Corporate Services BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Fort <u>Mumbai-400 001</u>	The Manager Listing Department The National Stock Exchange of India Limited Bandra Kurla Complex Bandra East <u>Mumbai – 400 051</u>
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Dear Sir/ Madam,

Sub: Transcript of Earnings Conference Call – Reg.

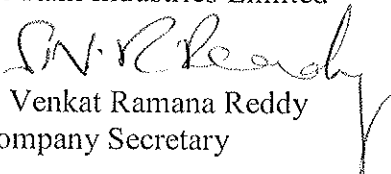
Ref : Scrip Code: 500339 (BSE) & Scrip code : RAIN (NSE)

With reference to the above stated subject, please find enclosed herewith Rain Industries Limited Transcript of Earnings Conference Call on Unaudited Financial Results for the First quarter ended March 31, 2015.

This is for your information and record.

Thanking you,

Yours faithfully,
for Rain Industries Limited


S. Venkat Ramana Reddy
Company Secretary

Rain Industries Limited

Q1CY15 Post Result Conference Call Transcript



Representative:

Mr. N. Jagan Mohan Reddy – Managing Director, Rain Industries Limited

Mr. Gerard M Sweeney – President and CEO, Rain CII Carbon LLC

Mr. Henri Steinmetz – President and CEO, RUETGERS Group

Mr. T. Srinivasa Rao – Chief Financial Officer, Rain Industries Limited

PL Rep.:

Kamlesh Bagmar – 91-22-6632 2237

Date: May 05, 2015

MODERATOR

Ladies and gentlemen good day and welcome to the Q1 CY15 Earnings Concall of Rain Industries Limited. As a reminder all participants' 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 * then 0 on your touch tone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Kamlesh from Prabhudas Lilladher Pvt. Ltd. Thank you and over to you Sir.

MR. KAMLESH – PRABHUDAS LILLADHER PVT. LTD.

Good evening everyone. I welcome all the participants to the first quarter 2015 conference call of Rain Industries Limited. We have with us Mr. Jagan Mohan Reddy, Managing Director of Rain Industries Limited, Mr. Srinivasa Rao, Chief Financial Officer of Rain Industries Limited, Mr. Gerard Sweeney President & CEO of Rain CII Carbon LLC, USA, and Mr. Henri Steinmetz, President & CEO of Rutgers group. We commence the call with opening remarks from Mr. Jagan Mohan Reddy providing an update on developments during the quarter at the Rain Group. He will then be followed by Mr. Srinivasa Rao providing you the highlights of the financial performance during Q1 2015. Mr. Sweeney will provide an outlook for the CPC business and Mr. Steinmetz will provide the outlook for the carbon products and chemical businesses. This will be followed by question and answer session where the management will answer the questions from the participants. Before we begin I would like to mention that some of the statements made in today's discussions may be forward looking in nature. That could be affected by certain risks and uncertainties. But the company's actual results could differ materially from such forward looking statements. I would now request Mr. Jagan Reddy to provide an update on the key developments in the Rain Group.

MR. JAGAN MOHAN REDDY - MANAGING DIRECTOR, RAIN INDUSTRIES LIMITED

Thank you Kamlesh. Good evening everyone and welcome to our 2015 First Quarter earnings call. I would like to start my discussion with a brief update on the key developments of the Rain Group.

Year 2014 has been challenging due to various macro-economic factors including weak aluminum prices, falling commodity prices and volatile currency movements that influenced both the industry and markets. Although similar volatile scenario is continuing, it had a comparatively lower impact in Q1 2015 due to marginal recoveries in certain areas. This certainly signifies a positive outlook for the future. The recent increase in the prices of Aluminum to above \$1900 is an encouraging development.



In Q1 2015, RAIN has achieved Consolidated Revenue of Rs. 25.29 Billion; Consolidated Operating Profit of Rs. 3.13 Billion; and Consolidated Net Profit of Rs. 840 Million. Although the revenues declined due to depreciation in Euro and fall in quotations, the overall profitability in current quarter has improved over the comparative quarter in previous year; as the fall in quotations for finished products is in line with a similar fall in quotations of raw-materials.

As expected, we have seen some recovery in Cement business during the current quarter in terms of both sales volumes and realization when compared to earlier quarters of CY 2014. On a sequential quarter basis, there is only a marginal increase of 1% in Cement volume but the Cement blended realization improved by Rs. 64 per bag. The operating profit of Cement business improved from a loss of Rs. 77 Million in Q1 2014 to a profit of Rs. 391 Million in Q1 2015 due to the reduction in operating costs. The EBITDA has increased from loss of Rs. 142 per ton in Q1 2014 to profit of 721 per ton in Q1 2015.

With increased focus on Non-traditional markets such as Kerala, Maharashtra and Odhisa; the volumes contribution from these markets has increased from 5% to 20%. The company expects cement market to improve going forward on the back of higher spending on infrastructure and roads.

Due to the weaker market conditions and falling commodity prices, the performance was impacted in our Carbon and Chemicals businesses. However due to a double digit decline in Euro against Dollar, the European industry has become more competitive that will likely result in volume growth in forthcoming quarters. My colleagues Gerry and Henri will take you through the factors that influenced our performance in Carbon and Chemical businesses.

To give you an update on strategic developments, the Russian project Severtar is progressing well and will commence operations in Q4 2015.

With regard to Solar Power Plant in Dharmavaram, Anantapur District, Andhra Pradesh, the project is progressing well as per the initial estimation and we expect to commence operations as scheduled in second half of 2015. Also the Cogeneration Project at Kurnool Cement Plant is expected to commence operations in March 2016. Once completed, all these projects will contribute to overall margin enhancement and accretion to the bottom line.

I would now request Srinivas to provide highlights of the financial performance during Q1 2015.

MR. T. SRINIVASA RAO - CHIEF FINANCIAL OFFICER, RAIN INDUSTRIES LIMITED

Thank you and a warm welcome to all the participants.

To highlight some of the key performance indicators, on a consolidated basis:

- Consolidated Net Revenue is INR 25,289 million during the current quarter, a fall of 18% compared to INR 30,843 million during Q1 2014.
- Carbon products sales volume during the current quarter is 848 thousand tons, a marginal decrease of 3% compared to 875 thousand tons in Q1 2014. Carbon revenues in Indian Rupees decreased during current quarter due to decline in average blended realization by 19%, substantially due to depreciation of Euro against Indian Rupee by 17%. Overall revenue from Carbon Products business declined by 21% in Q1 2015; as compared to Q1 2014.



- Chemicals sales volume during the current quarter is 75 thousand tons, a marginal decrease of 4% compared to 78 thousand tons in Q1 2014. Chemical revenues in Indian Rupees decreased during current quarter due to decline in average blended realization by 21%, mostly due to depreciation of Euro against Indian Rupee by 17%. Overall revenue from Chemical business reduced by 24% in Q1 2015; as compared to Q1 2014.
- Cement volume during the current quarter is 542 thousand tons, which is at par compared to 540 thousand tons in Q1 2014. With increase in price realization coupled with higher sales in new markets, Cement revenues increased by 36% in Q1 2015; as compared to Q1 2014.
- Consolidated Operating Profit for the current quarter is INR 3,135 million a marginal decrease of 3% compared to INR 3,235 million achieved during Q1 2014. Operating Profit decreased during current quarter mainly due to 17% depreciation of Euro against Indian Rupee as compared to Q1 2014; which was off-set by improvement in operating margins in Cement Business and Chemicals Business. In addition the operating profit of Carbon Products and Chemical businesses in Q1 2014 was positively impacted by an environmental claim income of INR 438 million.
- Operating Margin for the current quarter has increased to 12%, compared to operating margin of 10% achieved during Q1 2014. Operating margin improved during the current quarter, due to recovery in Cement business, which reported operating losses during Q1 2014.
- During Q1 2015, the Company had a foreign exchange gain of INR 459 million, as compared to a foreign exchange loss of INR 101 million in Q1 2014. The Forex gain in the current quarter is mainly due to gain on US dollar denominated receivables from appreciation of US dollar against Euro and strengthening of Russian Ruble against US dollar.
- Finance cost during the current quarter is INR 1,432 million, a decrease of 12% compared to INR 1,625 million during Q1 2014. The fall in finance cost is mainly due to translation impact of Euro currency interest cost, supplemented by repayment of debt.
- Effective tax rate during the quarter is in-line with the group tax rates at various geographies which include India, Belgium, Canada, Germany and United States.
- Consolidated net profit during the current quarter is INR 843 million compared to consolidated net profit of INR 501 million during Q1 2014. The Company achieved a consolidated EPS of INR 2.51 during the current quarter as compared to consolidated EPS of INR 1.49 during Q1 2014.

I would now like to hand over the call to MR. GERARD SWEENEY to provide outlook of carbon business... over to you Gerry.

MR. GERARD SWEENEY – PRESIDENT & CEO, RAIN CII CARBON LLC USA

Thank you Srinivas, and good evening everyone. It's a pleasure to speak with you once again.

The LME primary aluminum price remained between \$1,700 and \$1,800 MT mainly on global instability; particularly related to the Chinese and concerns of oversupply and potential dumping in the future. Although most industry analysts have revised their 2015 expectations downward however these 2015 LME projections are still an improvement over last year's pricing, and healthy enough to support the global industry.



The fundamentals of the industry outside of China remain in reasonably good form with orders and consumption numbers up globally in every major end use category. Regional premiums are in a bearish phase but not dropping too rapidly in most opinions, while the LME is in backwardation. There is no doubt China will continue to play a big role in light of the recent announcement of the removal of the aluminum export duties, and we are watching the situation carefully.

On the positive side, major producers still seem to be netting very reasonable returns for their production, despite the current Chinese woes. Judging by the most recent earnings reports of many aluminum majors, we don't see the likelihood or any market indicators at this point, of further curtailments of existing, or delays to contemplated capacity additions.

Also positive, due to the fall in energy prices coupled with US Dollar appreciation, a few European smelters have become more competitive despite little movement in the LME Prices. This is improving volumes and holding off curtailments in Europe.

Our sales prices remained under pressure for the first half 2015, but we have resisted successfully any significant price reduction. We are completing most prices flat to Q4 2014 or max \$5 down for first half 2015 deliveries. Most of the price concessions are reflective of a combination of weak market conditions but mostly a continued loosening of product specifications from customers. We are working hard to continue to offset our sales price reductions through raw material cost reductions helping to sustain our overall margin level.

On the CPC sales volume side, demand in the Indian market has picked up nicely and we expect this will facilitate improving our Global CPC volumes. It is the first sign of a recovering market due to the start-up of new aluminum capacity in India. We are exploring to make incremental supplies to Indian Smelters from US plants, aided by low global ocean freights.

The fall in crude prices is changing the overall crude diet of some refineries in the US, in moving from Shale crudes back to indigenous crudes. This has had a mixed effect on us to date, and we will need to continue to watch the situation to fully appreciate the trend. Similar to the CPC sales side, lower ocean freights are having a positive impact on the US and Indian CPC businesses, and will continue if freight markets remain at low levels.

From an operational perspective for the period, our Indian Calcining facility is operating at or near the maximum capacity and our US plants are running at approx. 80-85% utilization levels.

Our Lake Charles energy project is contributing more fully now and we continue to optimize its operations. We have seen a substantial improvement in energy revenue contribution from Lake Charles during 2015, and are hopeful it will continue.

We will continue to watch developments on the global front, especially those in China. The western world seems poised for market recovery with demand outstripping production. India is playing a strong role in leading the charge, but is not a large enough market to effect any true market shift. For now, we will continue to protect our margin, control our expenses and manage our balance sheet.

Now I would like to hand over the call to my colleague MR. HENRI STEINMETZ to discuss the Rütgers business... Henri....

MR. HENRI STEINMETZ - PRESIDENT & CEO, RAIN GROUP

Thank you Gerry. It gives me immense pleasure to address you all once again.

First I would like to share with you recent market trends.



After the massive drop of commodity prices towards the end of Q4 2014, the notations have bottomed out in Q1 2015. Currently we observe a moderate trend for increased prices. The US dollar and other currencies have strengthened markedly against the Euro. The fuel oil price dropped from an average of USD 409 per Ton in fourth quarter of 2014 to an average of USD 276 per Ton in the current quarter, benzene notations dropped from an average of USD 1,009 per Ton in fourth quarter of 2014 to an average of USD 645 per Ton in the current quarter, while US dollar appreciated against Euro from USD 1.23 per Euro at the end of fourth quarter of 2014 to USD 1.08 per Euro at the end of current quarter.

The Ukraine crisis, the lower energy prices have led to a significant drop of the Russian Ruble against the major currencies. Due to the crisis, the supply of Ukrainian coal tar and pitch related products have declined markedly which strengthened our market position due to our long term tar supply agreements.

Economic growth in Q1 2015 in our major market the Atlantic region was good and so we also saw a good demand for our products. Given the strengthening of the US Dollar against the Euro, the competitiveness of all our products, especially compared to China and the USA, will increase and should have a positive impact on the amount on demand and margins going forward.

The chemicals business faced lower revenues of 24% in current quarter compared to the first quarter of 2014 which was driven by lower quotations. On a sequential basis the revenue decline was driven by seasonality and lower trading sales. The profitability of the chemical business was down. Inventory revaluation, seasonality and unfavorable product mix contributed to the declining profitability.

For the coal tar related products we have a natural hedge on oil prices. 290,000 tons of our sales and 260,000 tons of raw material (including coal tar and other input materials) are directly linked to oil prices.

In addition the initiatives taken by the Company to move the oil product mix more towards the sale of creosote oil which is much less sensitive to oil prices had helped to reduce our exposure to oil prices. The BTX related product margins are affected directly by the product notations which have bottomed out in the first quarter and show a moderate upwards trend.

We have successfully commissioned our PA project on time and within the budget. The full benefit of the project can be seen in calendar year 2015. For the Russian project, the technical issues with the already existing steel structure causing a delay of the project have been fully addressed, and we are currently progressing according to the time schedule and we expect no cost overrun. We plan to start commissioning of the plant in second half of 2015.

Thank you. I would like to open the meeting up for the Question and Answer session. Over to you Operator.

MODERATOR

Thank you very much. Ladies and gentlemen, we will now begin the question and answer session. Any participant who wishes to ask a question may press * and 1 on their touch tone telephone. If you wish to remove yourself from the question queue, you may press * and 2. Participants are requested to use handsets while asking a question. Ladies and gentlemen we will wait for a moment while the question queue assembles.

We have the first question from the line of Rajesh Kumar Ravi from Centrum Broking. Please go ahead.

RAJESH KUMAR RAVI - CENTRUM BROKING



Yeah hi, good evening sir and congratulations on good set of numbers. My question is mostly pertaining to your cement business. Could you throw some light on how is the demand environment in your key markets and as you mentioned that you moved sales into newer markets. So now what is the change in the market mix and how has been the present scenario in your key markets?

MR. JAGAN MOHAN REDDY - MANAGING DIRECTOR, RAIN INDUSTRIES LIMITED

Thank you Rajesh. Basically the cement market is improving. We basically sell in the state of Telangana and Andhra Pradesh. The demand for cement in these states is improving due to the initiatives taken by the new governments for improving and building the new capital including new low income housing. We have moved to the markets of Maharashtra, Kerala and Orissa which are more of the bordering states of Andhra Pradesh or Telangana. We have increased our overall volume to about 20% to these markets. While 80% is sold in the states of Karnataka, Andhra Pradesh and Tamil Nadu, we sell about 20% in these newly developed markets.

RAJESH KUMAR RAVI - CENTRUM BROKING

Okay.

MR. JAGAN MOHAN REDDY - MANAGING DIRECTOR, RAIN INDUSTRIES LIMITED

And though it is a little far away, due to the higher prices in that area, we actually are able to get decent net back. That's the reason we actually prefer to go to the new markets even if we don't want the subject to.. in case there is the fall in demand for any reason, we thought that it's a good thing to move away from these markets to a certain extent.

RAJESH KUMAR RAVI - CENTRUM BROKING

Okay. So if I see sequentially cement realization has gone up by about 5%. And your operating costs have also sequentially gone up. So is it most of that because of your increase in lead distance as you move to newer markets? Because input cost pressure would have moderated in terms of power and fuel costs.

MR. JAGAN MOHAN REDDY - MANAGING DIRECTOR, RAIN INDUSTRIES LIMITED

Yeah basically there is an increase in fuel costs, there is a slight increase in the power and fuel cost.

RAJESH KUMAR RAVI - CENTRUM BROKING

On a sequential basis?

MR. JAGAN MOHAN REDDY - MANAGING DIRECTOR, RAIN INDUSTRIES LIMITED

On a sequential basis. What has happened was we used to supply power from the state of Andhra-- so we have plants, in the group we have the Vizag carbon plants. So we supply power to the Telangana plant. But due to the reorganization they said that power cannot be supplied from one state to the other state. So as required we actually purchased power from the utility and we had to incur considerable price cost actually doing that. But hopefully I think these are onetime costs that they should go away. So it's more moderate from going for coming quarters.

RAJESH KUMAR RAVI - CENTRUM BROKING



Okay. And lastly if I may ask, how has been the demand environment? What sort of growth number for the industry you may have in some of the states where you operate your Karnataka, Tamil Nadu, Andhra from a quarterly or YoY perspective?

MR. JAGAN MOHAN REDDY - MANAGING DIRECTOR, RAIN INDUSTRIES LIMITED

I would say there is a marginal increase in demand. I would say we are operating – very sequentially I would say in a quarter on quarter basis I think there is a good 7-8% increase in the demand.

RAJESH KUMAR RAVI - CENTRUM BROKING

Increase in demand you're saying?

MR. JAGAN MOHAN REDDY - MANAGING DIRECTOR, RAIN INDUSTRIES LIMITED

Sequentially yes. But you also have to understand generally that the fourth quarter of the calendar year is a little slow because of the monsoons or other reasons. And there is always a pickup in demand from January onwards. But generally yes.

RAJESH KUMAR RAVI - CENTRUM BROKING

Okay. On a YoY basis has there been any improvement in demand? Because north market and all has been very bad.

MR. JAGAN MOHAN REDDY - MANAGING DIRECTOR, RAIN INDUSTRIES LIMITED

Because we are part of such a low base that's why there is an improvement in demand.

RAJESH KUMAR RAVI - CENTRUM BROKING

Okay. Right sir thank you for taking my question. All the very best.

MR. JAGAN MOHAN REDDY - MANAGING DIRECTOR, RAIN INDUSTRIES LIMITED

Thank you.

MODERATOR

Thank you. Our next question is from the line of Yash Choksi from JM Financial. Please go ahead.

YASH CHOKSI - JM FINANCIAL

Yeah good evening sir, Achal here. Congratulations on great numbers sir. Just wanted to understand one, in terms of the improvement in EBITDA margins for carbon products, how do you explain the EBITDA margins? Is it anything to do with the inventories benefits or the improvement in the demand? Sorry I missed the earlier part of the commentary. Could you please elaborate sir?

MR. SRINIVASA RAO - CHIEF FINANCIAL OFFICER, RAIN INDUSTRIES LIMITED



See Achal, there is not much increase in the carbon products business, there is increase in the volumes. Because of the increase in volumes there is better performance in the carbon business though. But overall it is still, we have not reached the real potential what we have. As we mentioned in the previous calls from the mid of 2015, maybe from second half of 2015 we will see the better performance in the carbon products business. But overall there has been some slight increase in the margins compared to the fourth quarter and the first quarter, there has definitely been some increase in the margins. Because we were actually able to get some benefit of the lower raw material prices. And very slight improvement in the finished products prices. Overall that has helped.

YASH CHOKSI - JM FINANCIAL

Is it possible to comment a little bit about the raw material prices for let's say CPC, the GPC prices how have they moved? Was there any benefit out of that in terms of the margins?

MR. SRINIVASA RAO - CHIEF FINANCIAL OFFICER, RAIN INDUSTRIES LIMITED

The margin actually, more than CPC/GPC I think there has been a better improvement in the pitch and other businesses. The GPC and CPC the margins remain more or less constant.

MR. GERARD SWEENEY

Yes we've maintained the margins. Correct.

YASH CHOKSI - JM FINANCIAL

Understood. In terms of the margins on the pitch business, is it possible to comment on the constant currency, European currency? So how have the margins in the local currency worked and how do you look at it going forward?

MR. SRINIVASA RAO - CHIEF FINANCIAL OFFICER, RAIN INDUSTRIES LIMITED

Henri do you want to take that question?

MR. HENRI STEINMETZ - PRESIDENT & CEO, RAIN GROUP

Yeah I think what happened to the margin I think in the last call said we have quite a lot of the tar, about 260,000 tonnes linked to the oil price. So the oil price went down. But it always was a delay of a quarter of 3 months. So we are starting to get now the benefits of that one as they are linked to the oil price. So actually the prices of pitch so are strictly related like to the dollar price and the oil price. So it's not related to Euro. On the other hand what we see in our production, in our operating improvements, running the plants, are some of the initiatives we are taking. They are also coming into effect, increasing the margins. And on the other hand it is also our energy prices to deliver oil price, have also a positive effect on the margins.

YASH CHOKSI - JM FINANCIAL

Is it possible to understand the quantum of the benefits?

MR. HENRI STEINMETZ - PRESIDENT & CEO, RAIN GROUP



I think when you look into it, we could get the price or the percentage price, we have 3-4% improvement. But it also related to the when you look to the pricing. So if your raw material is going down and the margin also is going down, but the percentage wise when you have lower raw material quotations, your margin in percentage wise go up.

YASH CHOKSI - JM FINANCIAL

Sorry I am a bit confused. Are you saying that you work on a dollar per tonne margin or a percentage margin?

MR. HENRI STEINMETZ - PRESIDENT & CEO, RAIN GROUP

Percentage margin.

YASH CHOKSI - JM FINANCIAL

You work on a percentage margin you said.

MR. HENRI STEINMETZ - PRESIDENT & CEO, RAIN GROUP

The result we also improve on the Euro or the dollar basis. But that is less than the percentage increase. But we increase due to lower energy price to better operating performance.

YASH CHOKSI - JM FINANCIAL

Oh okay I will take it offline. I am not able to comprehend that. And secondly in terms of the outlook how are you looking at – would you be able to sustain this kind of margins or the profitability?

MR. HENRI STEINMETZ - PRESIDENT & CEO, RAIN GROUP

I think at the moment when we look to the overall market, we have seen as I said in the first quarter a bottoming out of the cost and we see at the moment, be it in volume and pricing, moderate improvement going forward. So actually we would see going forward, improved profitability.

YASH CHOKSI - JM FINANCIAL

Understood. Thank you so much. I will come back in the queue.

MODERATOR

Thank you. Our next question is from the line of Apoorva Kumar from Jefferies. Any participant who wishes to ask a question please press * and 1.

MR. APOORVA KUMAR - JEFFERIES

I just have this one question from my side. Can you shed some light on the impact that you may see from the rollout of GST on the domestic businesses?

MR. SRINIVASA RAO - CHIEF FINANCIAL OFFICER, RAIN INDUSTRIES LIMITED



Actually at this point of time most of the CPC business from India we cater to the export market, around 55% of the CPC produced in India is export market. So it will not be impacting at all. And whatever domestic sales we make in India, which is about 45%, hardly about 5% is sold within the state of Andhra Pradesh. More than 40% is sold outside Andhra Pradesh. So we feel that there should not be any impact from the GST whenever it is getting introduced in India on our Indian CPC business. With regards to the cement business we cater to various markets like Mr. Jagan had just mentioned, we cater to apart from the four southern states of Tamil Nadu, Andhra Pradesh, Telangana and Karnataka, we are also supplying to Orissa and Maharashtra. And we supply only to the market where – which are closer to our cement plant. We have two cement plants, one in Telangana state in Nalgonda, the other cement plant in Kurnool in Andhra Pradesh. It is too early to comment how the cement business will be impacted. But it will be in line with all other south Indian cement players.

MR. APOORVA KUMAR - JEFFERIES

Okay sir, that's it from my side. Thanks.

MODERATOR

Thank you. Any participant who wishes to ask a question please press * and 1. Any participant who would like to ask a question please press * and 1. I would now like to hand the floor back to Mr. Kamlesh for closing comments. Thank you and over to you sir.

MR. KAMLESH – PRABHUDAS LILLADHER PVT. LTD.

Yeah I would like to thank the management for taking time to interact with us and taking our questions. And I would also like to thank the participants for making it a fruitful discussion. Thank you everyone.

MR. JAGAN MOHAN REDDY - MANAGING DIRECTOR, RAIN INDUSTRIES LIMITED

Thank you everyone for participating in the call.

Overall we are positive with the future business outlook, more particularly the expected production and demand growth in Aluminum industry; both our key products CPC and CTP are poised to get benefited in near term. All our expansion projects provide higher return on investment and contribution to growth of both top line and bottom line. Also with the positive movement in Cement business and recovery in Aluminum industry we are confident to see improvement in performance in 2015 and going forward.

Thank you once again.

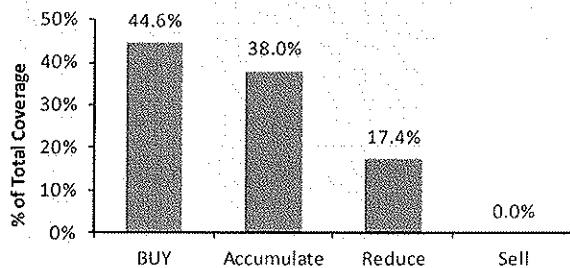
MODERATOR

Thank you very much. Ladies and gentlemen that concludes this conference on behalf of Prabhudas Lilladher Pvt. Ltd. Thank you for joining us and you may now disconnect your lines.

**Prabhudas Lilladher Pvt. Ltd.**

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