



TATA MOTORS

Q3 FY07 Conference Call

January 24, 2007

Moderator

Good morning ladies and gentlemen. I am Rita, the moderator for this conference. Welcome to TATA Motors Q3 FY07 results conference call hosted by UBS Securities. For the duration of the presentation, all participants' lines will be in the listen-only mode. After the presentation, the Q&A session will be conducted for the participants connected to WebEx International. After that, the Q&A session will be conducted for participants in India. I would like to hand over to Mr. Manishi Ray Chaudhuri. Thank you and over to you sir.

Manishi Ray Chaudhuri

Thank you Rita. Welcome to the Tata Motors Q3 fiscal 2007 conference call. Today, we have with us Mr. Praveen Kadle, Executive Director, Finance, of Tata Motors and the entire Investor Relations team of Tata Motors. With this brief introduction, I would handover to Mr. Praveen Kadle. Thank you very much sir and welcome to the call.

Praveen Kadle

Good morning Manishi and good morning to all ladies and gentlemen participating in this conference call. I will spend nearly about 10 to 15 minutes in terms of the analysis of the third quarter results and then I will come to the questions and answers.

The third quarter of Tata Motors has seen about 28% volume growth, 111,000 going to about close to 142,000. The commercial vehicles has seen about 38% growth growing from 56,000 to 77,000. Passenger vehicles in spite of the heavy competition and in spite of volume losses which we suffered on account of the fire in our paint shop, the growth has been 22% growing up to close to 53,000. Exports have remained more or less flat in spite of small negative growth of 1% mainly on account of the significant depreciation of the South African Rand and South Africa accounts for a big volume in terms of our exports and the volume suffered and because of that the exports have, especially in the passenger vehicles, has been a significant drop. Overall 28% growth on YTD basis about 33% growth, 47% growth in the commercial vehicle segment, 24% growth in the passenger vehicle segment and 11% growth in the international volumes. So, over volume is going up from 306,000 to 408,000.

In terms of individual segments, overall in the commercial vehicle segment, our market share has gone up from 60.2% to 64.7% and in passenger vehicles, it has gone up marginally, but in spite of all the problems as I mentioned from 15.8% to 16.1%. In the commercial vehicle segment, overall our market share in the medium and heavy segment has gone up from 62% to 63.6%, and in light commercial vehicles it has gone up from 57.7% to 66.4%. Ace has been doing quite well. We are now selling almost close to 6,500 vehicles per month. Medium and heavy trucks, we had some problems initially because of some of the supply constraints from our Tata Cummins plant in terms of the engine supply, but they are more or less getting sorted out and therefore we have seen significant volume increase in the medium and heavy truck. In



the passenger vehicle segments, we have seen a market share improvement from 18.4 to 19.3 in the compact size or in the Indica segment, and in the mid-size entry level from 31.3 to 35.6 and in the UV segment we have seen market share improvement from 18.3 to 20.5; so, overall 15.8 going to 16.1. In the international business volumes, the commercial vehicle volume has gone from 21,000 to 26,000. On the other hand, in the passenger vehicle segment they did drop, the reasons I have explained from 14,000 to about 13,000; so, overall about 11% growth going from 35,000 to about 39,000. On the vehicle financing, the overall vehicle financing has seen about, both the units together that is the newly formed subsidiary as well as what we were doing on Tata Motors account, both together we have seen about close to 77% growth in the current year. The vehicle finance amounted to about Rs.6366 crores as against Rs.3605 crores. Today we finance about close to 32% of the vehicles sold by Tata Motors in the domestic market.

Coming to the financial performance, the consolidated performance, the revenue has gone up by 37% for the quarter. EBITDA in absolute numbers has gone up by 51% for the quarter. The EBITDA margin for the quarter is 14.29 and the PBT has gone up about 25% to Rs.874 crores and profit after tax has gone to Rs.602 crores as against Rs.551 crores. As we have mentioned in our press release last year profit included about close to Rs.165 crores of gain on account of sale of shares in our subsidiary company called Telcon. YTD consolidated numbers, the revenue has gone up by 43% from 15,876 to 22,650. EBITDA margin is same as last year's 12.65 to 12.67 last year, and net profit after tax has gone up by 26% from 1205 to 1520. The EPS is Rs.39.56 over the nine months period. Standalone numbers have been already published.

Let me talk about some analysis of the financial performance. We did get an exchange gain of around Rs.132 crores in the third quarter. You need to take into account that we had in the first quarter Rs.90 crores of loss and some marginal gain in the second quarter. The exchange gain or loss has become an integral part of Tata Motors operations. Tata Motors is an international company, 15% of its revenue comes from export or international business. At any point of time our balance sheet has got or the total exposure both on the assets and liabilities side is about close to a \$1 billion and as our international presence increases and we take recourse to more and more international financing, we will have this kind of an exposure and as I said this exposure is part of the operations and therefore has become an integral part, and therefore one needs to take this as a part of the overall operating margin. From the point of view of transparency, we mention this by way of a separate note. I can tell you that none of the Indian companies or very very few Indian companies mention this separately by way of a note. Let me also tell you part of the Rs.132 crores, 50% of that is on account of on the liability side, that means the borrowing reinstated at lower liabilities, thanks to the rupee appreciation, and the 50% of that is on account of the export receivables which have been reinstated as per the accounting standard which is the translational gain. And this is on account of the forward selling of the dollars done by the company. And therefore, I do not understand, I am sorry for digression, but some companies talked about rupee appreciation impacting their profitability. We have not seen that kind of an impact in the profitability. As I mentioned out of Rs.132 crores, close to 50% is on account of rupee translation where we had done the forward selling of dollars and therefore got the benefit of the exchange gains.

In the expenses, if you see the raw material consumption, it has marginally come down as a percentage to revenue as compared to quarter two, and overall for the year it is 68.41. Let me mention that, in the first quarter we had 68.06 as a percentage of raw material consumption to



turnover. Second quarter was 68.67, and third quarter was 68.45. We have more or less maintained the raw material consumption to turnover ratio at around 68.4% in spite of the fact that there has been significant pressure on account of the commodity prices. The general inflation which has also encouraged many of our suppliers to increase the prices and this is in spite of the fact that we had this Rand depreciation and on account of which we had to do some pricing adjustments in terms of some of our exports made in the last few days of the quarter. It also includes the product mix where we have heavy discounts on the passenger vehicle, where as you know we had to bring down our prices for Xeta, for a significant portion of the period, we had to bear the excise duty loss, so the pricing was impacted there, and Safari we had brought down the prices, but it of course helps us in terms of volume. So, in spite of all these factors, we have maintained the raw material percentage to turnover more or less at the same level.

We have also taken extra provision on the employee cost of around Rs.22 Rs.23 crores. This is increased on account of the retirement benefits, especially the gratuity, and what we have done is in line with the wage and salary increases, we have assumed the salary cost to go up in terms of percentage on a higher side, and therefore it amounts to one time adjustment in terms of gratuity provision, because once you make the change in the basic assumption, we have to make the extra provision. So, that is about Rs.22 crores, which has gone into the expenses side, but in spite of that if you can see our employee cost as a percentage to turnover, it has been coming down. It is around 5.1% for the quarter and it was 5.2% for the earlier two quarters. So, overall for the year so far we have maintained it at 5.2 as against last year's 5.5% for the first nine months.

The other expenses are also coming down though in absolute numbers they may be going up, and for the third quarter, the other expenses are at 12.7% and we seen a dropping kind of a trend in terms of percentages as compared to the earlier quarter as well as last year's third quarter. Overall, I would say that operating margin, I maintain it is once again that the exchange gain or loss has to be factored as an integral part of operations as we become a global company and the operating margin in absolute numbers has gone up by 53% at Rs.952 crores, and overall profitability has improved significantly. Going forward, while the pressures will continue in terms of the inflationary pressure, we believe that the commodity prices have more or less reached at their peak. There may be some small increase, but we do not see much of a problem. We should see improvement in the volumes in the fourth quarter and we should therefore see a reasonably good quarter in the fourth quarter.

In terms of the balance sheet quality, the receivables have been maintained at around 8 to 9 days of turnover. Inventory as compared to last December has come down from 44 days to 40 days. The balance sheet size has been maintained at around close to if you make out the receivables on account of the vehicle financing business, they have marginally gone up from Rs.6599 crores to Rs.6780 crores. This is in spite of the fact that in the first nine months we have incurred capex of Rs.1600 crores. By the way, I should also mention that part of the profitability in the third quarter has gone into the consolidated numbers on account of the new subsidiary that we have formed for financing. So, I do not want to make a big issue there, so I just thought I would mention that close to about Rs.20 to Rs.25 crores of profit at the EBITDA level went into the subsidiary company which otherwise was sitting in the last year's third quarter. The overall debt equity ratio at the net of surplus cash is 0.51 at the level of Rs.3533 crores as against Rs.4136 as in September. So, we have seen about Rs.600 crores reduction in terms of borrowings mainly because of the new financing business getting into the separate subsidiary company. So, this is overall on Tata Motors.



All the subsidiary companies have done quite well, Telcon has seen about 125% improvement in the profit after tax, the turnover has gone up from Rs.896 crores to Rs.1252 crores, and the profit after tax has gone from Rs.52 crores to Rs.118 crores. Tata Daewoo has seen about 46% improvement in both its revenue and profitability, turnover has gone up from Rs.1109 crores to Rs.1622 crores; all the figures are for the nine months, and the profit after tax has gone from Rs.46 crores to Rs.67 crores. HV Axels and HV Transmission, which are very closely linked to the Tata Motors commercial vehicle business has seen about 38% to 39% revenue growth. In the case of HVTL 56% growth in terms of profit after tax, Rs.21 crores growing to Rs.33 crores, and in the case of HV Axels Rs.30 crores going to Rs.45 crores, which is 47% improvement. In the case of Tata Technology, that is only one disappointing subsidiary company performance while the turnover has gone up by 118% going from Rs.329 crores to Rs.716 crores; of course the last year we did not have for seven months the numbers of the acquired company in the turnover. Therefore, the turnover seems to be showing 118% growth, growing from Rs.329 crores to Rs.717 crores. However, the profit after tax has come down from about Rs.15 crores to Rs.7.5 crores, two reasons one is the accounting adjustment which we made with reference to the performance bonus, there we took a hit of about close to Rs.14 crores in the first quarter, so that impact continues, and we yet have not seen the integration benefits in this company. The offshoring which we were expecting has not yet happened. We are in the business of design services, and in design services, the offshoring is still not become that popular model. However, we believe that going forward this company hopefully from this quarter onward should see significant improvement in performance. The new company, the subsidiary which we formed for financing business, had turnover of Rs.54 crores which is the first reported quarter where we had full quarter numbers. Rs.54 crores of turnover and profit after tax was about Rs.4.5 crores.

So, this is in nutshell the performance of the company. We would be now happy to take the questions and will do our best to answer all the questions. Thanks.

Moderator

Thank you very much sir. At this moment, I would like to handover the proceedings to the WebEx International moderator, Mr. Lemonte, to conduct the Q&A for the participants connected to the WebEx International. After this, we will have a question and answer session for participants at India bridge. Thank you and over to Lemonte.

Moderator

At this time, I would like to remind everyone in order to ask a question please press * and then the number 1 on your telephone keypad. We will pause for just a moment to compile the Q&A roster. We do have a question from the line of **Maxence Reynold**.

Maxence Reynold

It is with regard to the foreign exchange gain and losses. Do you think it should be part of the operation going forward or just for this year?



Praveen Kadle

No, I think, as I mentioned it is international business, the impact related to international business which is basically the forex gain or loss should be considered as an integral part of our operations. As I mentioned, out of Rs.132 crores gain, close to Rs.65 to Rs.66 crores is on account of the receivables where we had done the forward sale and therefore we had the exchange gain on that account. This is related to, it is kind of a translation loss as on the date of the balance sheet, and to that extent the revenue will go up as and when the receivables get realized. So, it becomes an integral part of operation.

Maxence Reynold

Okay. Thanks.

Moderator

Again if you like to ask a question, please press *1. At this time, there are no further questions.

Moderator

Thank you Lemonte. We will now begin the Q&A interactive session for participants connected to India bridge. Participants who wish to ask questions, kindly press *1 on your telephone keypad. On pressing *1, participants will get a chance to present your question on a first in line basis. Participants are requested to India bridge to use only handsets while asking a question. To ask a question, kindly press *1 now. First in line, we have Mr. Rajesh Kothari from Voyager.

Rajesh Kothari

Good morning sir. This is Rajesh Kothari from Voyager. Just a few questions from my side. Number one, in terms of the commercial vehicle outlook how do you see the next year in terms of the volume growth, that is question number one. Question number two is, in case there is an inflation in the global commodities, may be rubber, tire, and steel, do you think the industry has a pricing power to pass on such raw material price hike. And number three is, in terms of wages and salaries, you say that we have followed throughout an account policy, how much further charge you think you may need to provide for in the fourth quarter as well?

Praveen Kadle

The first question is related to going forward the outlook, the independent research reports are talking about 10% to 12% kind of a growth in the commercial vehicles over the next four to five years. Very difficult to talk about next year's growth, but I think going by the current trend, the growth seems to be still quite robust and should be around 10% to 12%, and we always would like to do better than what market has been or the industry has been doing. So, at least 10% to 12% growth with the industry performing then they should be doing better than that. Coming to the increase in the prices of commodities and our ability to raise the prices, we have always believed in terms of partly increasing the prices, partly absorbing it through the cost reduction and that is what we have been doing in the last so many years or quarters. The inflationary pressure especially on the commodities like steel, I think we have reached....., I am talking more



about steel, we have seen more or less peak of the steel prices. We may see some minor adjustments both upwards or downwards, but otherwise we should say that we have seen a peak of the steel prices. The inflation would be more driven by general inflationary pressures as well as the interest cost, which may be unique in the Indian context, because the Indian interest rates are still going up, and as the overall commercial activity is increasing, the inflationary pressure is also going up because of the let us say salary increases and other inflationary pressure. So, we may see some pressure and therefore we may see some kind of a increase on account of overall input costs, but what we are also trying to do is to keep down the pressure through the cost reduction. In the first nine months, we have done cost reduction of around Rs.300 crores and we will continue to drive the cost reduction as we have done it in the past. Last year we had something like Rs.430 odd crores of cost reduction and another close to Rs.300 crores in the first three quarters; so, we will see similar kind of a cost reduction in the next year. The third question which you talked about the impact on account of the adjustment which we made on account of the employee benefits, we make the full provision in the third quarter itself. So, I do not see much of a increase in the fourth quarter.

Rajesh Kothari

And sir, my last question. In terms of the truck operator's profitability, if you can just give us some highlight how was the trend compared to last year versus this year and do you think because of the rising interest rate environment, the possibility to remain intact?

Praveen Kadle

The overall freight index has been continuously going up right from April onwards. We have seen about 11.6% freight rate index improvement in the last nine months as against the overall starting from the month of April, we have seen about 6% diesel price index. And with the international crude prices seeing a downward trend, the pressure on increasing the fuel prices in India is perhaps not as strong as it was originally expected. The overall profitability of the truck operator should continue to improve or it would remain where it is which is quite healthy.

Rajesh Kothari

Okay. Thank you very much sir. Thank you.

Moderator

Thank you very much sir. Next in line we have Mr. Amrish from HDFC Securities. Over to you, sir.

Amrish

Good morning sir and congratulations for a good set of numbers.

Praveen Kadle

Thank you.



Amrish

Sir, I just wanted to understand, this forex gain of Rs.131 crores we have accounted in the sales and we should consider it as a part of our operating related income. I wanted to understand that in the fourth quarter of last year, we had an operating gain or a forex gain of about Rs.22 crores which we accounted in our other expenditure. So, have we changed any accounting policy related to these forex gains or losses.

Praveen Kadle

Okay. More of a classification and we were told by the auditors that since the forex part, the operational part, has become an integral part of our operations, we should show the forex gain as a part of the income. So, this is the only change. In the past we were showing it as either adding to the expenses or netting off against the expense. So this time it has been added to the income and to that extent may be marginal and I do not want to do the hair-splitting exercise, but as the numerator and denominator keeps on changing, there may be some impact on the margins. As we said, we consider it as an integral part of operations and therefore do not want to make that as a big issue.

Amrish

My second question is, other income for the quarter is about Rs.14 crores compared to an average Rs.84 to Rs.85 crores what we have registered in the first two quarters. So, any specific reason for it?

Praveen Kadle

No, the first two quarters had seen significant dividend receipts from the investment that we had made. Typically, the dividend flow is more in the first and the second quarter and in the third quarter, there is not much of a dividend. So, the first two quarters had seen significant growth and also the surplus funds which we use to have in the past in the mutual funds, those are now deployed now for our capex. So, therefore, the other income had come down in the third quarter.

Amrish

And finally sir, I just wanted to understand the current status on the capacity front and within the passenger vehicle and commercial vehicle and how are we going ahead in terms of expansion in the standalone business as far as the capacity is concerned?

Praveen Kadle

We are increasing the capacity of almost all the products. We are starting from Ace, we are increasing the capacity from, right now we are around 75,000 to 80,000 capacity. We are planning to take it to around 200,000 in the next nine months. Uttaranchal is the place where we are increasing our capacity. We have gone up to about 225,000 in passenger vehicle, intend to take it to about 300,000 by March 2008. Then in the medium and heavy trucks, we are planning to increase our capacity at least by about 100,000 vehicles between Jamshedpur and



Lucknow. Then in light commercial vehicles, we have about 60,000 vehicle capacity; so that we are also planning to increase it to about 90,000 in the next 12 to 15 months. In the utility vehicle segment same thing, we have got about 60,000, we will take it to around 90,000.

So, overall, in almost all the segments, we are planning to increase our capacity. As we talked about the growth, over the next four to five years the industry growth is expected to be anything between 10% to 15%, both for commercial vehicles and passenger vehicles. Then of course, we are seeing about 15% to 20% growth in the international business. So, if you have to growth in line with the industry and may be do marginally better, we may have to almost double our capacity over the next three to four years and we are targeting to double our capacities, volume sales, and therefore also the revenue in the next five years' timeframe.

Amrish

Thanks a lot sir. Thanks.

Moderator

Thank you very much sir. Next in line, we have Mr. Balaji from JM Morgan Stanley.

Balaji

Hi, good morning.

Praveen Kadle

Good morning.

Balaji

A few questions. On the outlook to start with probably, for the fourth quarter, what do you think would be the outlook given that the last year was a pretty strong quarter, we had any indication based on the numbers you have seen till date?

Praveen Kadle

We should see a good fourth quarter. I do not want to make any prediction in terms of how much would be the growth. As you know, in the third quarter, we grew by 28%, overall by 33% in the first nine months, and as you rightly said the base of the last year's fourth quarter was very high. So, I would not like to make any percentage growth predictions, but yes we should see good fourth quarter.

Balaji

Okay. And my second question is, you indicated about the market share, but if I look at only the quarter, there has been a loss in market share in medium and heavy commercial vehicles, roughly around 200 odd bases points. Was there any problem in the production that constrained your volume growth or what would be the reason behind the market share loss?



Praveen Kadle

The market share has seen a 200 bases points decline in medium and heavy trucks mainly on account of the engine availability from Tata Cummins as I mentioned earlier, and that has impacted our ability to supply in the bus segment as well as in some of the heavier segments of the heavy truck. But, as I mentioned we have now got significant improvement in the capacity increase in the Tata Cummins plant and hopefully we should see regaining of that couple of percentage point decline which we saw in the third quarter. Overall, but if you see in the first nine months, the market share has gone up from 62% to 62.6%.

Balaji

Last and final question sir. On the depreciation and probably on the capex flow, you did indicate some number on the capex incurred till date in the year and what is the total expectation for the year and would we see increase in depreciation because of the capex flow starting from fiscal 2008 or how does it pan out per se from the higher capex program.

Praveen Kadle

We have in fact capex from product development of around Rs.1600 crores, and by the year end we should be somewhere between say Rs.2300 to Rs.2500 crores. So to that extent as the capacity gets into the production mode, certainly the product deferred expenses as well as the depreciation charge going forward will increase, no doubt. I see your projections and you have already factored that.

Balaji

I just wanted to get a number on the overall, whether we are on the right track. So, I look at the current run rate as the best estimate for the future or should we make any adjustments. Thanks a lot.

Praveen Kadle

Thank you.

Moderator

Thank you very much sir. Next in line we have Mr. Ashutosh Goel from Edelweiss.

Ashutosh Goel

Good morning sir.

Praveen Kadle

Good morning,

Ashutosh Goel



Sir, on this foreign exchange gain that we have booked, you indicated that about 50% of that is on account of export receivables. Do we have a comparable figure for previous quarters because previously our foreign exchange gain or loss was largely corresponding to the FCCB liability that we had?

Praveen Kadle

I do not have the number off hand, but we can certainly give you the number. But, we have a policy of looking about the forward receivables to the extent of at least about three to six months of forward sales, which is in line with what RBI allows us today. So, in the initial period, the export numbers if you see from quarter to quarter, the first quarter the numbers were lower and then they gradually picked up. So, naturally our ability to do the forward sales of the receivables was lower, on the other hand the liability as on the end of the first quarter on account of especially foreign currency bonds was quite high. We did not have the full conversion of \$100 million of 2009 instrument which was supposed to be either matured or redeemed in 2009, that conversion had not taken place. Subsequently, that conversion has taken place. So, our forex liability has come down. And we have also seen a sharp drop in the rupee as against dollar-rupee parity. We had dollar at Rs.47 around end of June, it is now Rs.44.20 or whatever. Quarter by quarter the gains on account of the export receivables we can certainly give it to you.

Ashutosh Goel

Sir what is the outstanding FCCB now as of 31st December after all this conversion that has happened?

Praveen Kadle

We have \$400 million of FCCB plus about \$45 million of the old Yankee bonds which we had raised in 1997 which are due for retirement in July 2007.

Ashutosh Goel

Sir, second question, on the finance business, what is the finance income in Tata Motors own account that we have for this quarter excluding income of the subsidiary, interest and securitisation income?

Praveen Kadle

We are trying to get that information. Can I answer that question later.

Ashutosh Goel

Sure sir. Just last thing, what is the outstanding debt on TML financial services as of now sir?

Praveen Kadle

Just give me a second. I am seeing the information related to your earlier question; so, just give me a second.



Ashutosh Goel

Sure sir.

Praveen Kadle

You wanted to know specifically about our third quarter income related to what is in the books of Tata Motors or the financial business?

Ashutosh Goel

Right sir.

Praveen Kadle

And this is you are talking about top line or you are talking about the EBITDA?

Ashutosh Goel

Top line. EBITDA level you indicated, it is around Rs.20 to Rs.25 crores which got booked in TML financial services.

Praveen Kadle

So, you want to understand the top line in Tata Motors.

Ashutosh Goel

Yes, correct.

Praveen Kadle

Okay. I will have to answer the question separately. You have our email address; so, can you send a question to Mona or Savitha.

Ashutosh Goel

Sure, I will do that sir.

Praveen Kadle

Okay.

Ashutosh Goel

Sir, just last thing. I found that there will not be any tax implication for foreign exchange gain that we have booked?



Praveen Kadle

If your revenue related gain and also revenue related loss, it gets into the tax computation. Though it is a notional gain as on that date, but still it gets into the tax purview.

Ashutosh Goel

All right. That is all from my side. Thanks very much.

Praveen Kadle

Thank you.

Moderator

Thank you very much sir. Next in line we have Mr. Chirag Shah from Strategy Capital Securities.

Chirag Shah

Good morning everybody.

Praveen Kadle

Yes, good morning.

Chirag Shah

Sir, I just wanted to understand one thing first under capacity side, we are increasing the capacity on the passenger car as well as UV side. Is it including the new platforms also or this will be the existing capacity we are talking about, because we are working on new platforms and 2008 would be a year in which we would be introducing some of the new models.

Praveen Kadle

The capacity is meant for both new as well as the existing vehicles.

Chirag Shah

Okay sir. And secondly sir, on the Ace front, can you just help me understand how the dynamics would look like, because if I am not wrong over the next 24 months, at least three players will be entering in this segment, who are already a three-wheeler player, like Piaggio, Bajaj, and M&M. So, how is the profitability in this business and how do you see that thing affecting because three-wheeler per se is a good business per se in that sense. So, in that case those players would all have an edge in terms of better product mix and also they can easily adjust their requirement in line with market dynamics. So, how do we see at this situation if it arises in that case, because we do expect that some kind of event happening on this front in the next 20 to 24 months?



Praveen Kadle

I think, when these players bring their products into the four-wheeler segment, it will perhaps eat into their own three-wheeler segment number. So that is one dynamics. Second dynamics is yes there would be some price competition, but we would be having the advantage of having started much earlier than them. So, therefore our ability to, because we would have then the stabilized production lines and significantly higher volume. Therefore, our ability to bring down our costs will be much better as compared to our competitors.

Chirag Shah

While I was saying this specifically is we had interaction with 30 odd people or the three-wheeler operators and I had spoken with Savita and unfortunately this is the silent period so we did not get in the discussion at that time. They are indicating that these three-wheeler prices come down and that kind of difference that is being maintained between say, current ---- the private which is being sold in the price of a three-wheeler, then they would be more inclined to go towards three-wheeler because of the business dynamics, in that sense. This is the indication that we got when we spoke to 30 odd people on the UP and MP side. And it was a very interesting observation we got from their side sir.

Praveen Kadle

Okay, let me give an example, may be a totally different segment.

Chirag Shah

Sir, my sample is not a right indicator, I agree to that, but it was an interesting observation that those people made. I already had an interaction in detail and to some extent I can brief you as well if you want in that case.

Praveen Kadle

No, I think, let me make one comment. The competitors you referred to, they will have to take a decision whether they want to increase the volumes in three wheelers or four wheelers. So, if you want to decrease the prices in the three wheelers, it impacts their four wheeler numbers also, as well as Tata Motors four wheelers also.

Chirag Shah

Yes, fine, sir. I am talking about the overall industry, not particularly Tata Motors as such. It is an industry scene that we are looking at in a very different way sir.

Praveen Kadle

The other point that I would like to make is just by decreasing the prices of an existing product which is an old product, does not necessarily change the market dynamics. I will give you an example, as I said may be totally different market segment, but let us look at Maruti 800, they



have been reducing the prices of Maruti 800 for the last two to three years, therefore have they improved their numbers?

Chirag Shah

Perhaps sir, they are looking at Alto and 800 in a together kind of fashion, that is altogether a different argument. So, in my personal view I look at Alto and 800 together in terms of numbers, I do not look at 800 on a single basis, sir.

Praveen Kadle

I know, but these are totally different product segments.

Chirag Shah

Yes sir, fair enough, fair enough, sir.

Praveen Kadle

So, what I am trying to say is that it has not decreased the numbers of their Alto and Wagon-R and all that, that is the point I was going to make. Especially Alto, if you are taking Alto number-base, numbers have not gone down in fact they have increased. So, I think each product has got its lifecycle and the price changes can perhaps extend the lifecycle marginally, but unless the product has got some value proposition to offer, you cannot increase the lifecycle.

Chirag Shah

Okay. Thank you sir.

Praveen Kadle

Thank you.

Moderator

Thank you very much sir. Next in line we have Ms. Alpa from Tower Capital.

Alpa

Good morning sir.

Praveen Kadle

Good morning.

Alpa

I would like to know is that the rising interest rate scenario, how would it impact the demand of the commercial vehicle industry? To what extent the rise could be taken?



Praveen Kadle

I think buying a truck is not really . . . a kind of . . . it is a discretionary decision which is related to the business sentiment. If the business sentiment is good and the sentiments will be determined by the diesel prices and the freight rates and overall economic growth. So, if all the three factors are positive, then even a small increase to may be another 0.5% or so may not impact the demand for the truck.

Alpa

Okay sir. Thank you.

Praveen Kadle

Thank you.

Moderator

Thank you very much madam. Next in line we have Mr. Mahantesh from Prabhudas Lilladher.

Mahantesh

Good morning sir, Mahantesh here.

Praveen Kadle

Good morning Mahantesh.

Mahantesh

Belated birthday wishes on your 50th birthday sir.

Praveen Kadle

Yes, thank you.

Mahantesh

Good numbers, but sir I would ask you about any update related to your platform change strategy that you are perceiving both on car as well as commercial vehicles. Very little is known about your new world truck. Can you share more information on that sir?

Praveen Kadle

No, I can share as much as you want. It could be in line with what the new world competitors are going to bring the big tractor-trailer truck. And we will be getting into 35, 40, and 49-ton trucks, and similarly in terms of the horsepower of the engine, they will go from 250 horsepower to around 400 and if necessary even 450 kind of a horsepower engine. The truck will have the



equivalent transmission consisting of axels and gearboxes. We have done significant product development there. New gearboxes and axels have been developed which will be manufactured in our two subsidiaries HV Axle and HV Transmission. The other range of mining-related tippers also would be in line with these changes. The fuel efficiency as well as all the other technical parameters would be in line what you see in the international truck. Unlike in the passenger car where looks are more important, the customer comfort is more important, of course even here we will have air condition cab facility. We will have facility for having what you see in the international truck in terms of bigger cab will be there, and we will provide also the communication electronics which is very popular in the international trucks.

Mahantesh

Sir, on the world series trucks, are there any synergies between the Novus range that you have in Korea and especially in cap design? Actually are you bringing the cab of Novus into your vehicles here or are you developing an entirely new cab?

Praveen Kadle

There is a period up to which if necessary we can bring the Novus cab design, but just for the information the world truck which we are developing is jointly developed by the Korean and the Indian team. So, the cab design will also be used by the Tata Daewoo Truck Company.

Mahantesh

Right. Sir, any time line when it will be introduced sir?

Praveen Kadle

In 2008-09.

Mahantesh

So, around 2008 you will have cars, you will have commercial vehicles, you will be busy launching a lot of new platforms. Right sir?

Praveen Kadle

Yes.

Mahantesh

So, from the R&D perspective, how is your resources being deployed for that particular purpose, because we hear talent is a crunch?

Praveen Kadle

Talent is a crunch is an Indian phenomenon, it is not only Tata Motors problem, but I must mention that our employee attrition rate is perhaps lowest. We have lost some people, but otherwise it is lowest amongst the Indian companies, and we have also been recruiting the



people. So, while on the one side, the talent is a crunch, but we are also getting the good talent from outside.

Mahantesh

Who is currently heading your R&D team sir, any idea?

Praveen Kadle

Dr. Clive Hickman.

Mahantesh

Is he based here only, sir?

Praveen Kadle

He spends almost three weeks in India. He is also managing director of our European Technical Center. So, he spends three weeks in India, about one week in U.K.

Mahantesh

Sir, one different question. You had wage negotiations due in Pune plant as of October 2006. You have another wage negotiation due in April in Jamshedpur and a similar in a car plant in April. Am I right on that and any update on that, because they are overdue at least in the Pune plant as of now.

Praveen Kadle

The wage settlement is due as on October but it always takes about three to four months for the wage settlement, and we do not see any problem in completing the wage settlement in Pune. We are right in as far as Jamshedpur and car plant dates are concerned.

Mahantesh

Is that a significant risk to achieving the quarter four numbers because production can be particularly a slowdown kind of period, not necessarily bad, I am not talking of strikes or so, but a definite slowdown. Any such thing being observed by you sir?

Praveen Kadle

I do not see any problem.

Mahantesh

Fine sir. Thank you for answering my questions.



Praveen Kadle

Thank you.

Moderator

Thank you very much sir. Next in line we have Mr. Pramod Amte of ABN Amro.

Pramod Amte

Good morning sir. This is Pramod.

Praveen Kadle

Yes, good morning Pramod.

Pramod Amte

Decent set of operating numbers, but I was surprised on your interest expense. If we are to look on a quarterly trend, in spite of you transferring to a new book or a new company a large chunk of your book, the interest expense has come down just by around Rs.10 crores. So, can you help us in understanding how much of the vehicle finance book you have transferred and if the Rs.85 crores is more toward the operating or how the breakup is going forward in the interest expense line?

Praveen Kadle

Nothing has been transferred as far as the book is concerned. It is only the incremental business which is not the dealer-driven business. The dealer-driven business is still done on Tata Motors and the only direct business is being done from the new company.

Pramod Amte

So, is it fair to assume then that the incremental income and all those things will continue in your top line from the existing books?

Praveen Kadle

Yes, yes.

Pramod Amte

Only incremental is what will go for TML.

Praveen Kadle

Yes.



Pramod Amte

Okay, sure, sir. Thank you.

Praveen Kadle

Thank you.

Moderator

Thank you very much sir. Next in line we have Mr. Ajay from Enam Securities.

Ajay

Hello, good morning sir.

Praveen Kadle

Good morning.

Ajay

Just a small check on your debt and cash numbers. You did mention a debt level of Rs.3533 crores. How much would be the foreign denominated outstanding in that?

Praveen Kadle

As I mentioned earlier about \$450 million, about Rs.2000 crores.

Ajay

Okay. How much would be the cash level as of now?

Praveen Kadle

It is about Rs.500 crores.

Ajay

Okay, fine. Thank you so much.

Moderator

Thank you very much sir. Next in line we have Mr. Menon from ASK Raymond James.

Menon

Hello. Sir, this is Menon from ASK. Good morning sir.



Praveen Kadle

Good morning.

Menon

In the passenger vehicle segment, we understand that there is dieselization fever going on in the market. What kind of pressure do we foresee from the competition or the new players that will enter this market?

Praveen Kadle

You know that the swift will be diesel-powered very soon, and to that extent yes there will be competition, but we have our own diesel engine where we have been continuously improving the diesel engine performance. We also have the joint venture signed up and hopefully in the next 18 months we would have our own Fiat engine on our Indica vehicle, especially the new vehicles which we will be launching. And of course we are also making penetration in the petrol segment. So, we are not just a diesel company. Just as our competitors are trying to get into diesel, we are also increasing our petrol numbers.

Vijay

Good morning sir. This is Vijay here. When do you plan to launch the CNG variant of Ace, I believe that launch would give a serious dent to the three-wheeler market. Do you have any time limit for the launches, anything going on that side.

Praveen Kadle

The work is still going on. I will not be in a position to give you the exact date because we have not yet finalized the launch date, but the work is going on.

Vijay

Thank you sir.

Moderator

Thank you very much sir. We have next Mr. Shailesh from JM Mutual.

Shailesh

Hi, good morning everybody. This is Shailesh from JM Mutual. In the last quarter, you had mentioned some vendor side constraints. How are they improved or what is the situation there and could you put number, say what percentage it was, 80%, and they have improved their production to more than that or something like that?

Praveen Kadle



I do not remember having mentioned about percentage, but yes we had some problem, but most of the problems are sorted out. Tata Cummins had a problem in the third quarter as well which I mentioned earlier. Hopefully, from this quarter onwards we should see a significant improvement from Tata Cummins in the form of supply of engines.

Shailesh

Was that the only one?

Praveen Kadle

That was the major one, yes.

Shailesh

Okay. Sorry, but I just missed out the data on the capacity expansion. Could you give us the segment-wise capacity expansion in numbers/units?

Praveen Kadle

I mentioned that we are increasing our Ace capacity from about close to 75,000-80,000 to 200,000 in the next nine to ten months time frame. The increase will come in Uttaranchal plant. Between Jamshedpur and Lucknow, we will increase our medium and heavy truck capacity by about 100,000 in the next 18 months. I also mentioned that in the passenger car segment, we are running at close to 225,000 capacity, and by March 2008 we will be increasing it to about 300,000. This will be in addition to what Fiat joint venture will offer us. Then I also talked about both multi-utility vehicle and light commercial vehicle going from 60,000 to 90,000.

Shailesh

Okay. Thank you very much.

Moderator

Thank you very much sir. Next in line we have Mr. Suratwala from Emkay Shares.

Anish Damania

Hi. This is Anish Damania here. Sir I had three questions; one is on a separate track, could you sort of elaborate on your bus body building capacity expansion there, if any. Secondly, also could you give us some more sense to today they are having certain articles on Fiat cooperating with you on your small one-lakh car project? And third, what could be the waiting time on your medium and heavy commercial vehicle trucks with the dealers end.

Praveen Kadle

Okay, good morning Anish. Answer to your first question on the bus capacity. We are increasing our capacity in Automobile Corporation of Goa. We are also coming out with the new joint venture capacity with Marcopolo, of course that will take some time. And we are also



increasing our . . . we in the sense we are also encouraging our franchisee operators to increase their capacity. So, we have seen about a 22% growth in the bus segment in the nine months and we should be kind of working on increasing the capacity overall keeping this trend to continue in the market. We will try to improve the capacities both in ACGL, Marcopolo JV as well as the franchise side. Your second question was related to Fiat. The Fiat, you know the small cars, the designs have been frozen, the styling design completely has been frozen, the bill of material also has been frozen. We have finalized almost 60% to 70% of our suppliers and the remaining suppliers will be frozen by end of this coming quarter. So, we do not see much of kind of Fiat involvement at this stage; however, since we have signed a JV with Fiat and there will be an ongoing cooperation, so we will see ongoing improvement in the small car with the help of Fiat; in what way it will happen we cannot really say, but yes there will be some value engineering, there will be some improvement in performance, etc. And, we have the option to use the Fiat International network wherever we find this useful from the point of view of implementing; although, I must say that initially our interest is more in the domestic market.

Anish Damania

Okay. Sir, lastly the waiting time which you see on your trucks segment.

Praveen Kadle

I do not think there is any waiting period, may be because as I mentioned if somebody wants a Cummins fitted engine truck and if there is some short supply issue, then that could be the only reason, but otherwise, I do not think we have any waiting period.

Anish Damania

Sir, just to be back on the bus segment, at Tata Motors there will be no capacity being added there, right?

Praveen Kadle

We do not make any buses.

Anish Damania

Okay, thanks.

Praveen Kadle

Thanks.

Moderator

Thank you very much sir. Next in line we have Mr. Deepak Jain from Anand Rathi Securities.

Deepak Jain

Hello, sir.



Praveen Kadle

Hello, good morning here. We can hear you.

Deepak Jain

Sir, I have a question on the realization. We have seen a 7.7% jump in the realization during the quarter. Can you give us how much of this has come from price increases? Because also I see that the medium and heavy truck of business mix have gone up, passenger car mix have also come down may be due to the plant fire. So, I was just trying to get that how much of realization increase has come from price increases?

Praveen Kadle

The 7% percentage which you have talked about, are you talking about for the quarter on year on year basis?

Deepak Jain

Sir, year on year.

Praveen Kadle

Yes. Realizations have improved. As you know we made two price increments in the commercial vehicle segment, one at the beginning of the year and one in the third quarter. But on the passenger vehicle segment, we have not really done much at all; prices have increased and even if it had been made, it had been to a large extent negated by the incentives and discounts which we had to give. So, it is mainly on account of the commercial vehicles.

Deepak Jain

Sir, how much was that increase?

Praveen Kadle

It was close to 2% in the first round and similarly in the second round the same percentage.

Deepak Jain

Okay. So, for this quarter it was 2%, or overall it is 4% because we are comparing year on year?

Praveen Kadle

Yes.

Deepak Jain



Okay. Sir, on a macro level, is it possible to give that how much freight is being carried by different industries, I mean like cement and food grains and coal, through truck/road?

Praveen Kadle

We have the data, but right now we do not have the data. May be if you can send your email question, we will answer that.

Deepak Jain

Yes sir. I will do that. Thank you very much.

Praveen Kadle

Thanks.

Moderator

Thank you very much sir. Next in line Mr. Srinivas from Deutsche Bank.

Srinivas

Hi, sir, this is Srinivas from Deutsche Bank.

Praveen Kadle

Good morning, Srinivas.

Srinivas

Good morning. I have three questions. One, on your capex guidance for next year and probably over the next year. I mean, you have laid out a three-year capex plan, but they can just reiterate on that. Second, your cost-saving target as to where we are right now, what we expect over the next two years. And third sir, your investment in Hispano Carrocera; so, exactly what is happening there? In terms of strategy, are you trying to leverage there any know how or sales like you have done for the world truck platform. On these three issues.

Praveen Kadle

Okay, on the capex side, this year as I mentioned we will be spending close to Rs.2500 crores, next year anything between Rs.3000 to Rs.3500 crores. We mentioned that including this year, we will have about Rs.10,000 crores expansion plan. So, that means the third year which will be again another about Rs.3000 to Rs.3500 crores. It is all on capex as well as product development, both put together. In terms of the cost reduction, we announced the beginning of the last year that is in May-June 2005, we said that we would be over a period of three years reducing our cost base by Rs.1000 crores, and we had roughly put it at 1/3rd each. Last time we had actually incurred rather sales cost reductions of around Rs.430 crores. This year in the first nine months, it is about Rs.290 crores and so we should be ending the year by around say Rs.343 to Rs.350 crores or may be even more. Next year we should be aiming at least Rs. 300



crores of cost reduction. So, whatever target we had set at Rs.1000 crores, we should be exceeding that by March 2008. We will then reset our target for the next three years. The third question, I did not follow about investments. You talked about investment in which company?

Srinivas

The Hispano Carrocera, the Spanish company in which you have . . .

Praveen Kadle

In fact, the Spanish company we are leveraging using their technology for specially the higher end of buses as well as for the luxury coaches which are again a luxury product, at the top end of the bus segment. So, we are leveraging that and this technology will be used in ACGL as well as may be necessary in Marcopolo joint venture. As well as we will leverage it with the franchise operators.

Srinivas

Thank you sir.

Moderator

Thank you very much sir. Next in line we have Mr. Nilesh from K.R. Choksey.

Nilesh

Good morning Mr. Kadle.

Praveen Kadle

Good morning.

Nilesh

I have one question. Do the passenger car sales include the sale of Fiat cars?

Praveen Kadle

Total sales, yes. Not the numbers which I talked from the market share point of view, no.

Nilesh

Okay. So, in this 34633 passenger cars sold in this quarter, they do not include the Fiat cars?

Praveen Kadle

Just give me a second, I just need to see that number. Sorry, we have sold 52,991 vehicles.



Nilesh

Yes, right.

Praveen Kadle

And that includes Fiat, but when we calculated the market share, we have not included Fiat numbers in terms of market share competition.

Nilesh

Okay fine. And one more question. What are the percentage margins on such vehicle sales, roughly, give a range?

Praveen Kadle

Actually, this is more in terms of what we did in marketing commission and all that.

Nilesh

Yes, that is what I mean is . . .

Praveen Kadle

It is not really comparable.

Nilesh

At least per vehicle how much you get, if?

Praveen Kadle

I would not like to disclose it. It is confidential.

Nilesh

Okay, sir. Thanks.

Moderator

Thank you very much sir. Next in line we have Mr. Anupam Gupta from CLSA.

Anupam Gupta

Thanks for taking my question. I just wanted to know, on the Fiat joint venture, whether there is any development since the last quarter and what would be your plans over the next few years, and how it would impact your own plans for development of the new car platform. Thank you.



Praveen Kadle

We have started the work in terms of implementation of the joint venture. We signed the JV as you know in December last week. And as we mentioned in our press release at that time or even press conference at that time, it will help us in terms of upgrading our transmission and engine technology. We will get the new engines as well transmissions from Fiat. It will also help us in terms of broad-basing our product portfolio because we will be distributing the products where we are not in, especially the top end of the passenger segment. We also have especially intent to do the joint product development, yet too premature in terms of which product or which area we will be doing the product development, but the scope is kind of not restricted to any particular product or a technology. So, it is going to be a much more broad-based joint venture effort and we will get into various development activities as we progress. It certainly helps us in terms of (a) resisting our capex spending both in terms of setting up a new capacity, as well as from the point of view of spending money in terms of product development, especially on the engine and the transmission side.

Anupam Gupta

Right sir. So, considering this, is there any change to the earlier capex guidance we had given of about Rs.10,000 crores over the next three to four years?

Praveen Kadle

Rs.10,000 crores is very committed to what we had already planned. So, going forward may be it will reduce our capex spending.

Anupam Gupta

It could.

Praveen Kadle

Yes.

Anupam Gupta

Okay. And you would be open to the option of using the transmission engine in the cars that you are developing?

Praveen Kadle

Yes, that is what our plan is. We will be using significant capacity of the joint venture.

Anupam Gupta

Right sir. That will be all, sir. Thank you.

Praveen Kadle



Thank you.

Moderator

Thank you very much sir. Next in line we have Mr. Jainesh Shah from Network Stock.

Jainesh Shah

Good morning sir.

Praveen Kadle

Good morning.

Jainesh Shah

I just have three to four questions. One, your international business has seen little bit of a slowdown. Could we just have an idea what kind of visibility do we see for that business? Second is on the passenger bus segments, as you have mentioned that there has been a robust growth of around 50% to 60%. If you can throw some more light on the business dynamics which we have been working around and what is the outlook on that business? Third is, on your Thailand joint venture, if you can broadly outline how you are planning to fit that joint venture in your global strategy? And another one is, on the Tata Daewoo where we have seen a significant growth in the revenues, but then the margins have got impacted and profits have not been up to mark, and more over also the loss of the market share in the domestic market itself. So, if you can clarify a few of these things?

Praveen Kadle

The market growth of passenger segment, the dynamics is basically the, as you know the income levels are increasing, the aspirations of the general consumer, especially the upper class is basically to have a four-wheeler, and as the prices . . .

Jainesh Shah

I am sorry, I am sorry. Not for the passenger car, but passenger bus segment?

Praveen Kadle

Oh, the passenger bus segment. The dynamics is very simple. As you have seen the new road development and I will take Pune-Bombay as an example. The new express way has significantly increased the demand for the passenger bus segment and you have seen that how the railways have reacted by canceling some of the train services in the Pune-Bombay segment. So, there is also a lot of economical data which is available that as the overall per capita increases, people like to spend more on travel. India is a big country and people would like to kind of travel by road because the road transportation especially in the passenger segment provides the end-to-end flexibility unlike in railways, and the cost is now comparable and the comfort level is much better. And therefore, we believe that the passenger movement demand will increase as the new roadways come into play as well as better buses are



manufactured and made available. As I said, Pune-Bombay express way has provided that example, and this is the worldwide phenomenon as the road density increases, the bus demand also increases, and there is enough study on this with reference to many countries including China.

Jainesh Shah

So, it means that the existing 50% to 60% which we are seeing today is largely coming from the private operators?

Praveen Kadle

This year we have seen both private and the public transport undertaking, the state road transport undertaking, where the demand is increasing. By the way, the growth is not 50% to 60%. The number that we have is 4.2% as compared to the previous medium and heavy segment, and in light commercial vehicle, it is about 5.4%. It is very marginal. We do believe that the growth should take place much higher than this 5% to 6%, which we have seen in the current year, not sure whether it will be 50% or 60%.

Jainesh Shah

And, if you can throw on the rest of the questions.

Praveen Kadle

Yes, on the TDCV, that is the Tata Daewoo, I do not know why you are saying the profitability has taken a hit, because the first nine months the revenue has gone up by 46%, profit after tax also has gone up by 46%. Yes, we have lost the market share in the heavy segment in the third quarter, but we very strongly believe that we will recapture the market share. I also must mention that MCV, the medium truck, which we launched last year, and this year was the full year of operation. In the first of full operation, we have got 26% market share. So, yes we have lost the market share in MCV, but we have put in the actions to regain that market share and in MCV, we would like to increase the market share.

Jainesh Shah

Because, I think in your information update which you had given, even though for a quarter 39% growth was shown in the turnover, but the net profit PAT has been down by 9%.

Praveen Kadle

The only reason there is the export numbers are going up and the Korean won has seen 20% appreciation there. So, the export profitability has come under pressure; so that is the only reason.

Jainesh Shah

Okay. And if you can give some idea on the Thailand pickup.



Praveen Kadle

We will use the Thailand pickups initially for Thai market, but Thailand being part of the ASEAN market and we then leverage it for entering into the other ASEAN markets.

Jainesh Shah

So, what kind of investment and capacities you are looking out there?

Praveen Kadle

We are looking initially at about Rs.100 to Rs.120 crores kind of an investment, these are the preliminary plans. And in the fifth year, we look at around Rs.30,000 kind of a capacity.

Jainesh Shah

Okay. And if you can update on the international business going forward.

Praveen Kadle

The international business, while the third quarter has seen some flops, as I mentioned it is an important of our business. The YTD numbers have seen about 11% growth and going forward we are targeting about close to 20% growth over the next four to five years time.

Jainesh Shah

And any particular markets you are focusing, which you target, which would contribute significantly going forward?

Praveen Kadle

South Africa certainly and the Middle East market, South Asia, and of course we are trying to get into the ASEAN market. The new markets would be Latin America and Russia. We are also there in some parts of Western Europe and would like to intensify that.

Jainesh Shah

Okay. Thank you sir.

Praveen Kadle

Thank you. Can we take the last question now?

Moderator

Okay sir. Next is Mr. Goel from Edelweiss.



Goel

Sir, about our pickup that we plan to launch in Thailand and Argentina along with Fiat, is this a new platform that we are developing or it will be a variant of the existing model that we have in our portfolio?

Praveen Kadle

It is kind of, I would not like to comment, but it is a combination of new platform as well as variant; so, it is picking up all the right points from both the strategies.

Goel

Thanks sir.

Praveen Kadle

Thank you.

Moderator

Thank you very much sir. At this moment, there are no further questions from participants. I would like to hand over the floor back to Mr. Manishi Ray Chaudhuri. Over to you sir.

Manishi Ray Chaudhuri

Thank you. I would like to thank Mr. Kadle and the entire Investor Relations team of Tata Motors for taking time out to address this call. And I would thank the entire body of participants for making this call so lively. Thank you very much and see you again later on.

Praveen Kadle

Thank you for helping us to have this call. Thank you.

Moderator

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.