

"Time Technoplast Limited Q1&FY14 Earnings Conference Call"

August 13, 2013

MANAGEMENT: Mr. ANIL JAIN - MANAGING DIRECTOR & CEO - TIME

TECHNOPLAST

MR. BHARAT VAGERIA - DIRECTOR(FINANCE) - TIME

TECHNOPLAST

MR. SANDEEP MODI - SENIOR VICE PRESIDENT (ACCOUNTS

& CORPORATE PLANNING) - TIME TECHNOPLAST

MR. NIKLANK JAIN - VP LEGAL & COMPANY SECRETARY

- TIME TECHNOPLAST



Moderator

Ladies and gentlemen good day and welcome to the Time Technoplast Limited Q1 FY14 Investors Conference Call. As a reminder for the duration of this conference all participants' lines will be in the listen-only mode. There will be an opportunity for you to ask questions at the end of today's presentation. Should you need assistance during this conference please signal an operator by pressing "*" and then "0" on your touchtone phone. Please note that this conference is being recorded. I would now like to hand the conference over to Mr. Anil Jain, Managing Director and CEO, Time Technoplast Limited. Thank you and over to you, sir.

Anil Jain

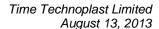
A very good afternoon friends and a very warm welcome to you all. I have with me my colleague Mr. Bharat Vageria, Mr. Sandeep Modi and Mr. Niklank Jain. It's my pleasure to be together with you this afternoon since we are here to discuss about the financial results of Q1 FY14 and the future outlook.

The financial results of Q1 FY14 are already with you. Let me quickly walk you through the key financial highlights.

During the quarter the gross sale consolidated to 529 crores as against 435 crores in the corresponding quarter last year. Our net sale was Rs. 489 crores as against Rs. 404 crores. EBITDA is at 70 crores as against 67 crores and PAT at 19 crores as against 23 crores. Compared to the corresponding period last year the gross sale grew by 22%, the net sale at about 21%. I can give you the breakup simultaneously. In India it grew at 14% and overseas it grew at 43%. I think we have to look at the growth in both volume and value terms. I would like to give you the figure that volume growth has been 13% as against net sale growth of 21% and if we break this 13% down India at 10% and overseas at 35% so the growth of 21% comprises of both value and volume growth. EBITDA grew at about 4%. EBITDA percentage to the net sale during the quarter stood at 14.2% as against 16.5% in the corresponding period last quarter.

The decrease in the EBITDA is due to two major factors. One of course is that on 8th of May Government of India increased duty on our raw material i.e. polymer from 5% to 7.5%. That was completely unexpected but I believe there has been some influences that Government of India to increase because that has been very exceptional and it goes against the treaty that Government has with the ASEAN countries where they had frozen the import duty on basic raw material at 5%. But it happened in the middle of the quarter and as I mentioned in my previous conference also so normally we keep our prices to the customers fixed for the quarter so there was a reason for us to increase the prices but we could not do it immediately. We had to wait until the end of the first quarter when the price that was given to them would have to come for re-negotiation. So we have in the meantime revised the prices from 1st of July but between the periods of 8th of May until 30th of June that impact of 2.5% increase din import duty had to be borne by us.

The second thing is that if we look at the value and the volume growth and if you normalize for the value growth which actually happened because raw material prices had gone up in the





current year and which was passed on to the customers and so the volume growth had been about 13% and 9% had been the growth in value terms. So if you normalize for the value then our EBITDA would have been 15.2% as against 14.2% but that would have still been lesser by 1.3% and that I quickly explained that 1.3% was the impact partly because of the import duty increased 2.5% for more than half the period of the quarter which we had to bear and of course I would also like to underline that in an economy which is slowing down and the demand for the product is reducing to be able to maintain growth momentum and like I said even in volume terms we have grown at 10% in India there was definitely some pressure on our margins and I think to that effect this 1.3% can be explained both the pressure on margins which of course is much less compared to the impact of import duty increase which to mind is a onetime occurrence and which will change in the next quarter.

The total borrowing on 30th of June stood at 806 crores as against 814 crores. I think this is one of those quarters where we started seeing our borrowings coming down though marginally. The working capital cycle also improved or we worked on the working capital cycle which was 75 days as against 80 days in the previous year.

We have been talking about the company being in consolidation phase and I think we have maintained that after three years of CAPEX cycle. The CAPEX cycle has now ended and we are just making capital expenditure for essentially debottlenecking automation, product development, etc., and to that effect in the current quarter the CAPEX has been about 30 crores.

Now the reason one of course is that we did some debottlenecking but the most important thing is that our IBC which was essentially in the western region in India we felt need to expand our IBC capacity down south I mentioned about it in the last conference and we completed that expansion at Hosur. Of course overseas Sharjah, Thailand we added one more machine. Of course good news is in Poland where we have entrance matting business. We sold out our capacity and IKEA brought the entire capacity in the first line. We had to quickly add one more line and they have already committed half the capacity of the drive and I think by the end of the year this capacity would also be sold out. So it has been very judiciously done and keeping it to the minimum. I think with this we can take questions, please.

Moderator

Thank you very much sir. We will now begin the question and answer session. The first question is from the line of Nehal Shah from Dolat Capital. Please go ahead.

Nehal Shah

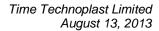
Sir, can you give me the revenue mix for the quarter?

Anil Jain

Segment-wise you want to know?

Nehal Jain

Yeah segment-wise.





Anil Jain

Segment-wise, packaging will be in 63%, lifestyle product 10%, auto 8%, 18% infra and some other new start ups is about 2%. In terms of geographical I can also give you the breakup. India is 71% and overseas is 29%.

Nehal Shah

And sir you said the overseas business grew by some 40% odd, right?

Anil Jain

Yes.

Nehal Jain

But then if you actually deduce the standalone numbers from the consolidated numbers the actual growth comes out to be around 30%.

Anil Jain

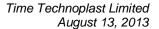
In India we have got two other subsidiaries that is TPL Plastech and also NED Energy which recorded a good growth. So this percentage may look little skewed actually. From the overall business consolidated if you reduce these two that is TPL Plastech and NED and then divide the balance into this percentage then you will come to that number.

Nehal Jain

And sir can you throw some light on the LPG composite cylinder, what is the status on that project?

Anil Jain

Well I can only say its cooking because I think I made an announcement in the last quarter that we had received PESO approval and subsequently we are holding an LOI from Reliance for about 50,000 cylinders and though I should have started the supplies already by now but that is getting delayed because I now want to launch these LPG composite cylinders towards Diwali and I think the reason is incidentally I have to bring upto you the speed in whats happening in LPG market which would reflect on the demand for composite cylinders although the LPG distributors especially the private ones are seeing robust growth in their business and I think this 9 cylinder limit is now working to their advantage. I think the pull fledge into the grey market is reduced which has increased the demand for commercial and non-subsidized gas. This is the were the private players are operating but as we go closer to the end of the year because this 9 cylinder limit is in the financial year and around Diwali when they expect there will be a huge big demand coming in from the non-subsidized LPG because lot of people would have closely exhausted their quota of nine or would be finishing it. And that is when they timed LPG in-composite cylinders to go into the market place. I can say that because of course Reliance is the one with whom we are partnering already with but we are working with Aegis, Total and couple of other private marketers including Leader Gas in Bombay and we also had discussions with Bharat Petroleum as you must have read in the newspaper, Bharat Petroleum is now launching LPG in 5 kg cylinders in eight metros and they are very keen to use composite cylinders. This will be at a commercial rate and to bring into differentiator as a product they would like to use composite cylinder. So we are working very aggressively with them and I think the first city that they would look at is Bangalore. So it is clearly with lot of interest, lot of development but our market is not able to give you definite number as to how much we expect in the next quarter. But all we know is that these enquiries or interest materialize into business and we will be able to use as at a total almost our capacity that we have.





Nehal Jain

Sir for BPCL will it be a tender based thing?

Anil Jain

Well in composite cylinders it can be a tender based but we will be competing with Norway RAGASCO and we do already from a similar enquiry that was sent out by Reliance to RAGASCO that they are at least three times our price. That indeed is not really a competition per say.

Nehal Jain

Sir what would be the kind of realizations per cylinder we would be getting?

Anil Jain

Our critical capacity cylinders will be different actually but we would be looking at a 10 kg cylinder in the price about Rs. 1,400 to Rs. 1,500 of course the valve will be extra and that's basic price plus excise and for extra valves etc.

Nehal Jain

And sir any color on the battery business?

Anil Jain

Well the battery business is doing okay I would say it is still a start growing at about 10% in the first quarter they have done but they have done exceptionally well is that they de-risked the business is now our dependence on telecom has come down. We are in telecom at about less than 70% and other than telecom business is exceeding more or less 65% and 35%. As you know we are targeting to get closer to 50% and 50%. They have shown EBITDA of 12% which is getting stabilized. I think in the current quarter also it will stabilize at that level and then we should see some improvement but I must say at the same breadth the demand for the battery in telecom sector has also started improving because telecom companies have not been spending in the last three years or where about and considering the life of the battery being three years they have to compulsorily look at some replacement of batteries.

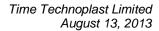
Another important thing that we did was knowing that the trend is towards solar batteries we had developed I think I had mentioned that in one of the conference that we have developed a special battery for the solar system and the battery was essentially for outdoor application where it can withstand very high temperature and we are seeing a significant improvement in the sale of our solar batteries and we have a strong order book for solar batteries which have a decent margin. So I think in terms of the sale we are quite sure that we would do about 10% growth is not more and EBITDA will be in the range of 12% and there about.

Nehal Jain

Sir what kind of growth you are looking for this year in terms of revenues and what is the kind of guidance you would be giving for the EBITDA margins for the full year?

Anil Jain

I don't know really before I have so many questions truly somebody can answer. I think we will robust growth overseas business because we have a clear visibility there. As far as India is concerned I have to confess and I am sure you have added from many other people and there is lots of low clouds and it is rather difficult but I would say that there is tapering of the demand. We are pushing very hard to maintain the growth even if we are to sacrifice little bit on our EBITDA margins but we would not like our growth momentum to break but I think we





will be safe to assume that our blended growth in the current year would be in the range of about 20%.

Nehal Jain And sir in terms of the margins obviously we felt the pinch because of the rupee depreciating

as well.

Anil Jain Little bit of that like I said import duty was real culprit and then they had to be normalized for

the value growth.

Nehal Jain Sir even the rupee depreciation would have hurt our margins so have been able to take a price

hike because of that particular event, rupee depreciation.

Anil Jain Like I said it doesn't happen at the middle of the quarter but as the quarter ended on, yes, we

passed it on to the customers. I would confess one thing it was in the normal circumstances it would have been easier but in today's time when the demand isn't very strong there is always a reluctance or time delaying in passing on the increase to the customer while they appreciate our position but sometimes the resistance will be very difficult to break. But we were working

in that direction I am sure which will look at blended EBITDA closer to about 15% or so.

Nehal Jain 15% for the full year.

Anil Jain Yes.

Moderator Thank you. The next question is from the line of Abhishek Jain from JHP Securities. Please go

ahead.

Abhishek Jain Sir just want to add one thing like in last quarter you have said that prices of cylinder will be

 $1,\!600$ to $1,\!800$ and right now you have guided for Rs. $1,\!450$ and Rs. $1,\!500$ any reason for this

variation?

Anil Jain If you add the value of the valve.

Abhishek Jain Last quarter you have added value of the valve.

Anil Jain Normally I would have given it together with the valve but now we are realizing that

everybody has specific requirement of the different valve. We are now offering without the valve but it is same we have no reason to offer any price less than what we have indicated. Now when we have the clear visibility that price is reasonably well accepted in the market

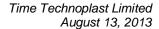
place.

Abhishek Jain Can you throw any color on your Middle East business specifically how is the cylinder

business growing in Middle East region?

Anil Jain I don't have a very good news from Middle East for the composite cylinders we are still in

different stages of discussions with WOQOD in Qatar, GASCO in Saudi Arabia, ADNOC in





Abu Dhabi and ENOC in Dubai but as I said Insha Allah it will happen but before that for sure but when it is little difficult. From our point of view we are ready of course we get invite from some of these companies saying that can we put this project into a joint venture because then they can guarantee the entire offtake. We have been resisting the temptation up till now but probably if there is one company which could take for the entire capacity for example GASCO then we might be inclined to talk to them on these lines I will be there next week. Let us see what happens then.

Moderator

Thank you. The next question is from the line of Bhavin Chedda from Enam Holdings. Please go ahead.

Bhavin Chedda

Sir first few questions on the cylinder and then on the other part. Sir, regarding the cylinder business is there any I think you named a few already few players who have launched LPG cylinders and are they currently distributing it in the metal cylinder form and they may change it into composite later. Howe does this work on the private LPG cylinder market?

Anil Jain

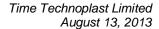
I can explain it a little bit say Reliance suppose they have been operational in Gujarat, Madhya Pradesh and Rajasthan and partly in Maharashtra they are in this business for the last 10 years or even more of course low key and they started with metal cylinders. What they are now doing is that when they go into a new territory all the steel cylinders will be pushed into one particular state for example Gujarat metal cylinders will be pushed to Madhya Pradesh or Rajasthan and in Gujarat they will start with composite cylinders. Right now nobody is doing with composite cylinders because our pressure approval only came recently so without that it could not have been used.

Now reasonable example of Aegis who are into industrial gas like now the industrial LPG to say but they do not have a presence in domestic LPG and then they are very keen to get into this business if you must have seen in the paper they are now advertized for distributors, etc., also. Now for them when they are starting in the domestic LPG market it would be good idea to start with composite cylinders like I said it gives them a good differentiator and fully justifies higher price of commercial LPG for domestic as they would like to do.

On the other hand if you look at TOTAL and some of the companies they have metal cylinders but each one of them and then I can say with some authority they are looking for going into new territories form what I gather from them this year there is a huge demand for nonsubsidized LPG coming up as the grey market is drying up and each one of them want to have this market share. So in some places we will be starting with composite cylinders with this company in a new territory and in some places we will be replacing metal cylinders gradually.

Bhavin Chedda

You think the initial demand for the composite cylinder would be the new market or new players entering and as of now these guys are not buying for replacing their metal cylinders.



TIME TECHNOPLAST LTD.

Anil Jain

It is not truly replacing because the metal cylinders most of these companies are less than 10 years old so they have a life of 10 to 15 years. When they buy new cylinders which they need to because they are going into new territories to expand their business they are definitely looking at composite cylinders as a preference to the metal cylinders owing to all the properties that it has.

Bhavin Chedda

And sir BPCL was looking at a 5 kg cylinder. You will have to have a special approval for that, right?

Anil Jain

Yes as we speak our people are sitting in Nagpur right now but this approval will be much simpler than the previous one because previous one we not only had to have the product approval but we also had to get the approval for our manufacturing facility. Then we got approval for 10 kg cylinder so the production facility approval is already in place and we have got already approval for 5 kg and 2 kg cylinders on TUV and that is the basis of mixed PESO approvals because they do not have their own manufacturing facilities. I would not like to downgrade their process but I think it is more of a formality and we don't require them to visit our factory. They can be done based on the TUV approval certificates which we already have in place.

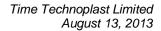
Bhavin Chedda

Sir coming back to the businesses other than the composite cylinder margins for the last two quarters have been under pressure consolidated margins roughly at 14.2 historically we have been doing margins of 16% to 17% so apart from strong polymer prices and hike in duty when we can expect the entire hit on the rise in the import duty as well as the currency adjustment, new reality is Rs. 60 so are the customers accepting our price hike and when we would return to 17% - 18% kind of a margin territory.

Anil Jain

I will explain it to you. Our margins overseas are likely to be lower. Overseas market we do not see the EBITDA margin of 16% - 17% or thereabout. They are more in the range of 13% - 14% even if we are a very efficient company. As we see the share of our overseas business when you find the share increasing then you would find the consolidated EBITDA will actually be looking lower than the previous year and we expect this to grow to about 35% of the total business. In the former time it was 10% when you were talking about 16% of the EBITDA margin at that time our overseas business were only 10% lower than that so some moderation will take place.

I think as far as the import duty increase is concerned that was one time occurrence. We catch up in the next quarter by passing on the increase. I think the ditto for foreign exchange variation but asking the question whether the customers will accept it I haven't found a single customer who accepts the price increase with a smile but then it is also the realities of the life that they have to accept because we are very clear about them. Because we are not asking for a higher price but we are only passing on the increase that has happened. So answering your question specifically I think our EBITDA margins will moderate closer to that 15% or there about and that would be because our overseas operations will report EBITDA between 13% to





14% so the EBITDA margins in India will still be higher than 15% but if you are hinting that we have a pressure on the margins I will accept that.

Bhavin Chedda Sir last question on the balance sheet side what would be the gross debt and cash number as on

30th June?

Anil Jain If you are looking at the borrowings as on June it is 806 crores.

Bhavin Chedda Consolidated borrowings.

Anil Jain Yeah it is consolidated borrowings.

Bhavin Chedda And cash balance would be?

Anil Jain 53 crores.

Moderator Thank you. The next question is from the line of Chetan Vadia from JHP Securities. Please go

ahead.

Chetan Vadia I think you said that the overall growth would be in the range of (+20%) and you also gave the

segmental breakup. In this 20% what will be the contribution of each of the segments? What is

the outlook for each of the segments?

Anil Jain I think it will be fair to expect that our share will be the same as that reported for the quarter. It

might marginally change but like I said we are seeing growth in all segments. I think packaging will continue to lead the track. It is at about 63% to 65% it might increase a little bit as our overseas business is mostly in the steel packaging but the rest will be around the same

Lifestyle 10%, Auto Component 8%, Infra about 18% and other products about 2%.

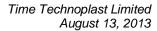
Chetan Vadia Sir how has been the demand in each of the segments according to you?

Anil Jain In India, well, packaging we can clearly see that the demand is muted and I think it is basically

because lot of expansions which were underway have either been completed already or truncated or have been completely stopped. We know there are multinational companies who have projected a high demand for packaging as they were investing in India but I think most of these projects have gone on hold and they are waiting for some more clarity. So even our customers in India the local companies I find that they are not expanding their capacity aggressively so the demand is muted though we have client maintained the growth like I mentioned in the beginning it is an uphill task to be able to grow in a market which is stable more or less. So more we are not seeing a major spurt in the demand and I don't think that

On the other hand we have a very high market share for our packaging business in exports, not export of packaging but export of chemicals and there we have almost 90% market share. Now if dollar is 60 we expect a lot of our customers will be far more competitive in the overseas

should happen until situation economic and political both improve.





market with their products and we have started seeing decline or some demand growth coming in from there and since we have a high market share in that segment I think we will be the one who will be benefited by this.

So like I said lot of things will unfold. Overseas, yes, metal packaging is our main forte and since our base is small and we are in the market which is gaining momentum I think we should be able to see things through. Economies overseas are not as badly affected as we see it in India. Lifestyle is a stable business of course footfalls are reducing for our matting business, etc., but I think we are managing. Auto is a cause of worry. Of course it is only 8% of our total business. As we see the demand for fuel tank and radiator tank it is reducing. At some point of time our customers have been running at least 30% of their normal capacity. This will partly get compensated by some new product that we are launching where we will be replacing metal radiator tanks to metal fuel tanks so we will try and compensate that with the replacement product. Infra, yes, it started with a promise but I think the government spending are kind of lost their way in between but we do know in election year there is a lot of spending takes place specially for water and wet supplies and sanitation. I understand from my people that they would be able to manage with the demand that is actually coming up. The numbers that I have indicated to you are fairly well thought of and I think we should be closer to what we have projected, yes.

Chetan Vadia

My second question would be what's the cost of debt at this point in time? What is the scheduled repayment for FY14? What kind of debt levels you are seeing at the end FY14?

Bharat Vageria

In fact Chetan as we had mentioned last time that we are targeting in spite of the growth of 20% in value terms we are restricting our total debt in the same manner. We are not going to yet increase in that despite the overall recession, receivables, recovery so therefore we are maintaining the working capital cycle time as well as the debt level. We are estimating that there will not be any increase in the debt levels in spite of the increased growth of 20%.

Anil Jain

Overall finance cost is about 11%, in India it is about 12.5% and overseas it is about 7.5% so the blended one is about 11%.

Moderator

Thank you. The next question is from the line of Abhishek Jain from JHP Securities. Please go ahead.

Abhishek Jain

Sir what is the working capital cycle for the current quarter?

Anil Jain

It is 75 days as against 80 days at the end of last year.

Abhishek Jain

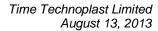
And that is for overseas business and global business.

Sandeep Modi

In India the working capital cycle is 79 days and overseas is 63 days.

Abhishek Jain

And we are referring our CAPEX for FY14 is likely to remain at around 30 crores.





Anil Jain No I think if you remember in the last quarter we had indicated that we would restrict our

CAPEX for the next three years we have projected about 250 crores.

Bharat Vageria As against last three years we did 600 crores and in the next three years as we are projecting

the overall in the range of 300 to 350 crores and that is on account of automation

reengineering and capacity expansion wherever is requiring in India or overseas.

Abhishek Jain For this financial year?

Anil Jain For this financial year it is in the range of 80 to 100.

Moderator Thank you. The next question is from the line of Kamna Motwani from Crisil Limited. Please

go ahead.

Kamna Motwani Sir firstly can you give me the breakup between the battery and pipe revenues and

infrastructure vertical?

Anil Jain Battery is about 50 crores and the remaining infra which includes pipes and shelters, can I

send you that information. I don't have further breakup actually. But like I said infra is about

100 crores out of that 50 crores is battery and 50 crores is shelter and pipes.

Kamna Motwani And sir what is the utilization of the international capacities in this quarter?

Anil Jain We are still at about 50% actually.

Kamna Motwani Because last quarter you were mentioning we are closer to 40%.

Anil Jain Yeah 40% to 45%. That's right.

Kamna Motwani Sir what was the international EBITDA margin?

Anil Jain This is about 14%, Kamna.

Kamna Motwani Like we did discuss on the con-call earlier that we have been able to pass on increase in prices

as well as the import duty so then why we wouldn't our margins for the remaining 9 months of

the year go back to our normal 16% levels?

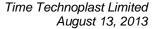
Anil Jain Like I mentioned there is one-time effect for import duty, etc., but I also mentioned that in the

normal circumstances it would have been easier for us to pass on. Maintaining 10% growth in a market which isn't going and I suspect that we may have to encounter some pressure on our margins but still we are not saying that it will be too far away from what we have done in the

previous year but we have provided for some impact on our margin.

Kamna Motwani Sir also I was just looking at the minority interest figures so that has fallen by about 14% on a

year-on-year basis so which subsidiary is causing that decline.





Sandeep Modi NED Energy impact.

Kamna Motwani Net energy has fallen compared to last year also because I thought this year would be better

than last year is what we were expecting.

Sandeep Modi In the same range.

Kamna Motwani Then minority interest should be flat.

Sandeep Modi Minority interest is same I mean last year also it is 7,000 and present year also it is more or

less same.

Anil Jain It is also a function of the EBITDA margins that we actually have in 10 years. Percentage-

wise which you are asking there is no change at all. Now we have not bought any shares nor

we have sold to anybody.

Kamna Motwani And sir also TPL is growing at a much slower pace so why would that be because it is the

same business technically?

Anil Jain It is the question of whether you get in this pocket or the other one. I think between TPL

Plastech and Time Technoplast I think Time Techno had been rather aggressive but I am sure they also have the same challenge that they are looking for growth in a market which is not that strong right now. But I suspect that it will change as we expect the exports to pick up for the chemicals. And like I said between TPL Plastech and Time Technoplast we are almost

90% market share when it comes to export packaging. This should really benefit us but let's

see how it unfolds.

Kamna Motwani Why there is a call in concern because the margins are also much lower they are closer to 8%

in TPL for this quarter.

Bharat Vageria It is the same reason because yes I know that normally their margins are in the range of 10%

to 11% EBITDA. They have affected around 3% EBITDA on account of the duty structure change in the mile who say we are also affected and they are also affected. On growth also

they have growth of 9% in terms of the value terms.

Anil Jain They are seeing change just like we are seeing it but when it comes to the growth I think Time

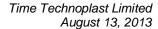
technoplast will get the lion share of the growth that is available.

Kamna Motwani And sir how much was the debtors amount at the end of the quarter?

Anil Jain Receivables about 376 crores.

Kamna Motwani And sir lastly the EBITDA margin guidance of 15% that you are giving that's for the full year

or the remaining nine months that you are saying?





Anil Jain It's for the full year.

Kamna Motwani Nine months would be better than 15%.

Anil Jain That you can see we are actually with fingers crossed. It can pick up very quickly if you see

the demand building up in some places. Like I said it is not that people have run away but they have put their expansions and new products on hold. I think the moment there is the clarity I

think it will pick up.

Kamna Motwani And sir only packaging revenue from the international capacities that has grown at what

percentage?

Sandeep Modi 42%.

Moderator Thank you. As there are no further questions I would now like to hand the floor back to Mr.

Anil Jain. Over to you, sir.

Anil Jain Thank you. I am grateful to our valued investors' for their interest in the company and

participating in the conference. I know you all are busy people.

I would like to remind you that I did mention in my last conference also we are clearly focused on growth but we are equally focused on ROCE. I do know the area concerned but we knew it that it will get affected in the current year and probably part of the next year. We have started seeing some improvement. We will see some improvement in the current year and the next one. It is very clear we are all also being cautious. Any further investment that we make has to be a very strong case but right now we are in the consolidation phase where we will see ourselves doing some debottlenecking, improving efficiencies, developing more cost effective product, etc., so I can promise to you we are fully aware to the situation and then tightly working very hard to keep up the interest of our share holders. Thank you so much and have a

great day ahead by.

Moderator Thank you. On behalf of Time Technoplast Limited that concludes this conference. Thank you

for joining us and you may now disconnect your lines.