Suzlon Energy Limited
Quarter Three Financial Year 2009 Investor Conference Call
January 30, 2009

Moderator: Good evening Ladies and Gentlemen. I am Priyanka, the moderator for this conference. Welcome to the Suzlon Energy Limited Quarter Three Financial Year 2009 Investor Conference Call. For the duration of the presentation, all participants' lines will be in the listen-only mode. After the presentation, the question and answer session will be conducted for participants connected to WebEx International. After that, the question and answer session will be conducted for participants in India. I would now like to handover to Mr. Tulsi Tanti, Chairman and Managing Director of Suzlon Energy Limited. Thank you and over to you sir.

Mr. Tulsi Tanti: Good evening dear friends. Welcome to the Investor Call for the Quarter Three Financial Year 2009. I have with me Mr. Sumant Sinha, COO of the Company; Mr. Kirti Vagadia, CFO of the Company; Mr. Samir Shah, Head of Investor Relations of Suzlon Energy; and Nishit Dave. The past quarter has been continuous challenging economic scenario that we have seen over the past year. The business has to adopt to over a changing landscape with a volatility of the commodity prices, the foreign exchange rate, uncertainty in the credit market leading to the complexities. The wind industry has enjoyed a period of uninterrupted growth of 34% CAGR over the past 5 years, but with the impact of the credit crunch on the global economy, the wind energy sector is likely to witness subdued growth rate in the coming year. The fundamentals of the industry, however, remain strong. The word is now looking for the energy security with the governments, looking to diversify energy source, to mitigate the geopolitical risk around oil and gas supplies. The REpower America initiatives for example envisioning an energy secure future for the United States. With the clear focus on the renewable energy technologies. The addition the challenges for the global warming and climate change continue to be the high on the public agenda. The European Union, China, India, and among many other nationals have set a very clear target installation of the renewable energy as a part of the overall energy matrix. The further President Obama announced that he wants to double the renewable installed base in the US from 25,000 MW to 50,000 MW over three years, and with this diversity in place in wind industry, is in the midst of the rapidly adjusting, taking advantage of changing the market environment. We have seen the reduction in the commodity price, logistic cost, inventory reductions, and overall project cost in the wind sector, this will translate into cost reduction for the customers. The interest cost reduction and higher IRR on the projects make the industry's outlook favorable from financial year 2010. We also see that overall attractiveness of the industries has been improving for the lenders on the back of the higher security covers from the better IRR, more secure long-term cash flow visibilities. With easing the commodity price and supply chain bottlenecks, we accept the industry is to enter in a period of consolidation, emerging with the streamlining the supply chains and the customers base dominated by the large utility. With the global wind industry shifting focus to the shorter terms order visibility, we are also a group well positioned with the strong pipeline of the orders.

Suzlon Group consolidated financial information.
To outline our consolidated performance as a group for the first 9 months of the financial year 2009, our revenue grew from 8,756 crores rupees to 17,277 crores of rupees, a growth of 97%. The EBITDA grew from 1,160 crore rupees to 1,959 crore rupees, growth of 69%. The EBIT grew from 734 crore rupees to 1,252 crore rupees at a growth of 71%.

REpower
Our group company REpower registered the revenue growth of 52% and EBIT growth of 36% in the first 9 months of the financial year 2009, against the same period of financial year 2008. The order book stands at 1,503 MW totaling to Euro 1.6 billion. Suzlon completed REpower stock acquisition of the first tranche from the Martifer in December 2008, taking the company's holding in REpower to 74%. Suzlon already holds 91% voting rights in the REpower. We have established the joint venture company, Renewable Energy Technology Center at Germany, a 50:50 JV between REpower and Suzlon, which is also making good progress. RETC is focusing on a next generation of technology and talent development.

Hansen, the Hansen revenues grew 65% and EBIT growth is 139% in the first 9 months of financial year 2009, against the same period of financial year 2008. The company has a full order book till December 2009 and has issued the guidance for 50% revenue growth for the full year. Suzlon successfully completed the sale of 10% equity in the subsidiary Hansen to Ecofin Limited, a London based specialized investment firm for 500 crore rupees. Following this disposal, the Suzlon group will retain a voting and economic interest in Hansen of approximately 61%.

The component business.
SE Forge, Suzlon's forging and foundry unit established the high precision forging and machining facility of 70,000 metric tonnes per annum capacity in India, the facility has started the commercial production with third party orders from SKF and the defense sector. SE Forge also established 120,000 metric tonnes per annum casting and machining capacity units in Coimbatore. The facility has started commercial production supplying to the Suzlon, Hansen, and other customers. Suzlon is also in a process

of establishing verticals for rotor blades, electricals, and tower as a part of its component strategy.

Synergy through the strategic group initiatives:
Initiatives are underway to achieve the synergies at the group level. The company is working towards accelerating REpower's volume and improving the margin through the Suzlon supply chain linkage. The initiative will reduce REpower's external dependency for the supply of the rotor blades, gear box, and other turbine components. These initiatives offer the potential of reducing the COGS for REpower through sourcing and scale economy. The similar SE Forge will supply the rings to SKF, which will in turn supply components such as bearing rings to Hansen, Suzlon, and other group companies. The closer functioning of all group companies offer the opportunity to integrate the turbine technology with the component technology and to design and develop the next generation of a robust reliable cost-efficient wind power solution. I would like to handover to Mr. Sumant Sinha for further proceedings.

Mr. Sumant Sinha: Okay, thank you Tulsibhai for those comments. Hi everybody. I think that all of you would have received the presentation that we had sent out on our Q3 Results, which also include the financials for, on a consolidated basis for the company as well as showing the numbers separately as well. What we would like to do is rather than my giving in the remarks because Tulsibhai has covered a lot of the ground, and there was a lot of material in the presentation itself, we would just like to go straight into Q&A, and so we would encourage you to ask areas of obviously of concern, so please do go ahead. We will be happy to answer any questions.

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

International Moderator: Thank you moderator. We will begin the Q&A session for participants connected to the WebEx International Bridge. Please press *1 to ask a question. Your first question comes from Charanjit, and he is with HSBC.

Mr. Charanjit Singh: Good evening Mr. Tanti, Mr. Sinha. My first question is on financing. If you can provide some details on the likely sources to fund acquisition of Martifer's stake and capex over the next 6 months.

Mr. Sumant Sinha: Okay, Charanjit, thanks for leading off with that pretty direct question to begin with. Let me try to address that questions. See, in terms of, and I will answer in two different levels, one is at the Suzlon level, the other is at the consolidated level. Now, with respect to capex at the Suzlon parent level, we have very little capex that is required to be done, it is really mostly just maintenance capex that we require for the next financial year, and some fairly small number that is left between now and the end of the current financial year, so it is not a very sizeable number. Our maintenance capex for next year is likely to be somewhat less than even 50 crores. In terms of the capex at SE Forge, that is pretty much taken care of by fund-raising at the SE Forge level itself. Funding, there is hardly, there is in fact no capex at the REpower level, and in Hansen there is capex, and there is cash also at the Hansen level to take of the capex. In terms of the acquisition with respect to the REpower acquisition from Martifer, which is due at the end of May, we really have 4 months to make that payment. Now, looking at variety of different sources for that, option one is of course that we are going to have some internal cash flow generation between now and then, as well as a squeeze of working capital. We have a fairly high degree of inventory at this point in time, which is to the tune of about 5,500 crores, which is about 1.1 billion dollars of thereabout. Now, we have basically taken the knife to our inventory, and we are very sort of diligently working our inventory down. If you look at our numbers over the next 2 to 3 months, which we will obviously publish later, you will find that we have actually stopped procurement of any non-essential inventory items, and so our inventory is going to be run down quite dramatically over this current 3-month period. Now, that will get resulted depending on our working capital cycle in the form of reduction in overall working capital, and higher collections as we go forward, and to some extent the funding requirements for Martifer will come out from there. The third source that we have really is the likelihood depending on the need for any other asset sales, which could be at a subsidiary level as well as further fund raising at the parent level, which could be in the form of either debt or equity. So, those are the various things that we will be working on, and depending on the need that we feel is required closer to the time, we will take that call.

Mr. Charanjit Singh: Thanks for that explanation, but if some close numbers as to that of the total requirement vis-à-vis is available with you in hand and what is likely to come from operations, and what is the balance requirement, if you could just give an idea on those broad numbers, is it possible now?

Mr. Sumant Sinha: Yeah, Charanjit, that is going to be a little bit difficult for us because there are lot of moving parts in this answer, suffices to say that we have many degrees of freedom to make good this payment, and obviously our first preference would be to extract or squeeze out the cash from operations, so that is very really where the bulk of our efforts is going in right now as management team. Now, whether we are able to get by May end, you know, 600 crores, 800 crores, or 1000 crores, it really depends upon how things evolve, and how well we are able to manage that. So, we will see as we get closer to the time what the numbers are looking like, and then based on that we will take a call obviously giving ourselves enough time at that point to action any other courses of action that we might require at that point. So, I think that you should be aware that we have a few different choices, which we are going to be working on and making sure that we keep our flexibility to address that issue as we get closer to May.

Mr. Charanjit Singh: Fine.

Mr. Sumant Sinha: I am sorry, I am not able to give a very specific percentage based answer because it is a little bit unclear at this point exactly what percentage we can get from working capital, so that is something that we just see as it goes along.

Mr. Charanjit Singh: Okay, but what are the choices which you are talking of, you would surely be having certain debt covenants?

Mr. Sumant Sinha: Yeah, but you are raising a different issue. The first issue that you raised was about funding the Martifer payment and I just said that there were a few different options in front of us that we are going to be looking at, so that is one. The second question that you just raised is in regard to debt covenants, so let me address that also because that might be a topic of…..

Mr. Charanjit Singh: See, my both the questions are related in the sense, I am just trying to explore that what is the possibility of funding your…how can you meet your funding requirement from debt, from equity, so I am just trying to see what are the possibilities which you just mentioned few minutes back that you have, you are looking at multiple options, and I am just trying to understand those options.

Mr. Sumant Sinha: No, no, sure. I will give you some clarity. With respect to our debt situation, we don't feel that there is going to be any issues with respect to our covenants till March 31st, even regardless of that the fact is we have certain covenant testing dates which we have to meet certain covenants on. So, we will have room in between, you know, we are also going to paying down some debt between now and then, so to that extent we will have some extra headroom to take on more debt, so the debt availability will be there to our mind, whether we to choose to exercise it or not is a different matter. With respect to stake sales, we have a few subsidiaries as you know. We have divested stakes in them in the very near past, and those are the things that we could look at as well.

Mr. Charanjit Singh: Which possible subsidiaries you think that you can divest this stake?

Mr. Sumant Sinha: Charanjit, we have three subsidiaries, REpower, Hansen, and SE Forge. We are looking to acquire shares in REpower, so that leaves two subsidiaries.

Mr. Charanjit Singh: Okay, fine, and what is the likelihood of more debt which you think you can draw, range if you can provide, a rough range?

Mr. Sumant Sinha: I really can't to be honest. A lot of that said depends upon our performance between now and end May.

Mr. Charanjit Singh: Okay, can you share the working capital numbers as of end December?

Mr. Sumant Sinha: It is there in the presentation Charanjit. If you flip to page 28…if you go to page 28, you will see the presentation of the major working capital items in that, and you will see our inventory currently stands at 5,400 crores, receivables is 4,800 crores, just between the two of them, it adds up to current assets of in excess of 10,000 crores, which given our current situation is a pretty high number, and we are pretty confident that we can work that down.

Mr. Charanjit Singh: Okay, fine, thanks. My next question is regarding the order book, you have mentioned your current order book is around 1,900 MW, and your press release also mentioned that in the next 6 months, you hope to get another order of 1,000 MW out of the 2,000 MW which you are negotiating, now so if you look into this number, in effect in 6 months down the line, your order book will be less than 1,900 MW assuming that you have produced and sold over 1,000 MW of wind turbines. Now, with the capacity which is near to 5,700 MW, an order book which is much less in size, how do you think that you can maintain the profitability and margins going forward.

Mr. Sumant Sinha: Well, it is not that difficult because we have a certain margin right now. See, the capacity of 5,700 MW is not fully on stream yet. We have currently 4200 MW that is active. Having said that, we require very little incremental capex to actually activate the extra capacity of 5700, but most of that cost we were already incurring at the operating level even in Q3 and certainly in Q4 as well. In fact, when you are saying our operating costs are higher right now, which we will be managing downwards as we go forward. So, if you look at our numbers for next year, even if we do, and I am not trying to give any guidance, but even if we do the same numbers as we do this year, our profitability is not going to be any different from this year, but there are a few other things that are going to happen. One is that our COGS will be going down as a percentage of sales, to that extent because of the commodity price changes and logistics freight changes and so on, so to that extent there might actually be margin expansion that may happen, and if nothing else, that will end up hopefully enhancing our margins as well into next year. With respect to the wind business in general, the fixed capital requirement for new capacity as you would know is not very high. Most of the capital requirement is for working capital, and that is pretty variable in nature, and will only be brought on board if we actually expand our actual production to that extent. So, yes, our breakeven has gone up to the extent that we have a little bit higher depreciation and little bit higher interest cost. Most of that has already been factored in Q3 and Q4. We don't see that the fixed cost part of our overall P&L is going to change very much into next year, and we will certainly not add the working capital that we don't require if our order book does not warrant it.

Mr. Tulsi Tanti: And to add, when we are talking about 5,700 MW production capacity for next financial year, if we see the quarter one, two, three, and four, the maximum production and sales is always in quarter four, so 5,700 can translate in on quarter maximum 1,200 MW production physically achievable, so maximum in one quarter we can achieve 1,200 MW and normally in quarter four very high MW is there, so we have to utilize that way, it is not possible in the wind industry every quarter has a full capacity utilization, so the capacity is designed mainly for the quarter four, so accordingly we have to run, so we are quite comfortable to utilize this capacity for Suzlon, and also some production capacity we are utilizing, component production for REpower.

Mr. Charanjit Singh: Sorry, are you saying that some production of REpower will happen in Suzlon facilities in India?

Mr. Tulsi Tanti: No, no, component. Rotor blades and other component manufacturing we are talking.

Mr. Charanjit Singh: Okay, fine sir, but that means that at least for 3 quarters, there will be a huge gap between your production facility vis-à-vis your actual production because your order book has declined quite a lot over the last three quarters, that is what I was trying to say, and for the new orders which you are mentioning for this 1000 or 2000 MW, if you can provide a brief idea as to the geography wise breakup of this new orders which you are looking forward.

Mr. Sumant Sinha: Yeah sure. Charanjit, first of all, to address your first point, yeah, there will be a gap between our capacity as well as the likely production for the coming financial year, however, that is not going to lead to any sort of significant financial impact, so just be aware of that fact because as I said from a breakeven standpoint and from a capital cost standpoint, lot of that has already been factored into our current costs, and I again repeat most of the extra costs are working capital oriented, which will not be brought on board unless we actually have that extra order, so just for your information. Now, with respect to the order, with respect to the sort of likelihood of orders, the fact of the matter is that we are at this point in time to give you a sense a preferred bidder, and in fact the sole short-listed bidder for 100 MW World Bank financed project in China, which we hope to close in the coming months. We are looking at out of the 1,000 MW probably 20% to 30% coming out of China. We are looking at about I would say 30% to 40% out of Australia. We are looking at about 10% to 15% out of South Africa and Brazil, it could be either of the two or it could be both, and we are looking some much smaller portion coming out of the European countries, and I am talking here only about the Suzlon parent company level.

Mr. Charanjit Singh: You are not looking…..

Mr. Sumant Sinha: Charanjit, is it okay if we move on to some other questions as well if you don't mind, and we can do a one-on-one later as well.

Mr. Charanjit Singh: Okay, fine, in the sense, I was just, one more thing, probably I will check on this. You mentioned about the possibility of retaining the margins or probably possibility of expansion in the margins on account of raw material cost going down, but equally there will be a pressure on the prices also, the realizations also, do you think that will be there or you think that you will be able to retain the realizations at the same level?

Mr. Sumant Sinha: You know, at this point, we have not seen significant realization pressure. I have no doubt in my mind that it will manifest itself, and whether it does or not, I think from our own standpoint, we have an obligation also to make the wind industry and our customer's projects more profitable, so to that extent that we need to and we can pass on some of the cost benefits we'll certainly share. So, the fact of the matter is that a lot depends upon the competitive dynamics order by order, and a lot depends upon how much cost reduction we can generate in our supply chain compared to others, and based on that we will be able to, in our view, enhance margins to some extent. I would not say it is going to be outlandish, but it certainly will lead to some degree of enhanced margins for next year, that is a base-case view at this point in time.

Mr. Charanjit Singh: Mr. Sinha, if you permit, I can ask one more question and leave the floor to you. Probably this is on the exceptional expense item, page 2 of the press release mentioned that a provision of 170 crores has been made for the financial year 2009 to cover up for this additional cost arising for the retrofit program, however if I add the total expenses which had been incurred in the three quarters under the exceptional items of head, which is primarily the blade retrofitting and configuration, generation and availability charges, the total amount comes to roughly around 280 crores, so that means there is a significant amount of penalties which you have paid in the last 3 quarters?

Mr. Sumant Sinha: Yeah, actually if I can….

Mr. Charanjit Singh: I assume because the retrofit program is still going on and that will be completed by June 2008.

Mr. Sumant Sinha: Charanjit, if I can directly go to page 16 of our presentation, we have in fact exactly listed out the total cost of the retrofit program, just so as to save you the mathematical computations that you have done, just to address the issue the fact of the matter is we had taken a provision in FY '08 which we had thought would be adequate at that point in time; however, our customers required us to go through a much more extensive and rigorous root cause analysis, testing process, which in deference to them being our major customers and in fact our first customers in the US market, we went through. That process of finding the fault, finding the solution and then making sure that the solution was in fact tested, that process has taken us a fair bit of time. It was really only concluded in November of this last year. As a result of which the number of cracked blades that we have had to deal with has increased because we could not repair the blades until such time that the solution was agreed, so the cracked blades replacement cost is higher,. significantly than the cost of retrofitting blades, so as a result of that we are having to increase our provisioning. The second thing is that now the retrofitting for the balance blades is also happening through the winter. We had already had some cost that we had had to carry through the months of testing and fault finding and RCA process. That process is now getting stretched out through the winter months, which is a little bit longer from a execution standpoint, given accessibility issues and so on, and so that has also led to an increase in our retrofit part of the overall provisioning, and between those two therefore we have unfortunately had to increase the provision. The other thing we wanted to make sure was that this was in fact the final provision, and that there would not be any more impact on our P&L statement going forward, and so we have been from our standpoint a little bit conservative on provisioning the appropriate amount. You know that there are availability claims as well, which we have also been carrying and showing in our P&L separately and so the cost is there on page 16, it amounts to 449 crores between the retrofit and the placement cost and availability compensation cost.

Mr. Charanjit Singh: This is….

Mr. Sumant Sinha: Charanjit, if you don't mind, let us now move onto somebody else, and you know, let us…..

Mr. Charanjit Singh: Okay fine, thank you

Mr. Sumant Sinha: Thanks a lot.

International

Moderator: Your next question comes from Bala Naidu with Goldman Sachs.

Mr.Naidu: Hi there.

Mr. Sumant Sinha: Hello.

Mr.Naidu: One quick question. Can you hear me?

Mr. Sumant Sinha: Yeah, absolutely.

Mr.Naidu: Quick question on your debt profile. As of Q2, or in the last analyst call, I heard that 8,900 were the net debt, and the cash at the parent standalone level 1400 crores, and therefore it worked out to a number of 10,300 crores of gross debt, would I be correct on that?

Mr. Kirti Vagadia: Correct.

Mr.Naidu: And that 10,300 crores has now gone up to 12,200 crores, would I be right on that?

Mr. Kirti Vagadia: Yeah.

Mr.Naidu: So, that is 1900 crores of incremental debt. Could you give me a sense of whether this is working capital, short-term debt or long-term debt.

Mr. Kirti Vagadia: See, basically, what has happened, about 300 crores is increased due to just currency movement in the loan.

Mr.Naidu: Okay.

Mr. Kirti Vagadia: About 200 plus crores we have taken during this period and the rest is working capital.

Mr.Naidu: 300 crores of working capital you said.

Mr. Kirti Vagadia: Balance is working capital.

Mr.Naidu: All of it, so 1600 crores of working capital.

Mr. Kirti Vagadia: No, about 1200 something.

Mr.Naidu: Fair enough, and just one more question. The order book if I go back to that question that the earlier gentleman elaborated on, was 14,000 crores as of the last quarter and then this quarter it has come down to roughly 10,000 crores and therefore you executed orders worth 4,000 crores. At this rate, if I were to take the 10,000 crores forward, would I be right in assuming roughly that you have enough orders for the next 3 quarters and then of course whatever new orders come in, would that be in the ballpark.

Mr. Sumant Sinha: Yeah, I guess, that is true.

Mr.Naidu: That is it from my side. Thanks.

Mr. Sumant Sinha: Don't forget there is only one other issue that we get orders from India which are much shorter term in nature, and those will also occupy capacity, and so therefore it may end up being that to run down this entire amount will take us may be 3-1/2 to 4 quarters, a lot depends also upon what the delivery dates of all the respective customers at all levels and so on and so forth.

Mr.Naidu: So, bottom line, these are not long-dated orders, these could be executed and the operating cash flow from these orders could be generated in the next year.

Mr. Sumant Sinha: That is right, these are all almost entirely for the next financial year. I mean, as really continuously moving on from here.

Mr.Naidu: Fair enough, thanks.

Mr. Sumant Sinha: Yes.

International Moderator: Your next question comes from Sunil Gupta of Morgan Stanley.

Mr. Sunil Gupta: Good afternoon Tulsi Bhai, good afternoon Sumant. I had a question on the outlook for the Indian market. Could you talk about what do you expect in financial year 2010, how large the market might be and what is the outlook for Suzlon's business, and then I have another followup.

Mr. Tulsi Tanti: If you see the most last 2 years, almost Indian market is flat, it is not growing too much because it is highly driven by how many MW project execution is feasible, so it is quite linked with that. It is not that demand is much more, but execution is governing the size of the Indian market. But now lot of initiatives have changed in the last 2 to 3 months, particularly in Tamil Nadu and Gujarat governments have both have changed the lot of regulatory improvements are there, and lot of initiatives are going on that direction, so the quite demand on those parts is increasing much more, but the current constraint is coming on the project financing because the Indian market is not driven by the utility, it is more small and medium organizations the investment is coming out. But last two to three months lot of change has further improved and banks have started disbursement and financing and other things, so it is moving in a quite positive directions, and the financial cost is also decreasing and further going forward it would decrease further. So the need of energy of India is very high, and based on certain economics of the projects, its drive for growth very, very clearly is there. So the most of the investment is coming out from the captive requirement and that is percentage shift is there, earlier the IPP it was much more, but now it is moving more on captive investment is coming out more, particularly in Gujarat and Tamil Nadu, the captive percentage is very high because they are getting the higher tariff benefit and that is the momentum is increasingly good. Another new development is coming out in Indian market, the state-owned PSU and central PSUs have also started investment in renewables are going on because of their investment plan and target for the renewable development on the state government targets, so that is new development. Recently, GSPC in Gujarat, they have announced 200 MW the tender and other things, so that is the good types of the initiatives that have started earlier also ONGC has invested, HPCL has invested, so these types of the development is going on. So, we see the Indian market will remain somewhere 10% to 15% growth level for the next financial year. So that is the thing because number of states involvement is increasing. Earlier, more 4 to 6 states are there. Now, there are 8 to 12 states, the development is there, because lot of wind resource study and everything has been done. So if we go for more geographical spread, then the project execution becomes more easier and volume can increase, so we are expecting from current financial year to next financial year, the 15% to 20% growth in Indian market will come, and as you know that Suzlon, so many years it is the market leader, we are holding 50% to 60% market share and we strongly believe that we will continue and this year also we are maintaining and next year also we will maintain.

Mr. Sunil Gupta: My followup is in terms of your current order book, I presume you don't have much from domestic orders, right, because those are all short-duration orders.

Mr. Sumant Sinha: Yeah, that is correct.

Mr. Tulsi Tanti: Naturally, this Indian market dynamics is very clear, always you will not get more than one quarter order because when we have a very clear project visibility and execution, commissioning is clear, based on that we are offering to the market that now this project is ready for sale.

Mr. Sunil Gupta: Okay, and based on your current view of the Indian market and what your order book is, if I were to ask you for your FY '10 financial year, what would be the revenue mix between domestic and international business?

Mr. Tulsi Tanti: I think for the next financial year, somewhere 30% will be the domestic and 70% will be international.

Mr. Sunil Gupta: Okay, thank you.

Mr. Tulsi Tanti: You are welcome.

Mr. Sumant Sinha: Thank you.

International Moderator: Your next question comes from Gautam Chhaochharia with Deutsche Bank.

Mr. Gautam Chhaochharia: Hello?

Mr. Sumant Sinha: Hello.

Mr. Gautam Chhaochharia: Yeah, couple of questions. First is on the provisioning for blade retrofitting and all. Wanted to check when you say no more provisioning expected, it also implies no more availability charges, and for what about the Dhule provisioning?

Mr. Sumant Sinha: The provisioning, to the extent that we have been able to foresee the pace of the program and the likely blade failures which you have had to extrapolate, we have tried to build in those into the availability claims and into the provisions in general. So, our view is that hopefully there will be no more availability claims also into next year, but to some extent it depends upon some externalities like weather and so on, but we expect that pretty much this number is going to cover whatever might be coming up, so that at least is our attempt. Having said that, if there is a very small overrun, you know, it may be half a million, one million that sort of a thing. We don't anticipate anything of any material nature. With respect to Dhule, what exactly is the question there?

Mr. Tulsi Tanti: Yeah, Dhule is actually it is one-off case and that is over, there is nothing to spend, all work is over.

Mr. Gautam Chhaochharia: Okay, but something similar had happened last year and I don't remember, Dhule only or somewhere else.

Mr. Tulsi Tanti: Yeah, Dhule, one-off cost will be there, which quarter one we have announced that losses and everything and that all project is over, and all project turbine is running perfectly.

Mr. Gautam Chhaochharia: What I am checking is there was some provisioning last year also, and then this again happened in this quarter, so are they linked or this is independent to that?

Mr. Kirti Vagadia: No, they are not linked. Currentl year provision is mainly related to blade.

Mr. Gautam Chhaochharia: Okay.

Mr. Tulsi Tanti: No, no, he is asking about Dhule.

Mr. Kirti Vagadia: Dhule is not there.

Mr. Gautam Chhaochharia: No, I am talking about there was some provisioning for local India business last year also, I don't remember exactly where.

Mr. Tulsi Tanti: That is only for the Dhule site, and we have completed the project and that one-off is over.

Mr. Gautam Chhaochharia: But was this quarter, provisioning linked to the last year's one, or they are two separate incidents.

Mr. Kirti Vagadia: So, there is no provision relating to Dhule in this current quarter.

Mr. Gautam Chhaochharia: One more question, when you say about reducing working capital and using that cash flow, but your debt has also gone up in the third quarter, so we plan to reduce your debt, gross and net by the end of March or you expect it to remain at current levels. How will that dynamic work in terms of releasing cash for working capital, you will repay debt, or debt will remain at current levels.

Mr. Sumant Sinha: No, I think that we will use some of the cash to repay debt, we might also use some of the cash to run on our creditors, so as you know there are many uses of cash in today's environment, so it is something that we will see how that goes, but yeah we will to some extent pay of our debt.

Mr. Kirti Vagadia: And we received 500 crores from stake sale of Hansen, so that will be used also for repayment of debt.

Mr. Gautam Chhaochharia: But any sense on when can we expect the gross or net debt levels by the end of March?

Mr. Sumant Sinha: I think you should assume that we will be well within our debt covenant ratios.

Mr. Gautam Chhaochharia: Okay, thank you.

International Moderator: Your next question comes from Diwakar Vijayvergia with RBS.

Mr. Vijayvergia: Hello? I have two questions, one is regarding the Fx hedging, I mean, you have around about 500 million of FCCBs in your book, I mean, are you doing anything to hedge that Fx?

Mr. Kirti Vagadia: As far as FCCB related liability is concerned, we are not hedging. The reason I would explain is like that, FCCB is a liability in dollar terms 500 million, against that we have about 2 billion on our asset in foreign currency arising out of two applications, and that is why we are naturally hedged actually. Unfortunately, what is happening that revaluation related loss is going to P&L account, but whatever appreciation is happening in our asset value is going directly to balance sheet.

Mr. Vijayvergia: Alright. I mean, also, my question would be that on the customers that you sent across the customers that you have acquired, under geographical breakup, I mean, I still see that not many customers are added on the international front, and mostly the customers are from India and China, I mean, any particular reason for that? This is in Q3?

Mr. Sumant Sinha: Yeah, you are right absolutely in that the new customers in this last quarter were from China and India, that is absolutely correct. We have been working on opportunities in other parts of the world as well, and our brief is that we will be able to close the few of those in this current quarter, and as we do we will announce them, but since we have not closed anything, we have not announced anything yet.

Mr. Vijayvergia: Sir, I do understand that you are working on few of the transactions like that, but my concern comes from a point that even in last quarter, if I am not mistaken not many international customers are added. It was only India, and in that conference call we were told that you are working on some international clients. I mean, because of the blade cracking issue, I mean, I wanted to check whether it had actually made the impact on you getting business from international companies or this is just one-off that has happened.

Mr. Sumant Sinha: No, I think you know you should recognize the fact that the blade crack issue was a problem that pertained to products that we manufactured in 2007, and shipped out in 2007. From early 2008 onwards, we have been shipping out the V3 machine, and we have now shipped out almost 700 to 800 V3 machines, which have been installed and are running satisfactorily in both Australia and in the US. Availability levels of these machines at the contractual levels of the mid 90s also. So, I think that what is happening is, you know, I don't know if there is an explicit linkage between the two, but the fact of the matter is that we have now got a good track record of V3 performance behind us. We have also got financial closure in the US market of V3 machines that we had shipped to one of our customers, Horizon, for their Rattlesnake project, so the V3 is financible and that has also been established, and I think that you know converting orders takes time, and ultimately the proof of the pudding is in the eating, and no amount of whatever I can tell you right now will really deliver an order, so I think we will deliver orders and that will hopefully, when we do that, we will issue you.

Mr. Vijayvergia: Thank you sir. One another question that I have is when you expect to have the domination agreement for REpower?

Mr. Tulsi Tanti: At this moment, we cannot comment on that subject.

Mr. Vijayvergia: Okay, I mean, because I wanted to check whether you have any control over dividend upstream from Hansen, REpower, and other subsidiaries.

Mr. Tulsi Tanti: Yeah, we are able to get the dividend from REpower. We have not constraint, and based on that company, the profit and other planning point of view, REpower is able to give the dividend. In Hansen, we have some restrictions.

Mr. Kirti Vagadia: We have committed London Stock Exchange, Hansen has committed basically that up to 2010 calendar year, they won't be declaring dividend.

Mr. Sumant Sinha: But let me sort of address the issue that you may be hinting at, which is our cash flow position, and you know, may be in the next financial year, if you look at it, we are only from a capex standpoint, our only outflow is very minimal, only maintenance, we are not obviously spending any more in terms of the new capacity creation, so that is one. In terms of debt repayment for the next 6 to 9 months, we are covered with the Hansen stake sale amount that is lying in our accounts right now, and that is in fact blocked and to be used for the debt repayment, so that is substantially taken care of, and really that fundamentally only leaves the Martifer payment which is due at the end of May, and as I had outlined with Charanjit from HSBC earlier in questioning, we have a few different options on making good those payments. Once that is done and behind us, then fundamentally from a cash flow standpoint, there is no real significant repayment that is or payment obligation that is coming up for several months after that, and so that allows us the flexibility to some extent of building up our cash position and/or using that to further repay debt or whatever, so fundamentally that is our cash position at this point in time.

Mr. Vijayvergia: If you give me a second, I will just run you down through approximate numbers that I have in my mind, and that actually leads to some cash flow problem, I mean as on December 31, you declared that you have around about 233 million of cash on your books. I would add 10% stake in Hansen which was sold for about 100 million. LIC gave you 61 million, and I am doing this for June 30st, because I want this REpower stake payment come in, so I am doing it till 30th of June 2009, half year EBITDA, given the estimate would be around about 220 million. I mean, if I add this up, and then the major payments that I am looking at is the REpower stake for 265 million and I have taken a debt, I mean, I really need to check this figure with you but according to me the debt which you will have to repay would be in that range of 200 million. I mean, this actually leaves Suzlon with some amount of cash flow problem, and that is why my question was do we have any kind of process by which we can actually look for dividend upstream.

Mr. Sumant Sinha: No, I think that one thing that you have not taken into account was potentially extracting cash out of working capital, which is something that as I said earlier we are working on very strongly. What you also have not taken into account is any further asset sales that may or may not happen, and frankly I need to go through the numbers because you just sort of shot them out, so I don't know exactly what the cash hole is that you are looking at in your calculations, but you know, obviously we have done these calculations and that is what we do sort of morning, evening, and night, and we are making sure that we act well enough in time to plug any holes. We have certain strategy in mind of how we are going to do that, which I had outlined earlier, and I am happy to discuss that with you offline to go through your actual numbers.

Mr. Vijayvergia: Thank you sir for that, but just one last question, I mean, you are talking about squeezing on the working capital. I mean, could you just give me a flavor on what is your mind when you say that, I mean, how are you going to do that.

Mr. Sumant Sinha: I can talk to you at great length for a long period of time on that, suffices to say that basically we have today about 5,500 crores of inventory, we have about 5000 crores of receivables, that totally adds up to 10,500 crores. What we are doing is that we have appointed and are using the services of A. T. Kearney, who have been working with us for the last 3 - 4 months to help us manage down our working capital. We have stopped procuring excess inventory items from around November onwards, so we are working on that very actively. That inventory reduction will flow through, through our working capital cycle into collections, and that is may be one item that we have not factored into your calculations of cash flow, that we expect to start generating surplus cash really from February onwards, and February till really for the next 5 to 6 months depending on how rapidly we can squeeze the system is something that we will be generating free cash on. So that is I think one fairly big exercise currently that is underway in the company at this point in time. As I said, we feel that we can extract sufficient cash from the system. From 10,500 crores of this, our Martifer payment is really only 10% of that, so if we even deliver marginal efficiencies from where we are right now, we should be able to meet our requirements, so I think really that is where our focus needs to be.

Mr. Vijayvergia: Okay, thank you sir, that is it from me.

Moderator: Thank you International Moderator. We will now begin the Q&A interactive session for India participants. Participants who wish to ask questions, please press *1 on your telephone keypad. On pressing *1, participants will get a chance to present their questions on a first in line basis. Participants are requested to use only handsets while asking a question. To ask a question, please press *1 now. First in line, we have Mr. Satish Jain from HDFC Mutual Fund. Over to you sir.

Mr. Satish Jain: Good evening. Essentially, when you gave the geographical breakup of the orders expected, there was no mention about business from the US. So is that market looking a little difficult in the near term?

Mr. Sumant Sinha: I think that is a little bit of an understatement, I think the market in the US is looking quite difficult. We had about 8000 MW of sales in the last calendar year, that is likely to shrink very substantially in this current calendar year. So I think it is going to be tough from an US market standpoint. We have currently some orders in our order book which we are expanded into service in the current quarter, and again we have some orders which would be expanded into service in the next financial year, but when we look at our overall sales profile, we are looking at some degree of shrinkage with respect to our orders and our sales in the US market.

Mr. Satish Jain: But you also mentioned that Barack Obama has probably increased his thrust on the renewable energy sector?

Mr. Sumant Sinha: Yeah, I think it is an issue of timing more than anything else. We wish Barack Obama all the best, and we hope that he gets all the things that needs to get passed in Congress as quickly as possible, but these things could take some time, so we are being cautious and we are saying that based on whatever we are….as things stand today, we are seeing shrinkage in the market. Now, of course, if Barack Obama's plan is very positive and gives a huge impetus, then that will result to my mind in sales increases may be in the second half of this calendar year, and certainly will result in better sales next year. So, clearly, from a long-term US market standpoint, we are fairly bullish. The other thing that I think is part of the Obama plan is really investment in infrastructure, specifically grid infrastructure, and that is really going to widen the field of play with respect to accessing geographies in the US that hitherto have been out of bounds because of poor connectivity issues. So I think longer term the plan is positive. He is talking about cutting down dependence on any foreign oil from the Mid East and Venezuela in the next few years' time. He is talking about renewable energy forming 25% of overall US electricity consumption by the year 2025, up from maybe less than 1% right now. So all the signs are very positive, and we are very hopeful that longer-term the US market will rebound, and will lead to renewed focus of interest from our side.

Mr. Satish Jain: Okay, and you also signed an MOU with Gujarat government recently, so can you just tell us a little more about that.

Mr. Tulsi Tanti: The Gujarat government MOU normal they are giving the development rights, that is normal Indian state government system is there, so they are offering the development activity and also the grid connectivity point of view, rights and everything. So based on the long-term project development planning point of view, we have to do that, so that we can develop the sites and we rights for the development. So that is the 1,500 MW MOU, so that government will provide us the certain sites, which we identified as a good wind site, and they will provide the grid connectivity approvals and other things. So it is more on a development activity rights.

Mr. Satish Jain: But who will be investing the money for setting up these turbines, will it be you or it will be…?

Mr. Tulsi Tanti: It is our business model is there, because what is our business model, we are identifying the sites, then either government will give on a leased basis or from the private party we have to acquire, and then we build the project and we sell the projects. So our customer is doing all investment, that is a very clear business model for India.

Mr. Satish Jain: Right.

Mr. Kirti Vagadia: For us, it is working capital.

Mr. Satish Jain: Okay, and also for year 2010, how much would the cost on per MW basis come down because of the correction in steel and other commodity prices like, can you give us some sense, and then probably you can also tell us what you could have as EBITDA per MW, will that really go up or go down. The margins possibly could go up but the absolute number, will it really remain the same or will it go up?

Mr. Sumant Sinha: I will just give you some guidance. I can't give you exact answers. See, if we just look at the composition of our total cost, towers for example account for almost 20% to 25% of our total COGS. Now, actually of our total sales to be honest, and the issue is that tower production, tower cost is fundamentally steel and that itself has gone another 30% to 40%, so to that extent the reduction in our COGS is just by, on account of that one item by a fairly significant margin. In addition, there will be similar reductions over time in lot of other components, to the extent of raw material utilization. Now, the issue is that our contracts with our vendors are longer-term in nature, with some of our key vendors, which sort of dampens the impact of prices on the upward side and on the downward side, so some of those will take a little bit more time to come through. In addition, we have some inventory on hand, which has been procured at the costs prevailing now and in the very near past, so that needs to be worked for the system as well. So, you know, given all of these factors, we believe that our COGS will go down quite substantially into next year and will continue to be on downward path through the year. The exact number I cannot give you because it really depends upon how all of these things play out, and of course the margin itself depends upon realizations as well, which is little bit hard to give guidance on right now. All I can say is that so far the orderbook that we will be carrying into next year is at prices prevalent as of the time that we signed the contracts, and so far we are not really seeing any significant downward pressure on prices from customers. Having said that, as I stated earlier, we will pass on some of the cost decreases as we get them to our customers depending on their ability to finance, depending on their return expectations, depending on the competitive situation and the host of factors, so giving, you know, all we can say that our view is that there will be some marginal expansion for next year. We can't really predict how much and exactly when that will start manifesting itself.

Mr. Satish Jain: One last question from me. There was some restriction on transfer of technology from REpower earlier to Suzlon, so is that restriction still there and when will it go up if at all.

Mr. Tulsi Tanti: First of all, from the very beginning, our very clear strategy for REpower acquisition is there, never we have mentioned we are looking for the technology, and there was no Suzlon plan to transfer of the technology at all. It is more of the market speculation, and there is no such plan for the transfer for technology.

Mr. Satish Jain: But there could be some synergies that could be derived in the sense, why reinvent the wheel if REpower has got some technology for higher end turbines.

Mr. Tulsi Tanti: Whatever the product REpower is currently there, it is more in the high-end multi-megawatt machines are there, right, that is mainly for the European market and mainly in the offshore market. Those products are not needed in Asian market first of all. It is different configuration of the product, where the Suzlon product whatever is there is extremely well suited and designed for the Asian markets, and also simultaneously for the US market, and some emerging European markets. So, there is no need of transfer of technology for both the companies, that is never our plan, and if anybody wants the technology, they can buy the license in technology by 2 million dollar investment, they get the license of the technology for any types of the turbine in the world.

Mr. Satish Jain: Okay, thank you very much.

Moderator: Thank you very much sir. Next in line, we have Mr. Anirudh from Goldman Sachs. Over to you sir.

Mr. Anirudh: Thank you for the opportunity. Just wanted to understand two questions. One, what would be the IRR of projects in India per se given whatever has happened and what you think is going to happen in 2010, and the second question is, could you throw some light on your components order book, when can we see the sales realizations, what is the margins, and is there something within the Suzlon group, and what is the proportion, external and internal, thank you.

Mr. Kirti Vagadia: Anirudh, on IRR in India, basically depending where the customer is, it is ranging from 14% to 18% at project IRR level.

Mr. Anirudh: Okay, thank you.

Mr. Kirti Vagadia: Sorry, what was the second question?

Mr. Anirudh: The second question was on components, we just know the order book numbers and Mr. Tanti mentioned SKF and certain defense orders, was wondering what is the timeline for order execution and what would be the likely margin and if at all there is a component which is going to other Suzlon group companies.

Mr. Kirti Vagadia: No, so far as orders are concerned, in case of SE Forge order backlog, we have given non-Suzlon orders only. So far as other component orders are concerned, those orders are mainly from REpower.

Mr. Anirudh: And sir could you just…..and what would be the timeline for the execution of this order?

Mr. Kirti Vagadia: I think they are to be executed shortly within 6 to 9 months.

Mr. Anirudh: Okay, and anything on the margins, and what you can gain on this?

Mr. Kirti Vagadia: I don’t think I would be able to comment on margin in component business at this stage.

Mr. Anirudh: Okay, thank you.

Moderator: Thank you very much sir. Next in line, we have Mr. Lokesh Garg from Kotak Securities. Over to you sir.

Mr. Lokesh Garg: Hi sir, good evening. My first question relates to the equity on the balance sheet and I am asking this because there must have been several adjustments during the 9-month period for several one-off losses, some divestitures, and all that.

Mr. Kirti Vagadia: It is closer to about 11,000 crores.

Mr. Lokesh Garg: This is group level equity that you are quoting?

Mr. Kirti Vagadia: Yeah, I am talking group level.

Mr. Lokesh Garg: If we go on the basis of group level, we are very close to that debt covenant of 1:1 right now.

Mr. Kirti Vagadia: Correct.

Mr. Lokesh Garg: Sir, my other question relates to this other expenses, and I remember a line from Mr. Sumant Sinha in 2Q conference call where you said that you were not happy with 662 crores of other expenses which were there in the 2Q, and you would like to actually that amount to reduce significantly, but now we see that amount at 808 crores in 3Q, I know there is a volume component of it, but even otherwise adjusted for that this expense has gone up quite significantly, any insights into this?

Mr. Kirti Vagadia: Yeah, basically, see, let us understand what is the breakup of those expenses, one is freight is about 180 crores, FX related losses are about 55 crores, and claims of LD are about 120 crores. Out of 120 crores, about 83 crores is mainly like one-off items which we have disclosed by way of note in our quarterly results. If we are reducing this amount, we are left with about 435 crores of other expense which is in normal in line our business.

Mr. Lokesh Garg: No sir, you can’t leave out freight from this calculation.

Mr. Kirti Vagadia: No, I am just explaining the breakup. You can’t leave out, we are just explaining the breakup that in this quarter about 75% of our volume is coming from international market, and that is why freight is there for this amount.

Mr. Lokesh Garg: Okay. Repeatedly it has been stressed in this call that you would like to stress upon the working capital and squeeze more money out of it, but you are looking at working capital, other people also are looking at working capital in the tight credits environmental, and when we say that, your receivables actually have not gone up which is a commendable thing considering that you have delivered quite a lot to the customers in this year, but what we see is trade payables has gone up by 2,000 crores in this year, and those are also the people who would like to economize on their working capital just as you would, so how would you, you know, so there is this counteracting factor to some economizing of inventory that you might be able to achieve.

Mr. Sumant Sinha: No, that is true, but payables and inventory are not the only two components in working capital. We also have advances to our suppliers which has also gone up quite a bit, we also have advances from customers, which obviously has gone down, which we are hoping will go up as we go forward, so actually when you look at it, there are couple of these other compensating factors as well that we need to look at, but you are right, whatever funds we are able to extract from working capital as I said earlier will have many potential users. To the extent that we need to, we will obviously pay off our creditors. To the extent that we require, we will make use some of that for debt management purposes as well as potentially having some left over for the Martifer payment. So we will see depending on the need of the hour where those funds are best utilized.

Mr. Lokesh Garg: Okay sir.

Mr. Kirti Vagadia: Secondly, out of her inventory, about 50% is semi-finished goods only.

Mr. Sumant Sinha: Yeah. I think the important thing to recognize is that you know our inventory is at a very high number, and that is something that is quite within our control to move downwards.

Mr. Lokesh Garg: Yeah, sir, something else that I wanted to ask you is out of this order backlog of 1916 MW that we have any percentage wise also, any breakup of what one could expect from 4Q and from then on?

Mr. Sumant Sinha: Yeah, you know, I think the expectations that we will carry forward about 1,100 MW of this existing 1,900 MW into orders for next year.

Mr. Lokesh Garg: Thank you. Sir, my last question is related to outlook on Indian market, obviously there is some concern with everything in terms of Indian market also degrowing a little bit, but versus the data points and versus probably the environment feedback and outlook from that comes from the company seems to be very aggressive. For instance, if you track 3Q FY '07 end India order book was 372 MW, 3Q '08 was 440 MW, and now at the end of 3Q '09 if my data is correct we have 98 MW. So, basically, Indian market is also slowing down very, very substantially which basically needs to be built into the thinking process.

Mr. Sumant Sinha: Yeah, I think there actually is a substantially difference between the last few years and this particular year. Particularly with respect to Q3, in Q3, actually we saw a significant reduction in terms of the order booking, and that is a result of the fact that October-November were particularly bad months from a financial market environment standpoint, and so if you look at our dispatches also for the Indian market in Q3, they were actually lower than our longer run average. Now, the good news is that December and January particularly, we started seeing the market come back quite a bit, and that is making us much more optimistic about the current quarter as well from an India market standpoint now, you know, and things like for example the GSPC order, which we hope to get 200 MW are also things that are prompting our optimism. Now, the issue is that the likelihood is that we have lost in the India market a couple of months of good capacity utilization, and so therefore, for the next 3 months or for this quarter, in the India market, our constraint is likely to be our ability to deliver against the orders that we have rather than actually getting orders, and so that really is, you know, the loss that we have had in October-November in terms of lower sales is a loss from the India orders, or India sales for the year, which to some extent we can make up but to large extent we can't make up.

Mr. Lokesh Garg: Probably, last question is from my side, in the presentation slide 25, there is order adjustment of 105 MW from India which is then stated as triggered an unrest at Maharashtra site, so we just wanted to ask you which customer is this, and as Mr. Tanti said on the call that problems at Dhule have been solved, then this rollback would not have happened, right.

Mr. Sumant Sinha: No, no. I think you are linking up two unrelated issues. The customer in question is Reliance and we have had problems with….see we had a certain renewable obligation in the state of Maharashtra. They have given us this order some time ago. We have been trying to execute that order in Maharashtra, but unfortunately because of the land availability issues and local unrest issues, we have not actually been able to execute on the site, and so therefore we have amicably discussed with them that look until such time that we feel that we can execute that order, we would not like to keep their order pending, and so we have actually returned their advance, and therefore taken off the 105 MW from the order book. Having said that, the total order was 150 MW, out of which we have actually executed 45 MW. The issue is that Mr. Tanti was referring to and his discussion was really with respect to the provisioning issue in Dhule, which has been now put behind us.

Mr. Lokesh Garg: Has Dhule achieved a full potential capacity as discussed some time back of about 1,000 MW.

Mr. Tulsi Tanti: See, Dhule, the potentiality is available, it is nearly additional 200 MW project execution is possible, but the current availability of the land and evacuation facilities is not enough to execute more projects in Dhule, may be in next financial year when the availability of the evacuation facilities will be available, then it is possible, and some of the right of way issues are there, and because of that, we are currently not executing any next project on the Dhule side, but in Maharashtra, another three sites we are doing like Gude Panchgani is there and Sangli is there, and one more site is there. Those sites we are operating.

Mr. Lokesh Garg: Thanks a lot sir, these were my questions.

Moderator: Thank you very much sir. At this moment, I would like to handover the floor back to Mr. Tulsi Tanti for final remarks. Over to you sir.

Mr. Tulsi Tanti: Yes, thank you very much, and in closing our performance as a group demonstrates that we remain at the edge of the tough market conditions with the combination of well established strength, cost competitiveness, vertical integration, expanded scope of service, well diversified market reach, and a focus on the key market and customer relationships dominated by the utility and the financially sound developers. We see a very strong future for the renewables industries and wind in particular and Suzlon is well positioned to capitalize on the opportunity, and we will create the value for our stakeholders. Thanks a lot.

Moderator: Thank you very much sir. Ladies and Gentlemen, thank you for choosing WebEx Conferencing Service. That concludes this conference call. Thank you for your participation. You may now disconnect your lines. Thank you.