



# SAGAR CEMENTS LIMITED

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25th October 2019

The National Stock Exchange of India Ltd.,  
"Exchange Plaza", 5<sup>th</sup> Floor  
Bandra – Kurla Complex  
Bandra (East)  
**Mumbai – 400 051**

The Secretary  
BSE Limited  
P J Towers  
Dalal Street  
**Mumbai – 400 001**

**Symbol: SAGCEM**  
**Series: EQ**

**Scrip Code: 502090**

Dear Sirs

**Sub:** Conference Call on the quarterly financial results

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We are forwarding herewith the transcription of the Conference Call held by us on 22<sup>nd</sup> October, 2019 in connection with the recently announced un-audited financial results for the second quarter and half-year ended 30<sup>th</sup> September, 2019.

Thanking you

Yours faithfully  
For Sagar Cements Limited

  
R.Soundararajan  
Company Secretary

Encl: a.a.



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## **Sagar Cements Limited**

### **Q2-FY20 Earnings Conference Call Transcript**

#### **October 22, 2019**

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**Moderator:** Ladies and gentlemen, good day and welcome to the Sagar Cements Limited Q2 FY20 earnings conference call.

Please note that this conference is being recorded. I would now like to hand the conference over to Mr. Gavin Desa of CDR India. Thank you and over to you, Mr. Desa.

**Gavin Desa:** Thank you. Good day everyone and a warm welcome to Sagar Cements' Q2 FY20 Analyst and Investor Conference Call. We have with us today Mr. S. Sreekanth Reddy – Joint Managing Director; Mr. K. Prasad – Chief Financial Officer; Mr. Rajesh Singh – Vice President-Marketing and Mr. R. Soundararajan – The Company Secretary.

We will begin this conference call with opening remarks from the management following which we will have the floor open for an interactive Q&A session. Before we begin, I would like to point out that some statements made in today's discussions may be forward-looking in nature and a note to this effect has been stated in the con-call invite sent to you earlier. We trust you have had a chance to go through the communications on the financial results.

I would now like to invite Mr. Reddy to make his opening remarks. Over to you, sir.

**Sreekanth Reddy:** Thank you. Good afternoon everyone and welcome to Sagar Cements' earnings conference call for the quarter ended September 30, 2019. Let me begin the call by briefly discussing the demand and pricing scenario across our key markets post which I will talk about Sagar specific developments.

Overall demand during the quarter remained weak on account of multiple factors ranging from heavy monsoon, continued slowdown in construction activities and liquidity constraints. All these weighed down on demand which remained soft across key markets.

While pricing in South were impacted by the sluggish demand and standstill of infrastructure activities weak demand owing to extended monsoon and limited impacted of pre-election spending contributed to muted performance in Maharashtra. Prices in East though suffered owing to high competitive intensity however we believe the current situation is only transient in nature and extend recovery in demand and pricing supported by continuous push from various government programs such as affordable housing, road construction, metro rail and irrigation projects etc.



Moving on to Sagar specific developments, while the slowdown during the second quarter did impact the overall growth momentum our performance during the first half has been relatively stable with revenue and EBITDA growth of 14% and 108% respectively. Our strategic initiatives towards driving down the cost in the improving operational efficiencies are progressing well which would help us drive the performance going forward.

Further, the completion of Satguru and Jajpur Cements will help us further strengthen and widen our access in East and central markets. All the above measures are driven without stretching our balance sheet with debt equity remaining at a comfortable level positioning us well to tap the future growth.

Moving on to our financial performance for the quarter on a consolidated basis Revenue from the operation for the quarter stood at Rs. 265 crore as against Rs. 258 crore generated during the corresponding quarter last year. EBITDA for the quarter stood at Rs. 42 crore against Rs. 20 crore reported during Q2 FY19. Higher profitability for the quarter was achieved owing to lower fuel and freight cost.

The average fuel cost stood at Rs. 854 as against Rs. 980 per ton before in during Q2 FY19. Lower fuel cost was owing to stabilization of Gudipadu plant which for the quarter currently using 100% petcock resulting a lower fuel cost. Further optimization of thermal efficiency as well resulted in a lower per ton cost of fuel. Freight cost for the quarter on a consolidated basis moderated at Rs. 693 per ton as against Rs. 826 per ton during Q2 FY19 owing to better optimization of lead distances.

PAT for the quarter stood at Rs. 5 crore against a loss of Rs. 8 crore reported during Q2 FY19. From an operation point of view Mattampally plant operated at 42% utilization while Gudipadu and Bayyavaram plants operated at 67% and 46% respectively during the quarter. As far as the key balance sheet items are concerned the gross debt as on 30 September 2019 on a standalone basis stood at Rs. 283 crore out of which Rs. 161 crore is long term debt and the remaining constitute the working capital. While on a consolidated basis gross debt stood at Rs. 498 crore out of which Rs. 340 crore is the long term debt.

The net worth of the company on a consolidated basis on 30<sup>th</sup> September 2019 stood at Rs. 1,011 crore. Debt equity ratio stands at 0.34:1, cash and bank balances were Rs. 20 crore as on 30 September.

That concludes my opening remarks. We would now be glad to take any questions that you may have.

**Moderator:** We take the first question from the line of Madhav Marda from Fidelity Investments.

**Madhav Marda:** Sir, if you could share your usual state wise outlook on demand for South and Maharashtra markets and also on prices for the next few months that will be very helpful?

**Sreekanth Reddy:** South overall, we are expecting close to around 2% to 3% kind of a growth for the entire year for the current year. The pricing more or less spacing in some parts of south especially AP and Telangana it actually went back to the previous year. The prices of cement more or less is tracing back to the last year position. If you look at August, September and even the current month of October the prices are more or less similar to how it has been in the last year.



**Madhav Marda:** And on the demand front if you could give a little bit more insight in terms of what projects are we expecting that could help pick up demand may be in FY21? Are we seeing any green shoots or any big infra projects expected in the region?

**Sreekanth Reddy:** See I think if we continue till the previous projects itself should drive us more but there has been lot of delay especially as stated in even in earlier calls and in our outlook also the expected slowdown in large states of AP and Telangana primary reason being post-election usually the investment into infrastructure spend on the large irrigation and low cost housing typically close down.

But in Tamil Nadu and Karnataka the demand has been fairly following the flattish trend of last year but for the seasonality yes, we expect it to go back to old position in Karnataka and Tamil Nadu. AP and Telangana, I am sure last two years were phenomenal I mean in fact last three years we have been growing up of 15%.

We expect this year probably should be a flattish slightly negative bias is what we are expecting in Andhra and Telangana. But in Karnataka we expect it to go back to the 5% to 10% kind of a growth rate and Tamil Nadu we are also expecting a 5% to 10% kind of a growth rate for the current fiscal. So, there is no one single project that has been driving the demand it is spread across various projects.

**Madhav Marda:** And on the prices any outlook in terms of if we could expect any price hikes etc. or is it more?

**Sreekanth Reddy:** I think it is safe for us to assume given the scenario we do expect things to be much better than what they have been over last three months. But if you look at the first half, the first half prices were at least the Q1 prices have been much higher than what it was in the previous year. Halfway through the Q2 the prices are actually tracing back to the previous year pricing across the markets that we have.

Now would they remain the same, yes, we believe that Q3 might be very similar to how it was last year which was slightly on a lower side. We believe that things to start improving somewhere around middle of the November onwards things to shape up better in terms of the demand. So, post demand betterment we expect the prices also to firm up from then on.

**Moderator:** We take the next question from the line of Sanjay Nandi from Ratnabali Investment. .

**Sanjay Nandi:** Sir, can you just guide us on the booking price of the Pet coke for the current quarter and the outlook in the remaining quarters? Have the Pet coke prices are significantly dropped over the last couple of quarters?

**Sreekanth Reddy:** Yes, our shipment the latest shipment has landed at \$74.5. It is a Saudi Pet coke. I believe the prices are trending down now. US Pet coke itself is available at \$72. So, we do expect Saudi Pet coke to be before the end of this quarter ship arrivals we expect the price to be somewhere around \$70 to \$72 kind of range.

**Sanjay Nandi:** So, Sir, we have the inventory for the next three months or for next six months?

**Sreekanth Reddy:** So, we keep buying a ship for each quarter.

**Sanjay Nandi:** And Andhra the Telangana outlook we have seen growth rate of around 15%. But now it seems like thing totally just got dampened. So, at what time do you feel like



the thing is going to get takeover all these Polavaram project is cost because of all those issues? So, at what time you feel that things to get normalized?

**Sreekanth Reddy:** See with normal the general normal I am not very sure because last year the growth rate was almost close to 35% to 40% kind of. So, last year the growth was phenomenal. That is usually attributed to the pre-election surge and also the works that were happening some of the works did complete especially in Telangana in terms of the mission Bhagiratha and some of the projects.

So, given that scenario we expected AP and Telangana demand to be close to flat. But the extended Monsoon and coupled with lack of payouts to the contractors we believe that the demand could be slightly negative. We hope and we will celebrate even if it is minus 5% compared to the previous years.

**Sanjay Nandi:** But sir, one thing we just wanted to know, it is not clear to me like Andhra and Telangana has been the major demand driver for the South India and if we assume these seems to be like flat to negative growth in the last couple of quarters. So, do you feel like the pricing part to sustain with this kind of thing like 5% growth for South, Karnataka, Tamil Nadu whereas in Andhra and Telangana is going to be pretty flat. So, with this kind of scenario do you feel like the prices to sustain from this level or they might cut?

**Sreekanth Reddy:** The demand overall South I think we should be still 2% to 3% even with negative growth in AP and Telangana. So, that is given because Tamil Nadu and Karnataka are expected to grow so that would keep the overall South demand anywhere between 2% to 3% kind of a growth rate for the current fiscal. Now the next question of it is price follow the demand. Yes, usually when the demand is high there were times when the prices were not really high and even vice versa.

But the current trend is that if you look at the first half and especially the Q1 the prices have remained much better compared to the last year Q1 though the demand was very high in the last year and on relative scale demand was lower compared to the last year Q1 to this year Q1 prices were really better. Q2 again half of Q2 prices were relatively better in spite of the demand.

So, so far the correlation with the demand and pricing was not very straight and linear hoping that both would pick up but only time will tell. So, I think it is too soon for us to talk about the price hikes or price moving in a different direction. I think the first one is the demand has to recover from where we are. I think post that scenario we will have a better direction and thought which direction the prices will take.

**Sanjay Nandi:** Can you just please guide for some green shoots in Andhra and Telangana so as to get that demand to get revised in the previous levels kind of like 20%?

**Sreekanth Reddy:** I think currently most of the projects construction are in a slow pace. The number of rain days I think it is a record. If you look at half of August, the whole of September and Half of October almost every day it rains. So, I think seasonality is taking the impact rather than the project slow down. Now there are some projects which are ongoing projects.

Some of them did suffer because of the money but some just continuing to grow. So, we believe the projects which have slow down only slow down on account of weather scenario. So, I think as and when the weather would improve we do expect the momentum to go back to the normalcy.



**Moderator:** We take the next question from the line of Pritesh Sheth from CRISIL.

**Pritesh Sheth:** Firstly, if you can provide the demand growth or decline numbers for the states you service for this current quarter?

**Sreekanth Reddy:** Quarter we have not done a number. On a month-on-month if you look at July it was close to around 7% degrowth. August was close to 6% and September was close to 50% for AP and Telangana. Karnataka it was less of 8% for July. August is minus 12% and September is minus 5%. Tamil Nadu for July was plus 10%. August was flat, September was (-11%). Kerala is plus 10% for July, plus 2% for August, September is 15% minus. Maharashtra for July was (+30%), August was minus 11% and September is close to minus 4%.

These are the broadly numbers that what we have been tracking for the markets that we operate in. But usually what you have to be mindful of is the seasonality is not the same. So, it will not reflect much in terms of how much it rained and how much of it actually influenced the demand is very difficult to attribute. But as such the market during this quarter compared to the last year it rained for more number of days than it rained more. So, that is what we would like to highlight.

**Pritesh Sheth:** For the month of September AP, Telangana was down 50%?

**Sreekanth Reddy:** Yes, correct.

**Pritesh Sheth:** And this is largely attributed to the seasonality?

**Sreekanth Reddy:** Definitely seasonality is did play a major role but that alone did not drag the demand down. I am sure the availability of sand issue is purely because of this seasonality and some regulatory framework in Andhra along with project spends and for one project contract got cancelled and the new contract has been issued which is Polavaram.

These were some of the things that did impact the things. But people are talking in a big way about the project cancellations. Out of all the cement consuming projects the only big ticket project that got cancelled was Polavaram. The other projects hadn't reached cement consuming stage. So, I would not attribute to the project cancellations alone.

**Pritesh Sheth:** So, has that Polavaram project now presumed or do you see any time it presuming?

**Sreekanth Reddy:** I think at this point of time it would always be a challenge to restart the work because of the water that is in the system. And in the same time I think the project got reissued to Mega Engineering. We believe that it will be middle of November before it restarts that work on the ground.

**Pritesh Sheth:** And secondly on the Eastern market. Your outlook on the Eastern market? Especially Odisha now yesterday UltraTech has announced 1 million ton Greenfield Petcock capacity for Orissa market. So, overall what is your growth outlook for the Orissa market and with so many capacities do you see there would be any kind of pricing pressure?

**Sreekanth Reddy:** I think there are two things. We are asking about the demand. I think the demand is irrespective of the supply. Eastern demand has been consistently growing





anywhere between 7.5% to 10%. I think outlook for the demand remained very similar. Now coming back to the supply, yes there has been quite a few projects which are in pipeline. We do believe the demand supply scenario could be altered in a big way in the due course of time.

But some of the projects probably would take two years from now but as such the projects that are in pipeline there are some which are due for commissioning over the next six months' time. That alone would alter the equation in terms of the demand supply. Now would it really put some more pressure; I think the prices in the Orissa market are already very poor. So, is there a scope for further reduction, you can never rule out, but the challenge is on.

**Moderator:** We take the next question from the line of Prateek Kumar from Antique Stock Broking. Please go ahead.

**Prateek Kumar:** I have few questions. So, firstly, on your volume expectations we were like planning in around 9% growth at around 3.6 million ton for the year. So, should we see some revised number there?

**Sreekanth Reddy:** I do not think we are revising our volume. I think we did factor similar kind of a thing then when we came with our own outlook. Our reading of the market has not changed from the previous narrations. So, our headline number what we have announced 3.6 million I think we should be reasonably close or slightly better than that. That is what our current outlook for our own volumes is. First half if you have seen we are plus 5% but that did factor slowdown during the first half. It is in line with what we expect the markets to be.

**Prateek Kumar:** And sir, regarding freight cost now freight cost has come to like sub Rs.700 and like what we had in FY17 or previous years. So, is it something which can further go down because of optimization of lead distance that we have been talking about?

**Sreekanth Reddy:** I just have to go back to the historical. See we commissioned our Bayyavaram somewhere around end of Q1 to early quarter Q2 last year. So, in line with our assessment more or less the freight optimization is reasonably close to what we intended. From here would get the saving but for the change in the fuel cost we do not expect things to be further reduced. We are working on it but more or less I think we have hit the number in our view the freight numbers are reasonably close to what we intended to achieve. But for the fuel cost change I do not think we would be any better than what we have already reached.

**Prateek Kumar:** And sir, regarding industry capacity additions in your region operation, if you can give some of the capacity expected in Q2 with the commission or they are going to?

**Sreekanth Reddy:** There was nothing due for Q2. So, I think end of the year we do expect anywhere between Q3 and Q4 we expected Penna's Boyareddypalli line-2 and as well as Chettinad – Guntur plant to get commissioned. So, I think they are in line to be commissioned anywhere between Q3 and Q4 they should have commissioned their clinker lines by then.

**Prateek Kumar:** So, it is slightly delay because earlier it was like 2Q, 3Q it was expected?

**Sreekanth Reddy:** See one I am sure they would have been commissioning on time but I think markets probably would have prompted them for reaching the optimality it could take between Q3 and Q4.



**Prateek Kumar:** And just one thing on so you have guided for 5%, 10% growth in Tamil Nadu, Karnataka. So, I mean what specific growth which is materially different from rest of the country as well like not only AP, Telangana. So, what specific is driving demand growth there?

**Sreekanth Reddy:** Let us not get carried away with what has happened over last few months. So, most of the time people only remember what is happening over the two months. I mean Karnataka has been consistent in its growth for a fairly long stretched period of time. So, nothing much has changed on the ground for it to be any different because Karnataka the bulk of the demand is actually Bangalore. So, I do not think Bangalore has changed this thing and we do believe the Government would be fighting an elections in reasonably quick time from now on.

So, they should accelerate the development programs or the popular programs and same is the case with Tamil Nadu. These two states are due for election over next two years. So, usually what we have seen is the government start accelerating these developmental works two years before the election. So, that is what keeps us positive for the growth guidance for these two states.

**Prateek Kumar:** There were like several news flow regarding water shortage in Tamil Nadu and then there was this real estate developer's project cancellation in Karnataka, Bangalore?

**Sreekanth Reddy:** On ground we have not seen any of that. On ground it is things as normal. Accept for the seasonality. We have not any abnormal impacts of any of these things so far.

**Prateek Kumar:** Just one question on your timelines of expansion is it online with the 4Q 21?

**Sreekanth Reddy:** Yes, by March 2020-21, I think we should have commissioned Jajpur as well as Satguru plants.

**Moderator:** The next question is from the line of Jaspreet Singh Arora from Equentis Wealth.

**Jaspreet Singh Arora:** Just two questions. What is the current trend in prices, the cement prices in October versus September?

**Sreekanth Reddy:** It is very similar to how it was last year.

**Jaspreet Singh Arora:** You mean September, the preceding month or?

**Sreekanth Reddy:** October of last year to October of this year more or less the same trend. September to October if you have to see the previous month to now prices more or less are similar. Slightly better probably in Chennai and Bangalore but Andhra it is more or less very similar to how it was in September.

**Jaspreet Singh Arora:** And second I am just referring to slide 12 of our presentation. So, the coal cost has spiked in Q2 versus Q1. So, what is Q1 one off where it fell down from an average of Rs. 5,200 to Rs. 4,000 or is there something else that I am missing here?

**Sreekanth Reddy:** You are talking about the domestic coal, so it is one off kind of a thing. Our sourcing of domestic coal also is slightly on a lower side trajectory.

**Moderator:** The next question is from the line of Sanjay Nandi from Ratnabali Investment.





- Sanjay Nandi:** Sir, just wanted to know one thing. Like you mentioned in the State of Maharashtra there has been the 30% growth in July. So, can you just quantify that which of the sectors lead to that growth?
- Sreekanth Reddy:** It has been close to 30% for the July month. But it was constantly growing almost about 10% till the monsoons have taken the thing. It is more to do with the public work sir, I think it is a pre-election spent. It only slowed down in August and September because of the seasonality as well as the preparation for the election. So, I think public work are the major infrastructure built up, road projects and all contributed to the demand in Maharashtra.
- Moderator:** The next question is from the line of Anubhav Mukherjee from Prescient Capital.
- Anubhav Mukherjee:** You think that the decline sequentially from Q1 to Q2 it is much more pronounced for the Gudipadu plant. Is my assumption right here?
- Sreekanth Reddy:** I think it is a mix of all the plants put together. I think Mattampally actually we follow as much more than Gudipadu but it is on a mix kind of a thing. We rationalize between the plants so we cannot attribute one plant from on a consolidated case it is what is evident. So, it is not one plant doing less than the other.
- Anubhav Mukherjee:** What sales get accounted in the standalone and like how it will then goes to the consolidated because it seems like if I do a difference between the consolidated and standalone and attribute it to Gudipadu does it work that way, how does it work?
- Sreekanth Reddy:** Standalone is Mattampally plus the Vizag plant and consolidated adds up to Gudipadu. In fact, if you look at slide 11 it truly reflect each plant wise in our presentation slide 11 would give you each plant. But what you have to remember is there are some changes to the capacity itself so last July the Bayyavaram plant actually from less than 0.3 million added up to become 1.5 million.
- Anubhav Mukherjee:** That is what I am trying to do like, the difference between the consolidated and the standalone would be the sales volume for the Gudipadu plant. Is that correct or like?
- Sreekanth Reddy:** It is correct. If you look at Mattampally plant last year Q2 it did 61% but this year it did 51%. Now Bayyavaram plant Q2 was 23% but at that point of time the plant was commissioned during the same time, so it is 57%. Now if you look at Gudipadu Q2 last year was 56% but this year it is 63%.
- Anubhav Mukherjee:** I am talking about the realization only. So, what I am doing is that subtracting like the consolidated and standalone thing and dividing it by the sales volume for the Gudipadu plant.
- Sreekanth Reddy:** I do not think Gudipadu plant realization have dropped. I think Gudipadu plant realization that changes across the spectrum, but we would be very happy to share if you are looking at from a realization front, we would be happy to share that number.
- Anubhav Mukherjee:** How much have been the CAPEX spend in first half for the two new projects?
- Sreekanth Reddy:** Rs. 65 crore as the total outgo for those two projects put together.

**Anubhav Mukherjee:** Is that the amount that has been spent in now of these two quarters?

**Sreekanth Reddy:** Yes.

**Moderator:** The next question is from the line of Prateek Kumar from Antique Stock Broking.

**Prateek Kumar:** Just a bookkeeping question on trade mix. I have seen in the presentation it is 44:56 but has it fallen quarter-on-quarter?

**Sreekanth Reddy:** I think its similar Sir, I do not think things have changed from what we have been.

**Prateek Kumar:** So, it is 44:56?

**Sreekanth Reddy:** Yes it is similar. The trend is similar. Probably things would slightly start changing from here on as the Government spend in some states starts reducing the trade, non-trade mix probably could be skewed more towards the trade and less towards the non-trade.

**Prateek Kumar:** And lead distance wise how would be our lead distance space now so like around 285 kilometers last quarter?

**Sreekanth Reddy:** Pretty similar it is 275 to 280 would be the number for the quarter.

**Prateek Kumar:** You mentioned Rs. 65 crore CAPEX is done on those projects in first half. So, for full year we are looking at I think Rs. 400 crore CAPEX this year and next year Rs. 400 crore?

**Sreekanth Reddy:** It is spread between 2.5 years because the project is expected to be completed by March of 2021 so for the current year, I think it is close to Rs. 200 crore. Anywhere between Rs. 200 crore to Rs. 250 crore would be the right number for the current year. I think next year would be close to Rs. 350 crore and the balance will be spent in subsequent years.

**Prateek Kumar:** Remaining Rs. 100 crore to Rs. 150 crore which will be later payments, or I mean is that like delayed payments to the vendor?

**Sreekanth Reddy:** It will never be delayed payment it is as per the progress and some amount of performance and interest during construction and all will be consolidated only in the last.

**Prateek Kumar:** And there is around Rs. 30 crore, Rs. 40 crore of maintenance CAPEX each year?

**Sreekanth Reddy:** That is still happening. That is ongoing. That we have not factored since the question was pertaining only to those two projects that does not include the maintenance CAPEX of Rs. 30 crore which we have indicated. We would be happy to share that number offline as to how much we have spent on the maintenance CAPEX so far.

**Prateek Kumar:** No, I mean for annual number we just had like Rs. 30 crore, Rs. 40 crore CAPEX?

**Sreekanth Reddy:** That we have Rs. 30 crore.

**Prateek Kumar:** And we have not given cash flow statement like some of the other companies have given cash flow statement during the quarter?

**Sreekanth Reddy:** Yes, it is given. I think it is part of the yes it is disclosed cash flow is part of the disclosure.

**Moderator:** The next question is from the line of Chintan Shah from Investec Capital.

**Chintan Shah:** What are the incentives are we receiving at each of our plants and if you could quantify also the plants that are upcoming?

**Sreekanth Reddy:** For the plants that we are coming, it is still in a negotiation stage. I think we would revert back to you as and when we get the sanction for the incentives for the upcoming projects. As far as the incentive I think Mattampally we do not have anything. For Gudipadu close to Rs. 10 crore is still left out of the old incentives which is quarter percent from a VAT regime. And for Bayyavaram the cumulative incentive, all put together it is around Rs. 100 crore for Bayyavaram.

**Chintan Shah:** Gudipadu you mentioned how much Rs. 10 crore?

**Sreekanth Reddy:** Yes, another Rs. 10 crore is still left for up to use from the incentives that were given because if you know we quietly has said so at that point of time there was certain accrued kind of incentives and also something which was available for a shorter period of time. So, net-net we are expecting around Rs. 10 crore out of the total incentives that are available.

**Moderator:** The next question is from the line of Pritesh Sheth from CRISIL.

**Pritesh Sheth:** Just follow up on the month-on-month numbers you have provided. So, for Karnataka you said July 8% growth, August 12% decline and September 5% decline, is that right?

**Sreekanth Reddy:** Yes.

**Pritesh Sheth:** And for Kerala what was the number?

**Sreekanth Reddy:** Kerala is plus 10% for July, August is (+1%), 15% is down for September.

**Moderator:** Thank you. Ladies and gentlemen, that seems to be the last question. I would now like to hand the floor back to the management for their closing comments. Over to you, sir.

**Sreekanth Reddy:** We would like to thank you once again for joining on the call. I hope you got all the answers you were looking for. Feel free to contact our team at Sagar or Citigate should you need any further information, or you have any further queries and we will be more than happy to discuss them with you. Thank you and have a good day.

