



# NAVA BHARAT VENTURES LIMITED

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## Q4/FY2008 Investors/Analysts Conference Call Transcript

Thursday, May 22, 2008 at 10.30 a.m.

**Moderator:** Good morning Ladies and Gentlemen. I am Sandhya, the moderator for this conference. Welcome to the Nava Bharat Ventures Limited Conference Call. For the duration of the presentation, all participants' lines will be in the listen-only mode. I will be standing by for the question and answer session. I would like to hand over the floor to Mr. Siddharth Rangnekar. Thank you and over to you Sir.

**Siddharth Rangnekar:** Thank you Sandhya. Good morning and thank you for joining us today on Nava Bharat Ventures Limited Q4 and FY 2008 results conference call. We are joined today by Mr. P. Trivikrama Prasad, Executive Director; and Mr. G.R.K. Prasad, Director, Finance & Corporate Affairs at Nava Bharat Ventures. I would now like to call upon Mr. P. Trivikrama Prasad to share his views.

**P. Trivikrama Prasad:** Good morning Ladies and Gentlemen. Thank you for joining us today on this Nava Bharat fourth quarter results conference call. I will recap the numbers for the year 2008 where the net sales stood at Rs 9253 Million from Rs 5701 Million last year while for Q4 the sales were about 89% higher at about 3437 million when compared to that in the corresponding quarter of Rs. 1823 million. The profit after tax for the quarter was Rs 1294 Million while that in the previous year was about Rs. 437 million and the profit for year 2008 was Rs 3148 Million compared to Rs 1405 Million in the previous year.

The Ferro Alloys business has been very good and the performance in this particular quarter has been really good and it looks like it is going to continue for some more time. The power business has also been good and we have started generation on the 64 MW power unit in Orissa though commercial production has not yet been declared. For the 1050-MW power project in Orissa being implemented by NPPL, we have received all the clearances and the land acquisition is in advanced stage, though there was some delay in the process of acquisition on account of Government formalities and the financial closure is expected by December 2008. Work on the Captive coal block through a separate SPV is on with an assured supply of 112 Million tons as our share prompting us to take up the phase II work of 1200 MW.

Regarding the sugar plant, we have done better than what we expected, but I think the loss in this year has been lower and the prices are looking up. We have increased our cogeneration export which has also helped in this particular year and now I will end my opening remarks and you can ask any queries that you would like to have me with me and Mr. G.R.K. Prasad. Thank you.

**Moderator:** Thank you very much Sir. We will now begin the Q & A interactive session. Participants who wish to ask questions, please press \*1 on your telephone keypad. On pressing \*1, participants will get a chance to present their questions on a first in-line basis. Participants are requested to use only handsets while asking a question. To ask a question, please press \*1 now. First in line, we have Mr. Mohit Kansal from K.R. Choksey Shares & Securities. Over to you Sir.

**Mohit Kansal:** First of all, I would like to congratulate you Sir for putting so strong numbers. Can you just give us a brief about the production figures of Silico Manganese, Ferro Manganese, Ferro Chrome with their realization for Q4.

**G. R. K. Prasad:** Q4, the Silico Manganese production was 20,700 M.T.

**Mohit Kansal:** 20,700 M.T.

**G. R. K. Prasad:** And Ferro Manganese production was 19,000 M.T.

**G. R. K. Prasad:** And Ferro Chrome production for Q4 was 14,000 M.T.

**Mohit Kansal:** And what was the realization for the same Sir?

**G. R. K. Prasad:** Average realization for the period was pretty good. Let me give you average realization for the year for all three products.

**Mohit Kansal :**Yes.

**G. R. K. Prasad:** Silico Manganese, the average realization for the year was about Rs. 52,000/tonne and Ferro Manganese was a little higher at about Rs.52,900/tonne. In Ferro Chrome we realized Rs.60,000/tonne on an average for the year.

**Mohit Kansal:** Okay. And Sir for the whole year, for FY08, can I have the bifurcation of Silico Manganese, Ferro Manganese, Ferro Chrome production business.

**G.R.K.Prasad:** Silico Manganese was 79,700 M.T.; Ferro Manganese was 12,000 M.T. and Ferro Chrome was 43,700 M.T..

**Mohit Kansal:** And sales-wise...

**G.R.K.Prasad:** Silico Manganese was 67,700 M.T., Ferro Manganese was 12,200 M.T. and Ferro Chrome was 34,000 M.T..

**Mohit Kansal:** Sir, how much is the number of units we have produced in this Q4? .

**G.R.K.Prasad:** Q4, the generation, power generation was about 305 million units.

**G.R.K.Prasad:** And after auxiliary and transformation losses and all, the net generation was 274 million units. Of which, 161 million units were consumed captively.113 million units were sold out.

**Mohit Kansal:** And what is the average selling rate for the same Sir?

**G.R.K.Prasad:** Average selling rate for the year, you can take it as around Rs.4.5/unit. And internal consumption is transferred at Rs.2.86/unit

**Mohit Kansal:** It has increased in fact a little bit.

**G.R.K.Prasad:** Slight increase was there because the Orissa power tariff for Ferro Alloys got increased. So, we adopted a slightly higher transfer charges.

**Mohit Kansal:** Okay. And what is the PLF rate?

**G.R.K.Prasad:** We were very close to 95% of PLF on an average.

**Mohit Kansal:** This is you are talking about for the whole year?

**G.R.K.Prasad:** I am talking about whole year.

**Mohit Kansal:** Okay, 95%. And just on the power segment, what is the status of the financial closure for the phase II 520 MW?

**G.R.K.Prasad:** No, it is like this. Conceptually, the original size was 2 x 520 MW for that Orissa mega power project.

**Mohit Kansal:** Right.

**G.R.K.Prasad:** This is now reconfigured as 3 x 350 MW.

**G.R.K.Prasad:** Okay, and the 520 MW in the first phase got coal linkage.

**Mohit Kansal:** Okay.

**G.R.K.Prasad:** The second 520 MW coal linkage is awaited.

**Mohit Kansal:** Okay.

**G.R.K.Prasad:** So, the company got captive coal blocks being shared with five others.

**Mohit Kansal:** Right.

**G.R.K.Prasad:** Together, it has a captive coal block which should at the present estimate support this 1050 MW...

**Mohit Kansal:** Okay.

**G.R.K.Prasad:** And 520 MW of coal linkage.

**Mohit Kansal:** Okay.

**G.R.K.Prasad:** As we do the detailed geological report and all, we expect the coal reserve to be a little higher. As it stands today, it is 112 million tonnes for the share of SPV.

**Mohit Kansal:** And how much is extractable ?

**G.R.K.Prasad:** It is 112 million tonnes from the SPV as it stands today.

**G.R.K.Prasad:** So, detailed geological report is being done, which could perhaps increase this number.

**Mohit Kansal:** This 112 million tonnes is total reserve?.

**G.R.K.Prasad:** It is the share of SPV.

**Mohit Kansal:** And how much is extractable, ..

**G.R.K.Prasad:** It is extractable, minable.

**Mohit Kansal:** Okay, .Sir, on the sugar side, would we see any sort of better realization in comparison to the prior quarter?

**G.R.K.Prasad:** Yes, you would see definitely a better realization than the prior quarter in this one, there is almost a Rs.2,000 rupee difference per tonne between the previous quarter and the current quarter and we expect the prices to go up further too during the current quarter.

**Mohit Kansal:** What is it at present?

**G.R.K.Prasad:** There is going to be lot less sugar availability next year because we see a drop in production, I mean availability of cane for the following seasons, definitely you will see an increase in this quarter.

**Mohit Kansal:** Sir, what was the current realization?

**G.R.K.Prasad:** It is about Rs. 14,000/tonne

**G.R.K.Prasad:** I mean without duties and things like that. What I am talking to you is net to the factory, It is about Rs. 14,700/tonne.

**G.R.K.Prasad:** But if you take the year as a whole...

**Mohit Kansal:** Yes.

**G.R.K.Prasad:** It was about Rs. 13,000/tonne, for the whole year of 07-08. In comparison to last year, it is about Rs. 16,000/tonne.

**Mohit Kansal:** And as we had been expecting in October by the second quarter that the Samalkot power capacity would be increased from 9 to 29 MW. So, It is in line?

**G.R.K.Prasad:** It is on track, you know, the 9 MW to 29 MW, is going to come only during the third quarter of this year.

**Mohit Kansal:** Okay, by the third, so by December 08?

**G.R.K.Prasad:** Yes, third quarter, ...

**Mohit Kansal:** So, there is delay.

**G.R.K.Prasad:** Because by the time the new season starts, we would like that to be there because the fuel is partly bagasse and partly coal...

**Mohit Kansal:** Okay. And just a final question, Sir can you give us a guidance for FY09, I mean how much we are expecting the EPS and the revenues.

**G.R.K.Prasad:** The top line, we expect about 20% growth if the present rates of Ferro Alloys continuing as they are today.

**Mohit Kansal:** Okay.

**G.R.K.Prasad:** And bottom line also we expect to have about 20% increase.

**Mohit Kansal:** Okay, thanks a lot Sir.

**Moderator:** Thank you very much Sir. Next in line, we have Mr. Ronald Siyoni from Religare Securities. Over to you Sir.

**Ronald Siyoni:** My first question is what has been the cost of ore during this quarter Q4 and full year, cost of Manganese ore and Chrome ore.

**G.R.K.Prasad:** The cost of Manganese ore for Q4 was about Rs.11,000/M.T.

**G.R.K.Prasad:** And for the full year, it is about Rs. 6500/M.T. on an average.

**Ronald Siyoni:** Yes.

**G.R.K.Prasad:** Chrome ore for the quarter it is about Rs.14,000/M.T.

**Ronald Siyoni:** Yes.

**G.R.K.Prasad:** And for the full year, it was close to Rs.10,000 M.T.

**Ronald Siyoni:** And Sir, can you give us PLF plant-wise, actually the 32 MW which has come up recently, what has been the PLF for that plant? Hello...

**G.R.K.Prasad:** Yes, the 32-MW plant ran for six months....

**Ronald Siyoni:** Right.

**G.R.K.Prasad:** And balance plants were there for full year and practically all the plants were operating at well over, I mean 95%.

**Ronald Siyoni:** Do you see the trend in the margins of Ferro Alloys continuing ahead also? Currently we are getting about 27% PBIT margins. Do you think it is sustainable over one year period of time going ahead?

**G.R.K.Prasad:** For one year, it looks, yes, although we cannot say beyond this year.

**Ronald Siyoni:** And do you see the prices also maintaining the same momentum or little bit stabilizing or we are at the peak of the prices.

**G.R.K.Prasad:** Well, we thought we had reached the peak earlier, but then again prices moved up, so we expect the momentum to continue.

**Ronald Siyoni:** Yes.

**G.R.K.Prasad:** There is a fall in production in South Africa because of power constraints which doesn't seem to be improving in the near future.

**Ronald Siyoni:** Yes. Do we see capacity utilization in Ferro Alloys going ahead in FY09 significantly?

**G.R.K.Prasad:** We have increased the production compared to last year if you see.

**Ronald Siyoni:** Right.

**G.R.K.Prasad:** This year, we have one more furnace which might become operational for a part of the year in our AP plant.

**Ronald Siyoni:** Right.

**G.R.K.Prasad:** So, we expect slight ramp-up in the production figures.

**Ronald Siyoni:** Right.

**G.R.K.Prasad:** Although I cannot give you a number now, a slight ramp-up is indicated.

**Ronald Siyoni:** Yes, thank you, that's it.

**G.R.K.Prasad:** Thank you.

**Moderator:** Thank you very much Sir. Next in line, we have Mr. Ruchit Mehta from HSBC Asset Management.

**Ruchit Mehta:** Good morning gentlemen. Just on the Ferro Alloys business, just wanted to understand currently you mentioned the cost of ore is about Rs. 11,000/tonne on the Manganese front and Rs. 14,000/tonne on the Chrome ore front, what will be the current prices right now prevailing in the market that we are seeing in Q1?

**G.R.K.Prasad:** Let me correct that Ruchit, I said the average per quarter was Rs. 11,000/tonne & 14,000/tonne.

**Ruchit Mehta:** Okay.

**G.R.K.Prasad:** The current prices are about, you know, a little higher than that.

**Ruchit Mehta:** Okay.

**G.R.K.Prasad:** Currently, Manganese prices are at about Rs.15,000/M.T.

**Ruchit Mehta:** Okay.

**G.R.K.Prasad:** And Chrome is about Rs.16,000/M.T.

**Ruchit Mehta:** And correspondingly what will be the price of Ferro Chrome, Ferro Manganese, and Silico Manganese right now?

**G.R.K.Prasad:** Ferro Manganese is hovering around Rs.80,000/tonne

**Ruchit Mehta:** Rs. 80,000/tonne, okay.

**G.R.K.Prasad:** Silico Manganese is about Rs.77,000/tonne.

**Ruchit Mehta:** Okay.

**G.R.K.Prasad:** And Ferro Chrome is about Rs 94,000/tonne.

**Ruchit Mehta:** Okay. These prices, I mean corresponding cost plus I think you also need to use fair bit of met coke to produce...is the increment EBITDA per tonne from Q4 to right now, is it positive or is it flat or is it trending downwards?

**G.R.K.Prasad:** I would say it is more or less maintained at... I would say, Q4 level...

**Ruchit Mehta:** So, right now, what are you making in terms of EBITDA per tonne on Ferro Manganese, Silico Manganese, and Ferro Chrome?

**G.R.K.Prasad:** In Manganese, of course between Silico Manganese and Ferro Manganese, currently it is about Rs.20,000/M.T.

**Ruchit Mehta:** And Ferro Chrome?

**G.R.K.Prasad:** Ferro Chrome is roughly about Rs.18,000/M.T.

**Ruchit Mehta:** And just for the volume outlook, what sort of volumes are we targeting for fiscal 09?

**G.R.K.Prasad:** We are not increasing the number as far as production is concerned....

**Ruchit Mehta:** Okay.

**G.R.K.Prasad:** Because we have a problem on availability of ore...

**Ruchit Mehta:** Okay.

**G.R.K.Prasad:** Manganese as well as Chrome ore.

**Ruchit Mehta:** Okay.

**G.R.K.Prasad:** But for example, this year the sales volume was about 114,000 M.T.

**Ruchit Mehta:** Okay.

**G.R.K.Prasad:** Between the two products it might go up a little.

**Ruchit Mehta:** Okay.

**G.R.K.Prasad:** May be around 10% higher.

**Ruchit Mehta:** Okay. Do you think that the split, almost like, you know, Silico Manganese taking more than 50% of the share, will that split remain the same or...

**G.R.K.Prasad:** Yes, it will remain the same.

**Ruchit Mehta:** So, 60,000 M.T. to 70,000 M.T. Silico Manganese, about 10,000 to 12,000 M.T. Ferro Manganese and balance 30,000 to 40,000 M.T. of Ferro Chrome.

**G.R.K.Prasad:** Yes.

**Ruchit Mehta:** Okay. Sir, just on the power front, I just wanted to clarify we had 144 MW operation at the end of fiscal 08.

**G.R.K.Prasad:** Right.

**Ruchit Mehta:** How many millions of units we would have produced, because I got confused, you said some data point, but I am little confused on that.

**G.R.K.Prasad:** For the year?

**Ruchit Mehta:** Yes, for the year as a whole, how many millions of units have you produced?

**G.R.K.Prasad:** See, actual generation was about 1102 Million Units.

**Ruchit Mehta:** Okay.

**G.R.K.Prasad:** And you have to remove the auxiliaries and transmission losses and the net units available are about 983 Million Units.

**Ruchit Mehta:** Okay. And how much was consumed internally and was full captive use.

**G.R.K.Prasad:** About 553 Million units were consumed.

**Ruchit Mehta:** Okay.

**G.R.K.Prasad:** Balance about 430 Million Units were sold out.

**Ruchit Mehta:** Sold out. And you mentioned about Rs. 4.60/unit is the current realization on the external sales.

**G.R.K.Prasad:** Rs. 4.5/unit

**Ruchit Mehta:** Rs. 4.5/unit, but how much is the cost of other, you know, appreciation like you know, especially coal has gone up. What will be the cost of coal per unit right now?

**G.R.K.Prasad:** The cost of coal increase has actually taken place in April.

**Ruchit Mehta:** Okay.

**G.R.K.Prasad:** With that, the full cost of generation is likely to be around Rs.1.90/unit.

**Ruchit Mehta:** Okay.

**G.R.K.Prasad:** That is a very marginal increase.

**Ruchit Mehta:** Okay, but this is including depreciation, interest, everything put together.

**G.R.K.Prasad:** Yes.

**Ruchit Mehta:** Okay, great. And just finally also on the real estate project, any further...I mean what is the status quo right now, especially now that, you know, we have got Mantri Developers in place.

**G.R.K.Prasad:** Yes, the work is already on. They are already going through the master plan and development plan preparation. We expect all those plans to be approved in a couple of months.

**Ruchit Mehta:** Okay.

**G.R.K.Prasad:** So, probably the ground work, the civil work part of it should commence some time in in October-November.

**Ruchit Mehta:** Okay. And so, just to clarify, we have about what, 25% of the land bank is owned by the SPV and we hold 51% of that SPV.

**G.R.K.Prasad:** Correct.

**Ruchit Mehta:** Okay. And just on power, what is your final debt equity and your holding in that company, in the power project?

**G.R.K.Prasad:** That financial closure is still awaited.

**Ruchit Mehta:** Okay.

**G.R.K.Prasad:** But now, as you know, we were 50% and another 50%.

**Ruchit Mehta:** Okay.

**G.R.K.Prasad:** Debt equity probably we would finalize at 75-25%

**Ruchit Mehta:** Any escalation in the cost because I mean obviously, you know, everything has gone up, steel, cement, everything, so has your cost of the project gone up substantially?

**G.R.K.Prasad:** Actually the original estimate was about Rs. 4,600 crore. It has moved up by about Rs. 100 crore as per current estimate.

**Ruchit Mehta:** Okay.

**G.R.K.Prasad:** But we have some survey in the contingencies and escalations to take care of that.

**Ruchit Mehta:** Okay. And in terms of the cost of funding also, the debt funding that we are looking to raise for that, is there a significant rise in the cost of that as well or?

**G.R.K.Prasad:** No, this has not.

**Ruchit Mehta:** So, what is the cost of borrowing that we have on that?

**G.R.K.Prasad:** 10.5% indicative rate.

**G.R.K.Prasad:** During construction...that is till you reach COD and will be reset after that.

**Ruchit Mehta:** Okay. And what sort of potential ROE are we targeting over here.

**G.R.K.Prasad:** With the mix of evacuation that we plan, the ROE should be about 23%.

**Ruchit Mehta:** And any progress on the Hyderabad property or is it still lying idle?

**G.R.K.Prasad:** Hyderabad property is one where we would like to use this, you know, SEZ experience.

**Ruchit Mehta:** Okay.

**G.R.K.Prasad:** And take up development some time maybe in the next couple of years, definitely not in the next one year.

**Ruchit Mehta:** Okay.

**G.R.K.Prasad:** And anyway there is no ULCRA in AP.

**Ruchit Mehta:** Okay.

**G.R.K.Prasad:** So, that is one less approval requirement.

**Ruchit Mehta:** Okay, great. And just finally can you give us the figure of the debt and the total fully diluted equity as of March 31, 2008.

**G.R.K.Prasad:** The full gross debt is about Rs. 400 crore, which includes FCCB also.

**Ruchit Mehta:** Including?

**G.R.K.Prasad:** Including FCCB of Rs. 140 crore...

**Ruchit Mehta:** Okay.

**G.R.K.Prasad:** And the net of cash and bank balances, the debt is about Rs.130 crore.

**Ruchit Mehta:** This Rs. 400 crore includes working capital?

**G.R.K.Prasad:** Yes, it includes working capital, it includes FCCB.

**Ruchit Mehta:** Okay. And finally what is your fully diluted equity?

**G.R.K.Prasad:** As of March 31, 2008, it is about Rs.15.5 crore.

**Ruchit Mehta:** But after everything gets converted?

**G.R.K.Prasad:** It will be Rs.18 crore.

**Ruchit Mehta:** So, about Rs. 9 crore shares.

**G.R.K.Prasad:** Yes.

**Ruchit Mehta:** Okay, thank you so much.

**Moderator:** Thank you very much Sir. Next in line, we have Mr. Jignesh Kamani from MF Global Sify Securities India Pvt. Ltd. Over to you Sir.

**Jignesh Kamani:** Congratulations for a good set of number.

**G.R.K.Prasad:** Yes...

**Jignesh Kamani:** I want to know the 50% export duty applicable on steel, it will be applicable to Ferro Alloys also or...

**G.R.K.Prasad:** No, it is not applicable on ferro alloys.

**Jignesh Kamani:** It won't be subject to Ferro Alloys.

**G.R.K.Prasad:** Yes.

**Jignesh Kamani:** And can you... in 250-acre land bank which we hold in Hyderabad through SPV, I suppose we are trying to develop close to around 15 million square feet.

**G.R.K.Prasad:** That's right.

**Jignesh Kamani:** So, what will be the exact amount which can be attributed to Nava Bharat Ventures?

**G.R.K.Prasad:** Nava Bharat has a 51% stake in that SPV.

**Jignesh Kamani:** Right.

**G.R.K.Prasad:** The SPV is entitled for 25% of the developed space.

**Jignesh Kamani:** Okay, so...

**G.R.K.Prasad:** So, we are at present having an economic interest of about 2 million square feet of mixed use space.

**G.R.K.Prasad:** So, part of that is the IT space, part of that will be commercial...and part of that will be residential.

**Jignesh Kamani:** And if you take about...what is the current realization per square feet in terms of this IT space or commercial space as of now in the vicinity of the land which we are holding?

**G.R.K.Prasad:** Well, this is next to the International Airport.

**Jignesh Kamani:** Okay.

**G.R.K.Prasad:** The ballpark number that is being used for our plan purposes is about Rs. 25/sft. for IT.

**Jignesh Kamani:** How much?

**G.R.K.Prasad:** Rs. 25/sft.

**Jignesh Kamani:** Rs. 25/sft. for IT for lease right?

**G.R.K.Prasad:** Yes.

**Jignesh Kamani:** And for commercial, if you want to sell then?

**G.R.K.Prasad:** Commercial on an average about the same. I mean that is the average figure.

**Jignesh Kamani:** Pardon Sir.

**G.R.K.Prasad:** That is average figure for rental purposes.

**Jignesh Kamani:** And suppose we are planning to sell in case, then what will be the realization per square feet?

**G.R.K.Prasad:** The sale will take place for residential.

**Jignesh Kamani:** Okay.

**G.R.K.Prasad:** The plan talks about Rs. 2500/sft.

**Jignesh Kamani:** Rs. 2500/sft.

**G.R.K.Prasad:** On an average.

**Jignesh Kamani:** Okay, on an average. And Sir, if you could help...because if you talk with the other players, they were expecting that that margin of Ferro Alloys, prices of Ferro Alloys and Manganese have a little bit rolled over right now. Other players are selling around Rs.80,000/M.T.or Rs.70,000/M.T. compared to Rs. 90,000/M.T. two or three months back. So, same we are expecting a little bit down in terms of pricing of the alloys.

**G.R.K.Prasad:** Yes, actually the difference between Rs.90,000/M.T. and current Rs.80,000/M.T. happened in hardly a month.

**Jignesh Kamani:** Okay.

**G.R.K.Prasad:** It is not very old. So, on an average, what we realized last quarter...

**Jignesh Kamani:** Okay.

**G.R.K.Prasad:** I think these prices should prevail going forward.

**Jignesh Kamani:** And for full year, if you take out price of Manganese and Chrome ore, it will be same around Rs.15,000/tonne or Rs.16,000/tonne.

**G.R.K.Prasad:** For the current year.

**Jignesh Kamani:** Yes.

**G.R.K.Prasad:** I think that would be same.

**Jignesh Kamani:** Around Rs.15,000/tonne to Rs.16,000/tonne.

**G.R.K.Prasad:** Yes.

**G.R.K.Prasad:** Though we have some inventory of raw material of the previous year...but I think for estimate purposes, that is same.

**Jignesh Kamani:** How much inventory we are having, how many months Sir?

**G.R.K.Prasad:** We have about couple of months.

**Jignesh Kamani:** Okay. And Sir, can I have a gross block and the cash as of March 31, 2008.

**G.R.K.Prasad:** Gross block is about Rs. 810 crore including CWIP of Rs 225 crores.

**G.R.K.Prasad:** Yes. Cash is about Rs. 260 crore.

**Jignesh Kamani:** Thank you very much.

**Moderator:** Thank you very much Sir. Next in line, we have Mr. Salil Utagi of Ambit Capital Private Ltd. Over to you Sir.

**Salil Utagi:** This is Salil. Can you tell us about your raw material linkages in Manganese and Chrome.

**G.R.K.Prasad:** Presently, we are buying the raw material domestically from MOIL and OMC...

**Salil Utagi:** Okay.

**G.R.K.Prasad:** For Manganese ore and Chrome ore...

**Salil Utagi:** Okay.

**G.R.K.Prasad:** Aside from a private party for Manganese ore and this constitutes about 65% for Manganese ore requirement.

**Salil Utagi:** Okay.

**G.R.K.Prasad:** 30% is imported.

**Salil Utagi:** Okay.

**G.R.K.Prasad:** And Chrome we have tied up, domestic requirement is 80%. 20% is imported, which is principally lumpy ore.

**Salil Utagi:** Is there any difficulty in importing the ore.

**G.R.K.Prasad:** Well, there are far too many players chasing far too low miners...

**Salil Utagi:** Right

**G.R.K.Prasad:** Too low suppliers, that is the challenge.

**Salil Utagi:** Sir, you have your linkages in ore, then you have your captive power, then what is the reason that utilization is 65% because demand is also buoyant. So, why utilization cannot go above 80% or 90%?

**G.R.K.Prasad:** we have a limitation in terms of slag-based products.

**Salil Utagi:** Okay.

**G.R.K.Prasad:** So, 80% when we achieve, that is practically full.

**Salil Utagi:** Practically impossible?

**G.R.K.Prasad:** Full, full production.

**Salil Utagi:** Okay, 80%.

**G.R.K.Prasad:** Yes.

**Salil Utagi:** Some of the players are importing 90% to 95% for their Ferro Chrome capacity...

**G.R.K.Prasad:** We are lucky to have the linkages from OMC to a great extent.

**Salil Utagi:** I believe your margins in Chrome, Ferro Chrome are less than Ferro Manganese.

**G.R.K.Prasad:** Correct.

**Salil Utagi:** Actually, I was thinking the other way, the Ferro Chrome being in higher demand or it is less in supply in India. Margins should be higher in Ferro Chrome, is this right?

**G.R.K.Prasad:** No. See, the demand for Manganese alloys comes from carbon sale...

**Salil Utagi:** Right.

**G.R.K.Prasad:** Which is more sustained.

**Salil Utagi:** Yes.

**G.R.K.Prasad:** Whereas Ferro Chrome depends on stainless steel.

**Salil Utagi:** Right.

**G.R.K.Prasad:** So, you will find that the realization on Chrome side is slightly lower in terms of net margin side compared to Manganese because of its dependence on stainless steel.

**Salil Utagi:** Okay. Has that been the trend for the last five-seven years or...

**G.R.K.Prasad:** Yes, generally this is the case excepting that you will find that spurts are there in between some time, but otherwise on a long term basis, this is the case.

**Salil Utagi:** But going forward, growth in stainless steel would be higher than carbon steel, just on product to product basis, Sir would it mean that Ferro Chrome demand would be higher, I mean in percentage terms, would it be higher for Ferro Chrome?

**G.R.K.Prasad:** No, I don't think so. if you see the overall composition of the total steel including stainless steel...

**Salil Utagi:** Right.

**G.R.K.Prasad:** The carbon steel is much higher.

**Salil Utagi:** Right, okay.

**P. Trivikrama Prasad:** So, not even 10% of regular steel.

**Salil Utagi:** Okay, what is the supply scenario of Ferro Manganese and Ferro Chrome in India since we are not seeing many capacities coming up in next one or two years. In fact, you are also not increasing your capacity in the near future.

**G.R.K.Prasad:** Well, I think everybody is bogged down by the raw material availability and linkages. So, that is the principal concern being shared by everybody in the field now.

**Salil Utagi:** What is the scene there, is it going to improve going forward?

**G.R.K.Prasad:** We are doing some effort in the sense that we have reasonably been successful in sourcing raw material from an African destination.

**Salil Utagi:** Okay.

**G.R.K.Prasad:** That has really helped us sustaining a fairly lower average input cost for Manganese.

**Salil Utagi:** Right.

**G.R.K.Prasad:** And this year we hope to take a step further to see whether a strategic association could be in place. We hope to see that happening in the next three months.

**Salil Utagi:** Are you looking for any mines acquisition in South Africa or other regions?

**G.R.K.Prasad:** Yes, we are looking for certain areas. A couple of leads are being pursued very rigorously now.

**Salil Utagi:** Thanks a lot.

**G.R.K.Prasad:** Thank you.

**Moderator:** Thank you very much Sir. Next in line, we have Mr. Sachin Kasera of Infinity.com Financial Securities Ltd..

**Sachin Kasera:** Good afternoon Sir

**G.R.K.Prasad:** Hi Sachin.

**Sachin Kasera:** Just wanted to get an idea in terms of you know you mentioned for FY08, the number of units was 1102 million, net generation was 983 million units. What type of numbers that we could look for in FY09 Sir?

**G.R.K.Prasad:** Number, I mean of course...

**Sachin Kasera:** Approximately?

**G.R.K.Prasad:**, the 64 MW will become operational say from end of May...

**Sachin Kasera:** Okay.

**G.R.K.Prasad:** And we expect about 10 month's operation for 64 MWs.

**Sachin Kasera:** Okay.

**G.R.K.Prasad:** And this 20 MW generation could come for about a quarter definitely.

**Sachin Kasera:** Right,

**G.R.K.Prasad:** So, you can take...that would be the implemental generation. So, roughly about I would say 30% increase on this.

**Sachin Kasera:** And if I understand the captive absolute consumption will also go up because we are going to increase the production by approximately around 10%.

**G.R.K.Prasad:** Yes, but we have surplus power. But, we are looking at margin gain where the Ferro Alloy value addition for power is higher.

**Sachin Kasera:** Okay.

**G.R.K.Prasad:** So, that is how the higher production in Ferro Alloys is justified vis-à-vis merchant sales.

**Sachin Kasera:** Okay.

**G.R.K.Prasad:** So, we have clear flexibility to resort to merchant sale of this part.

**Sachin Kasera:** Right. But I think there is some agreement with the electricity board where you know some percentage minimum we have to consume ourselves, some percentage we can sell outside, what is that ratio Sir?

**G.R.K.Prasad:** That is 51% of whatever generation that takes place. We are well above that.

**Sachin Kasera:** Okay. And what are the type of agreements we have signed for FY09 merchant power?

**G.R.K.Prasad:** Merchant power realization could go up, I would say, by about 10%.

**Sachin Kasera:** Okay.

**G.R.K.Prasad:** Based on our agreement.

**Sachin Kasera:** And this gross block that you mentioned of Rs. 810 crore, does this include the 64 MW that is going to commercialized from May or it is excluding that.

**G.R.K.Prasad:** Rs. 225 Crs out of that is not capitalized as of March 31, 2008.

**Sachin Kasera:** Okay. So, that is what I am trying to...whether there is...

**G.R.K.Prasad:** 20 MW also is partly taken as CWIP.

**Sachin Kasera:** Okay. This Rs. 810 crore includes WIP or it is without that Sir?

**G.R.K.Prasad:** It includes that.

**Sachin Kasera:** It includes that. That is all from my side. Thank you very much.

**Moderator:** Thank you very much Sir. Next in line, we have Mr. Vipul Arora of Aadhar Securities Ltd. Over to you Sir.

**Vipul Arora:** Could you tell us more about the demand for merchant power, how do you see it going forward?

**G.R.K.Prasad:** It is very robust.

**Vipul Arora:** And what would be the effective tax rate going forward?

**G.R.K.Prasad:** We are still going to covered by MAT only...

**Vipul Arora:** Okay.

**G.R.K.Prasad:** For the next three years.

**Vipul Arora:** And any status change for your Hyderabad MRTS project, the bidding?

**G.R.K.Prasad:** Well, we are going through the bidding process. The financial bids are likely to be submitted by end of June.

**Vipul Arora:** Okay.

**G.R.K.Prasad:** I don't think we can comment any more on that now.

**Vipul Arora:** And have you bid for any other infrastructure projects.

**G.R.K.Prasad:** No, this is the one project existing.

**Vipul Arora:** And any bid for any other power projects in any other states?

**G.R.K.Prasad:** No, we have nothing.

**Vipul Arora:** And last question would be on the inventory for both your Chrome ore and Manganese ore as well as your finished product which is Ferro Chrome and Ferro Manganese.

**G.R.K.Prasad:** Yes, the Manganese ore inventory is about...close to about three months, two and a half months to three months.

**Vipul Arora:** Okay.

**G.R.K.Prasad:** Chrome ore is about a month inventory,.

**Vipul Arora:** Okay.

**G.R.K.Prasad:** And finished goods inventory is about couple of months.

**Vipul Arora:** Couple...two months.

**G.R.K.Prasad:** Overall, yes.

**Vipul Arora:** That would be from me. Thanks.

**Moderator:** Thank you very much Sir. Next in line, we have Mr. Ashish Kejriwal from Batlivala & Karani Securities India Pvt. Ltd. Over to you Sir.

**Ashish Kejriwal:** Good morning Sir.

**G.R.K.Prasad:** Hi Ashish.

**Ashish Kejriwal:** Sir, just two questions from my side.

**G.R.K.Prasad:** Yes.

**Ashish Kejriwal:** Firstly, regarding when you are saying about Ferro Manganese, Ferro Chrome ore, Silico Manganese prices, so at what content of, you know, Manganese you are talking about on this front?

**G.R.K.Prasad:** These, see on domestic grade, it is 60% to 65%.

**Ashish Kejriwal:** This is regarding Manganese...

**G.R.K.Prasad:** I am talking about Silico Manganese. Export grade is typically 65% and above. For Ferro Manganese, it is always 70% and above. Ferro Chrome is 60% minimum,

**Ashish Kejriwal:** So, what kind of realizations you are facing domestically as well as international, are there any changes in the realization or it depends on the ore content only?

**G.R.K.Prasad:** If you look at, you know, compared to the average realization from last year, there is a significant change.

**Ashish Kejriwal:** No, as of now, at the present realization.

**G.R.K.Prasad:** Last year, for example, we made about Rs. 52,000/M.T. in Manganese. Currently they are hovering at about Rs. 75,000/M.T.plus.

**Ashish Kejriwal:** Yes.

**G.R.K.Prasad:** And Chrome average was about Rs. 60,000/M.T. last year and now it is about Rs.90,000/M.T. plus.

**Ashish Kejriwal:** When I am looking the figures internationally, this Ferro Manganese in Europe, European high carbon 78%, that is quoting at around 3000 dollar per tonne.

**G.R.K.Prasad:** At delivered price.

**Ashish Kejriwal:** So, when we are talking, this is on FOB only nos.

**G.R.K.Prasad:** Yes.

**Ashish Kejriwal:** So, but know, the freight cost from Europe to India it should be about....

**G.R.K.Prasad:** See, the rates that are indicated usually includes sea freight and the inland freight also. They are usually the warehouse rate.

**Ashish Kejriwal:** Okay.

**G.R.K.Prasad:** So, you need to have...but export rate hovers around Rs. 100,000 M.T. For example, currently high-grade Ferro Manganese which is 75% grade, currently ruling at about Rs. 105,000/M.T. even FOB rate.

**Ashish Kejriwal:** FOB rate you are talking about.

**G.R.K.Prasad:** Yes.

**Ashish Kejriwal:** That is I mean it is more profitable to export presently than to sell in the domestic market.

**G.R.K.Prasad:** Yes. See the domestic market, there is a limitation on the quantum off-take...

**Ashish Kejriwal:** Okay.

**G.R.K.Prasad:** so export is a definite alternative. And in any case we have done close to about Rs. 500 crore export last year.

**Ashish Kejriwal:** Which is as a percentage of your total sales, how much you have exported?

**G.R.K.Prasad:** That was about 80%.

**Ashish Kejriwal:** 80% you have exported?

**G.R.K.Prasad:** Yes.

**Ashish Kejriwal:** So, do you think that, you know, in this next financial year also, you will maintain the same momentum or you will, you know, increase or decrease your geographical mix.

**G.R.K.Prasad:** Exports will definitely be there. I cannot say whether 80% will be maintained, but it will be significantly higher, may be higher than 60%.

**Ashish Kejriwal:** Okay Sir, all the best.

**G.R.K.Prasad:** Thank you.

**Moderator:** Thank you very much Sir. Next in line, we have Vikas from Ambit Capital. Over to you Sir.

**Vikas:** Hello Sir. Congratulations on a good set of numbers. Sir, I would like to know who are all your clients as such, in the sense in terms of exports which all countries are the major exporting destinations for you and in terms of domestic clients, who all...which companies?

**G.R.K.Prasad:** We do exports to Far East, Japan, and Europe.

**Vikas:** Which all...Japan, Europe, and?

**G.R.K.Prasad:** Far East, Korea and all.

**Vikas:** Okay.

**G.R.K.Prasad:** And we go through traders, virtually all big traders are our customers aside from some direct supplies.

**Vikas:** Okay, you go through traders?

**G.R.K.Prasad:** Yes. Domestic is more for the steel companies in public sector, Vizag Steel plant is one...

**Vikas:** Okay.

**G.R.K.Prasad:** And we have Mukand for Ferro Chrome and some others like JSW

**Vikas:** You enter into long-term contract with these players or do you sell on the spot basis?

**G.R.K.Prasad:** These are now done on spot basis only.

**Vikas:** Done on spot...

**G.R.K.Prasad:** Our input costs are getting reset every quarter and the prices are also moving up more on quarterly basis. So, all the contracts are frozen on a quarterly basis.

**Vikas:** The raw material contracts?

**G.R.K.Prasad:** Yes.

**Vikas:** But the finished products are sold on....

**G.R.K.Prasad:** No, finished products also.

**Vikas:** Finished products also on quarterly basis.

**G.R.K.Prasad:** Yes.

**Vikas:** And Sir, your inventory for finished goods, looking at the robust demand-supply situation, your inventory of two months seems to be a higher side.

**G.R.K.Prasad:** No, we had some export shipment which got delayed as of March 31, 2008. These got of course exported in April. That was the reason for higher inventory. Otherwise, one month stock is of course is usual.

**Vikas:** Month inventory is normal.

**G.R.K.Prasad:** Yes.

**Vikas:** Thank you Sir.

**Moderator:** Thank you very much Sir. Next in line, we have Mr. Wiebke Coutinho from Kotak Securities Limited. Over to you Sir.

**Wiebke Coutinho:** Sir, I had couple of questions regarding one was this year you had done 430 million units of merchant power sale. How much you would be targeting this year?.

**G.R.K.Prasad:** Merchant sale, see whatever incremental capacity that is coming on scene this year is meant for merchant sale.

**Wiebke Coutinho:** Okay.

**G.R.K.Prasad:** So, we expect that to be increased by close to about 300 Million Units.

**Wiebke Coutinho:** About 300 Million Units. So, something like 730-750 Million Units?

**G.R.K.Prasad:** Yes.

**Wiebke Coutinho:** You are also looking at a realization increase of around 10%.

**G.R.K.Prasad:** See, the realization merchant sale, yes 10%, but part of the power is earmarked for local utility in Orissa...

**Wiebke Coutinho:** Right.

**G.R.K.Prasad:** Where we will get at the same rate as our transfer price. This is about Rs.2.60/unit or so.

**Wiebke Coutinho:** So, the cost of power...let's say I mean if I look at overall 750 million units at around Rs.4.60/unit –Rs. 4.70/unit as the average, what will be the cost of generation as against cost of....

**G.R.K.Prasad:** No, for the whole of 750 Million Units, you need to take an average of Rs.4/unit. I would say against cost of generation of about Rs.1.90/unit.

**Wiebke Coutinho:** You are making a profit of around Rs. 2.00/unit - Rs. 2.10/unit on this 750 Million Units which you are selling outside.

**G.R.K.Prasad:** Yes.

**Wiebke Coutinho:** Secondly, on the 1050 MW, I missed the earlier part of the concall, I just wanted to find out what is the status in terms of clearances from the government as well as linkage as well as your contribution in terms of equity into this project over a period of next two to three years?

**G.R.K.Prasad:** We are at present a 50% stake holder.

**Wiebke Coutinho:** Right.

**G.R.K.Prasad:** The project is currently going through the last leg of land acquisition.

**Wiebke Coutinho:** Land acquisition, okay.

**G.R.K.Prasad:** Yes, MOEF clearance is already in place...and we expect to have the financial closure done in another six months or so.

**Wiebke Coutinho:** Six months from now?

**G.R.K.Prasad:** From now, and it will take about three years for implementation thereafter.

**Wiebke Coutinho:** Okay.

**G.R.K.Prasad:** And our investment into equity would pan about Rs. 700 crore.

**Wiebke Coutinho:** Over a period of three yeas, that is the overall project.

**G.R.K.Prasad:** That's right. Over a period of let's say four years because this year part of the development cost also would be met equally by both of us.

**Wiebke Coutinho:** Have you signed any PPA for this 1050 MW?

**G.R.K.Prasad:** There is a PPA in place. For the 25%, it is with GRIDCO –that is on CERC tariff basis, which currently comes to about Rs.2.35/unit.And balance 75% is struck with PTC for merchant sales.

**Wiebke Coutinho:** At what rate?

**G.R.K.Prasad:** That is for merchant sale. Part of that, PTC would sell against competitive tenders and part against short-term merchant sales.

**Wiebke Coutinho:** So, PTC will have the trading margin?

**G.R.K.Prasad:** Yes, that trading margin whatever is allowed by CERC.

**Wiebke Coutinho:** According to the project, what is your estimate, Rs.3.50/unit or roughly Rs. 3.00/unit.

**G.R.K.Prasad:** Rs. 3.00/unit is average I think. That is what we would realize.

**Wiebke Coutinho:** And how do you intend to fund this Rs. 700 crore, only from internal....directly from internal accruals?

**G.R.K.Prasad:** Yes.

**Wiebke Coutinho:** Since...

**G.R.K.Prasad:** The generation should support that.

**Wiebke Coutinho:** Should support that. The Ferro cycle was pretty good for 08. For '09, I think it is looking pretty good till now. Last year, you did a PBIT of around Rs.175 crore on the Ferro Alloys side. This year, you might look at around 20% higher than that. So, what is your outlook beyond that, whether company will have enough cash flow to generate this over a period of next four years?

**G.R.K.Prasad:** See, we also have contribution from power.

**Wiebke Coutinho:** Okay.

**G.R.K.Prasad:** We can always make the same kind of PBIT by power sale also. The same power what we generate, when we sell out, we would generate a higher PBIT to compensate the shortfall from Ferro Alloy business if at all we resort to such an arrangement. So, on internal accruals side, we don't hold any concerns.

**Wiebke Coutinho:** How much you have already invested in the power plant till now?

**G.R.K.Prasad:** This is an initial infusion only, about, close to about Rs. 15 crore.

**Wiebke Coutinho:** Rs.15 crore. So, more clarity will come once you achieve the financial closure?

**G.R.K.Prasad:** I would say so.

**Wiebke Coutinho:** Okay. Sir, last question on...you have two land banks, one is in Secunderabad of around 60 plus acres.

**Mr. G. R. K. Prasad:** 68 acres.

**Wiebke Coutinho:** How do you intend to monetize this land bank?

**G.R.K.Prasad:** There are several ways to monetize this, but at the moment our thought process is to have it developed after a couple of years in small parts....

**Wiebke Coutinho:** But have you initiated something on it or you haven't, I mean you haven't decided in terms of plans and other things?

**G.R.K.Prasad:** See, now there are no, you know, administrative clearances required for doing that. This is intended to be tagged along for our investment needs if there is a problem on investment resources.

**Wiebke Coutinho:** Okay.

**G.R.K.Prasad:** So, that is what we intend to do.

**Wiebke Coutinho:** So, if Ferro cycle goes bad in later part of 2009, you can monetize this to fund your power plant?

**G.R.K.Prasad:** Yes, more like...though I wouldn't expect any such situation...

**Wiebke Coutinho:** Yes, but in a worst case scenario?

**G.R.K.Prasad:** Not necessarily for this power project. We have other plans like acquiring some Manganese mines...Like going for small and medium-sized power plants.

**Wiebke Coutinho:** Okay.

**G.R.K.Prasad:** So, those are the investment considerations for which the unlocking will take place.

**Wiebke Coutinho:** Okay and what is the running rate per acre in Secunderabad at your property?

**G.R.K.Prasad:** About Rs. 5 crore per acre.

**Wiebke Coutinho:** Okay. And on the SEZ, your right is 2 million sft.?

**G.R.K.Prasad:** That's right.

**Wiebke Coutinho:** Without any cash investment?

**G.R.K.Prasad:** Yes.

**Moderator:** Thank you very much Sir. Next in line, we have Mr. Deepak Agarwal of Impetus Advisors. Over to you Sir.

**Deepak Agarwal:** Sir, what was your cost of coal in the last quarter and FY08 average cost?

**G.R.K.Prasad:** Cost of coal, you know, there are two components of coal for us. One which is used for Ferro Alloys. It is a high-grade coal, average for last year was about Rs. 2500 and for power grade coal, between the two units, our average cost was about Rs. 950.

**Deepak Agarwal:** And for Q4?

**G.R.K.Prasad:** Yes, Q4 there is no change because the increase took place only in April, so the averages more or less remain.

**Deepak Agarwal:** What is the price since April?

**G.R.K.Prasad:** April, there has been a 10% increase in power grade coal, both coals in fact have moved up by about 10%.

**Deepak Agarwal:** Okay. And the coal that you use, can you tell me the calorific value of those coals approximately.

**G.R.K.Prasad:** For power generations, we use a calorific value of 3500,. For Ferro Alloys manufacture, a part of the reductant is coal where the calorific value is 4500 plus.

**Deepak Agarwal:** Alright. Thank you, that's it.

**Moderator:** Thank you very much. Next in line, we have Mr. Ashish Kacholia of Lucky Securities. Over to you Sir.

**Ashish Kacholia:** Yes. Sir, I just wanted one or two clarifications. When you said 2 million square feet for the SEZ, you said your share is 2 million sft.

**G.R.K.Prasad:** See, it is not that 2 million sft is handed over to us. We have the economic interest to the extent of 2 million sft.

**Ashish Kacholia:** Yes, that's what, that's what I am saying, your economic interest is to the extent of 2 million sft.

**G.R.K.Prasad:** That's right.

**Ashish Kacholia:** Okay, that is one. Second, excluding FCCB, what is the debt you have on your books?

**G.R.K.Prasad:** Excluding FCCB, including working capital is about Rs. 250 crore?

**Ashish Kacholia:** Okay, Rs. 250 crore. And Sir I missed the initial part where you explained your sourcing of ore for your Ferro Alloys business. It would be great if you could repeat that, I am sorry.

**G.R.K.Prasad:** No, see for Manganese ore, we obtain the ore from Manganese Ore India Limited and Sandur Manganese and Iron Ore...

**G.R.K.Prasad:** In India.

**Ashish Kacholia:** Right.

**G.R.K.Prasad:** So, this to the extent of about 65% of our requirement. So, 35% of our requirement is currently met through imports. On Chrome side, about 80% of our ore requirement comes from OMC, Orissa Mining Corporation. And 20% is imported.

**Ashish Kacholia:** And the prices for this as you said are quarterly fixed, right?

**G.R.K.Prasad:** Yes.

**Ashish Kacholia:** So, the pricing is quarterly fixed, but do you have the contracts on the quantum side of it, on the quantity side of it, are those long term in nature or both of them are on the spot basis?

**G.R.K.Prasad:** Our yearly requirement is taken into account by both MOIL and OMC.

**Ashish Kacholia:** Okay. So, you are saying that the quantity of your ore might be contracted, the price will be decided every quarter?

**G.R.K.Prasad:** Exactly, though we have to get the allocations formally done every quarter.

**Ashish Kacholia:** Okay. And my last question would be Sir for your 1050 MW project; if I am not wrong you got a coal mine right, you got an allocation of the coal mine correct?

**G.R.K.Prasad:** Yes, there is a captive coal block allocation to the....

**Ashish Kacholia:** What is the reserve for that coal mine that you have got?

**G.R.K.Prasad:** Our share, that is the SPV share is 112 million tonnes.

**Ashish Kacholia:** Thank you very much Sir. That's it, thank you.

**Moderator:** Thank you very much Sir. Next in line, we have Mr. Bhavin Chheda from Enam Holdings Pvt. Ltd. Over to you Sir.

**G.R.K.Prasad:** Hi Bhavin.

**Bhavin Chheda:** You said your power realizations will improve by 10% in 09 right?

**G.R.K.Prasad:** Right.

**Bhavin Chheda:** So, this year average was Rs. 4.5/unit, so we can assume Rs. 4.90/unit or around Rs. 5.00/unit in FY09?

**G.R.K.Prasad:** Bhavin, I would like to temper that because part of the power goes to GRIDCO in Orissa...

**Bhavin Chheda:** Okay.

**G.R.K.Prasad:** Where our realization is about Rs.2.60/unit.

**G.R.K.Prasad:** Balance power, yes, that is about Rs. 4.90/unit.

**Bhavin Chheda:** No Sir, this year basically you sold around 430 Million Units you said right.

**G.R.K.Prasad:** Right.

**Bhavin Chheda:** So, for 430 Million Units, entire the blended was Rs. 4.50/unit right?

**G.R.K.Prasad:** Correct.

**Bhavin Chheda:** Okay. So, there may be some low cost, some high cost. So, the blended Rs. 4.50/unit may not improve 10% next year.

**G.R.K.Prasad:** Blended power, in the sense the incremental power....

**Bhavin Chheda:** So, next year, blended may improve by 4% to 5% only.

**G.R.K.Prasad:** Yes.

**Bhavin Chheda:** And this 430 Million Units of merchant sale is expected to go to 700 to 750 Million Units.

**Bhavin Chheda:** And Sir on the Ferro Alloys business, it looks like the Q4 margins will be sustainable going forward right?

**G.R.K.Prasad:** Yes, I mean let's say we hold that belief for at least one year.

**Bhavin Chheda:** Of late, last week also because of this China earth quake since the Sichuan province has been the highest exporter of this Ferro Alloys, you have seen some spike last week after the China earthquake in export market?

**G.R.K.Prasad:** There was a spike for Ferro Manganese, yes.

**Bhavin Chheda:** It was US\$ 300 to US\$400.

**G.R.K.Prasad:** Yes, I think yes.

**G.R.K.Prasad:** In high grade Ferro Manganese, there is a spike.

**Bhavin Chheda:** Okay. And your Sir Ferro Alloys pricing is basically on spot basis, it doesn't follow a quarterly contract or something.

**G.R.K.Prasad:** When we say quantity, it is actually quarterly contract. The contracts are signed once in a quarter.

**Bhavin Chheda:** Okay, in terms of finished good, everything, Ferro Chrome, Ferro Alloys.

**G.R.K.Prasad:** Yes,

**Bhavin Chheda:** Okay. Thanks a lot Sir.

**G.R.K.Prasad:** Thank you.

**Moderator:** Thank you very much Sir. Next in line, we have Mr. Abhijit Mitra of ICICI Securities. Over to you Sir.

**Abhijit Mitra:** My question has already been answered, thanks.

**Moderator:** Thank you very much Sir. Next question comes from Mr. Mehul Bhatt of ASK Investment Managers. Over to you Sir.

**Mehul Bhatt:** Just wanted to check, you said that roughly you are looking at a 10% increase on the merchant side, so how much volume do you lock in or how does...what is the strategy I mean, how does one get a sense of that?

**G.R.K.Prasad:** Well the sale volume is already locked in. So, based on that contract price only, I was telling that number.

**Mehul Bhatt:** No, so you contract before the year starts for the whole volume is it?

**G.R.K.Prasad:** No, what we generate or what we expect to generate will be contracted.

**Mehul Bhatt:** Right.

**G.R.K.Prasad:** So that volume is fairly normal. So, whatever increase that might take place over and above would be more like day ahead or spot sales.

**Mehul Bhatt:** Right.

**G.R.K.Prasad:** So, this contract, we know...about what we...

**Mehul Bhatt:** No, I understand volume is predefined, but in terms of how much you sell on spot and what you lock in today, are they two different numbers or...

**G.R.K.Prasad:** No, what we sell in spot is not ascertainable now...

**Mehul Bhatt:** Right.

**G.R.K.Prasad:** Because that is an incidental surplus.

**Mehul Bhatt:** So, how much of the 75 crore Units that you plan to sell on merchant power in 2009 is spot and how much is locked in?

**G.R.K.Prasad:** I would say 750 Million Units, about 700 Million Units are locked in.

**Mehul Bhatt:** So, the large chunk is locked in.

**G.R.K.Prasad:** Yes.

**Mehul Bhatt:** And for the new power assets, what sorts of capital cost are you looking at?

**G.R.K.Prasad:** For the 64 MW?

**Mehul Bhatt:** No, that we know, but for the 1000 MW that you are talking about...

**G.R.K.Prasad:** It is about Rs. 4700 crore.

**Mehul Bhatt:** So, Rs. 4.7 crore per MW.

**G.R.K.Prasad:** Correct.

**Mehul Bhatt:** Okay. Alright, thanks.

**G.R.K.Prasad:** Not Rs. 4.7 crore, it is 1050 MW.

**Mehul Bhatt:** Okay

**Moderator:** Thank you very much Sir. Next in line, we have Mr. Sachin Kasera of Infinity.com Financial Securities Ltd. Over to you Sir.

**Sachin Kasera:** Sir there is some confusion slightly regarding this, you know, realization for this merchant power. You in the initial call mentioned this Rs. 4.50/unit paisa as the average realization for merchant power.

**G.R.K.Prasad:** Right.

**Sachin Kasera:** And then you said you expected 10% increase next year, but the average will be around Rs. 4.00/unit, so it doesn't actually, you know, add up basically.

**G.R.K.Prasad:** No, what I meant is Rs. 4.54/unit is the average realization for 430 Million Units what we made last year.

**Sachin Kasera:** Right.

**G.R.K.Prasad:** Now, for the next year our merchant sale is about 750 Million Units. Of that, roughly about 20 MW which is about 140 Million Units will be sold at Rs. 2.60/unit.

**Sachin Kasera:** Okay.

**G.R.K.Prasad:** And balance...

**G.R.K.Prasad:** will be sold at about Rs.5.00/unit.

**Sachin Kasera:** Okay.

**G.R.K.Prasad:** So, you better take the average along that.

**Sachin Kasera:** And Sir, what was the merchant rate for FY...Q4 FY08, that is the March quarter.

**G.R.K.Prasad:** Merchant...March is about Rs.5.00/unit.

**Moderator:** Thank you very much Sir. Next in line, we have Mr. Rusmik Oza of BNP Paribas Investment Services (I) Pvt. Ltd. Over to you Sir.

**Rusmik Oza:** Yes, just a clarification I wanted Sir. This is Razmik from BNP Paribas. You said the cost of generation of power will go up by only by 10%, that is Rs.1.90 /unit...

**G.R.K.Prasad:** Yes.

**Rusmik Oza:** from April. So, is it for the whole of FY09 that cost of generation will be....

**G.R.K.Prasad:** Yes, we expect so.

**Rusmik Oza:** Okay, because the coal prices have shot up, you know, very high and we are just seeing a 10% increment in cost of generation, so is there any disconnect between these two?

**G.R.K.Prasad:** Not the power grade coal, hasn't gone up so much. So, we are...I am talking about the coal which we source from collieries in AP and Orissa... which raised the prices by about 10% average grade wise.

**Rusmik Oza:** Okay.

**G.R.K.Prasad:** So, that is already done, so I don't expect any more increase beyond that.

**Rusmik Oza:** Okay, thank you Sir.

**G.R.K.Prasad:** Welcome.

**Moderator:** Thank you very much Sir. Next in line, we have Mr. Janish Shah of Quantum Mutual Fund. Over to you Sir.

**Janish Shah:** Yes Sir. I just need a little clarification on the 1050 MW power plant. You mentioned that you have changed your earlier plan by 550 x....

**G.R.K.Prasad:** 520 x 2.

**Janish Shah:** Yes, to 3 x...

**G.R.K.Prasad:** 3 x 350.

**Janish Shah:** 3 x 350. So, is there, I mean any like specific reason for doing so and like how would be the raw material change or sourcing would be done for these three units, I mean one, you have already mentioned that you have already...there is a coal reserve available to you, the coal mine allotted, so how is it going to be like the raw material linkages for these three units going forward....

**G.R.K.Prasad:** You are talking about equipment or...

**Janish Shah:** No, I am talking about the raw material linkages to these...

**G.R.K.Prasad:** For the coal?

**Janish Shah:** Yes.

**G.R.K.Prasad:** Yes, coal linkage has been placed. For example, the linkage of 520 MW in original scheme of things is already there. Another recommendation for second 520 MW is already in place. Aside from this linkage coal, the unit was given a captive coal block, which would enable it to do the power generation at 1050 MW.

**Janish Shah:** So, entire 1050 MW is linked with the raw material, right?

**G.R.K.Prasad:** Yes if you actually see the fuel allocation including coal block you would find that it is meant for about 1500 MW.

**Janish Shah:** Okay.

**G.R.K.Prasad:** So, with additional linkage of 520 MW in the pipeline, it could easily go up to that phase II generation of 1200 MW what we are contemplating.

**Janish Shah:** By 1200 MW.

**G.R.K.Prasad:** Yes.

**Janish Shah:** Okay. And you had also mentioned about land acquisition, there has been a delay happening in that.

**G.R.K.Prasad:** Correct.

**Janish Shah:** Can you just explain the nature of the problem happening out there?

**G.R.K.Prasad:** I wouldn't say it is a problem. See, what we need to do is to make a final compensation.

**Janish Shah:** Yes.

**G.R.K.Prasad:** When you come to the final compensation, all kinds of pressures are coming, that is the problem.

**Janish Shah:** And how long it will take? I mean, it has been delayed by how much and what is the kind of, I mean is it going to...I mean, my apprehension is if it is going to result into a significant delay in the project front.

**G.R.K.Prasad:** No, we are taking it easy because the financial closure is under process.

**Janish Shah:** Yes, that's right.

**G.R.K.Prasad:** Otherwise, we could have closed the land acquisition deal.

**Janish Shah:** Yes.

**G.R.K.Prasad:** So, that I don't think would impact the time of implementation in an anyway.

**Janish Shah:** Okay. You said you have 58% stake in that.

**G. R. K. Prasad:** 50%.

**Janish Shah:** 50% stake.

**G. R. K. Prasad:** That's right.

**Janish Shah:** Could we have other parties who are partners to it?

**G.R.K.Prasad:** We have a partner called Malaxmi Group...

**Janish Shah:** Yes.

**G.R.K.Prasad:** Which was the 50%.

**Janish Shah:** Okay.

**Moderator:** Thank you very much Sir. Next in line, we have Mr. Jignesh Kamani of MF Global Sify Securities India Pvt. Ltd. Over to you Sir.

**Jignesh Kamani:** Sir, depending on current blended mix of say domestic and...can you give the input of ratio for Ferro Manganese in terms of how much Manganese ore and coke and power is required per tonne of Ferro Manganese?

**G.R.K.Prasad:** 2.2 tonnes of Manganese ore is required for ....

**Jignesh Kamani:** Okay.

**G.R.K.Prasad:** For Silico Manganese...

**Jignesh Kamani:** Okay.

**G.R.K.Prasad:** And 4200 units of power is required.

**Jignesh Kamani:** And about coke?

**G.R.K.Prasad:** It is the high grade coal, coal about 1 tonne.

**G.R.K.Prasad:** In Manganese, we use coal.

**Jignesh Kamani:** Okay.

**G.R.K.Prasad:** In Chrome only, we use coke. Coke is about 0.6 tonne.

**Jignesh Kamani:** Okay. And other cost.

**Jignesh Kamani:** other overhead cost will be Rs.5000/tonne?

**G.R.K.Prasad:** Another Rs.6000/tonne.

**Jignesh Kamani:** Okay. And power will be lesser requirement for Silico Manganese, I suppose, sorry Ferro Manganese.

**G.R.K.Prasad:** Ferro Manganese is about 3000 units.

**Jignesh Kamani:** Rest is....

**G.R.K.Prasad:** 3000 units.

**Jignesh Kamani:** Rest is 4000?

**G.R.K.Prasad:** Silico Manganese is about 4200 units.

**Jignesh Kamani:** Okay, okay.

**G.R.K.Prasad:** Ferro Chrome also is about 4200 units.

**Jignesh Kamani:** Okay Sir, thank you very much.

**G.R.K.Prasad:** Yes.

**Moderator:** Thank you very much Sir. Next in line, we have Ms. Abhilasha Satale from Techno Shares & Stocks Ltd. Over to you ma'am.

**Abhilasha Satale:** This is a question like the same like what is the input-output ratio, similar. Sir, you have mentioned it for Manganese ore. Similarly, you could mention it for other products like even for Ferro Chrome and others.

**G.R.K.Prasad:** Ferro Chrome, we require 2.5 tonnes of Chrome ore. Of the 2.5 tonnes, roughly about 20% is lumpy ore and balance is friable ore. And power is 4200 units.

**G.R.K.Prasad:** And coke requirement, in Chrome we use coke, coke is required to the extent of 0.6 tonnes.

**Abhilasha Satale:** That is imported?

**G.R.K.Prasad:** That is imported.

**Abhilasha Satale:** Okay. Fine thank you.

**Moderator:** Thank you very much ma'am. Next in line, we have Mr. Rajesh Prabhudesai of Dipan Mehta Share & Stockbrokers. Over to you Sir.

**Rajesh Pradhudesai:** Yes, good morning Sir and congratulations on great numbers. I have a few quick questions. Sir, in this recent export duty on steel products are we impacted on any of our products and does it have any material impact on our performance?

**G.R.K.Prasad:** No, we are not impacted. Ferro Alloys is not covered by that export duty.

**Rajesh Pradhudesai:** Okay. Secondly, can you...is it possible to give a per unit coal cost for power, if it is possible, broad level?

**G.R.K.Prasad:** It will be about Rs.1.10/unit or Rs.1.20/unit.

**Rajesh Pradhudesai:** And Sir about...I am little confused about the reality projects, in the sense 68 acres in Secunderabad and 250 acres in Hyderabad, both you are not working currently, but there are two projects where you are starting, one in October and one you have 2 million sft. economic interest, can you please help me understand that.

**G.R.K.Prasad:** No, this relates to the SEZ project at Hyderabad which is through a SPV...

**Rajesh Pradhudesai:** Okay.

**G.R.K.Prasad:** Where we have 51% stake. That project is at present going through the master plans and development plans stage. So, that is where we have an economic interest of 2 million square feet through our 51% stake in the SPV.

**Rajesh Pradhudesai:** Okay.

**G.R.K.Prasad:** It is envisaged that about 15 million sft of mixed use space will be developed, by the developer over a period of 6 years.

**Rajesh Pradhudesai:** Okay.

**Rajesh Pradhudesai:** Our economic interest is 2 million sft..

**G.R.K.Prasad:** Yes.

**Rajesh Pradhudesai:** Okay Sir and my last question is about is it that as a strategy we are not expanding more into Ferro Alloys and whatever cash is generated from there will be used to finance for the diversification into power and reality, is it the correct observation or that is the way forward or you are trying to expand into Ferro alloys later.

**G.R.K.Prasad:** Our current strategy remains very focused on power business.

**Rajesh Pradhudesai:** Okay.

**G.R.K.Prasad:** And one more area of interest is acquiring control on the Manganese ore.

**Rajesh Pradhudesai:** Okay.

**G.R.K.Prasad:** So, these two will be pursued.

**Rajesh Pradhudesai:** Okay. Yes, thanks a lot.

**G.R.K.Prasad:** Yes.

**Moderator:** Thank you very much Sir. Next in line, we have Bikash Bhalotia of Ambit Capital Private Ltd. Over to you Sir.

**Bikash Bhalotia:** Hello Sir. Few quick followup questions. Sir, on Silico Manganese, I wanted to know, I mean I believe that in production of Ferro Manganese, some slag is produced which can be further used in Silico Manganese.

**G.R.K.Prasad:** That's right.

**Bikash Bhalotia:** So, how much of slag is produced per tonne of Ferro Manganese.

**G.R.K.Prasad:** It is about one tonne.

**Bikash Bhalotia:** And then you use this slag in production of Silico Manganese or you sell it outside in the market?

**G.R.K.Prasad:** We use it for Silico Manganese.

**Bikash Bhalotia:** It is used. So, how much of this kind of slag is required per tonne of production of Silico Manganese?

**G.R.K.Prasad:** No, I am talking about Silico Manganese only.

**Bikash Bhalotia:** Yes, I am saying how much of this slag is required for production in Silico Manganese.

**G.R.K.Prasad:** That is about 0.3 tonne.

**Bikash Bhalotia:** Okay Sir. And Sir, I wanted to know is there any benchmark followed in the international market for determining Ferro Alloys prices or how is the prices determined in international market?

**G.R.K.Prasad:** There is nothing like a benchmark. International prices are prevalent as in European market...

**Bikash Bhalotia:** So, is there any...

**G.R.K.Prasad:** Far East market .....

**Bikash Bhalotia:** So, is there any big players who set in prices or something?

**G.R.K.Prasad:** Sorry !

**Bikash Bhalotia:** I mean, there must be some agency or some big player who is setting the prices and then rest of the world follows or something like that?

**G.R.K.Prasad:** Yes for Manganese couple of dominant players are there, same is the case for Chrome. The prices are published by some journals, like metal bulletin.

**Bikash Bhalotia:** Okay. And one last question, I mean recently the government has been putting pressure on steel companies to reduce prices. So, they have reduced prices by around Rs. 4000/tonne recently. So, is there any impact on Ferro Alloys producers who sell to these steel players. Are steel companies putting pressure on Ferro Alloys producers to reduce prices?

**G.R.K.Prasad:** I don't think that Rs. 4000/tonne shows a decreasing trend.

**Bikash Bhalotia:** You are saying that Rs. 4000/tonne is only...the actual decrease or increase is nothing like that.

**G.R.K.Prasad:** I don't think there is a tangible decrease, but in any case we don't have pressures from the steel companies.

**Bikash Bhalotia:** We don't have any pressure or you are able to sustain the pressure?

**G.R.K.Prasad:** No, we don't have any pressure.

**Bikash Bhalotia:** You don't have any pressure. So, you are able to sell it at the price which is determined internationally.

**G.R.K.Prasad:** Yes.

**Bikash Bhalotia:** Okay, thank you Sir.

**Moderator:** Thank you very much Sir. Next in line, we have Mr. Harish Jain from Religare Securities. Over to you Sir.

**Harish Jain:** Sir, just a follow-up question. Just now you said that I mean the steel companies are not putting any pressure on the Ferro Alloys to reduce the prices. So, I understand that Ferro Alloy is a small cost element in the production of steel. So, what is the kind of tonnage that is required in KGs or something for production of a tonne of steel like?

**G.R.K.Prasad:** For Manganese....

**Harish Jain:** Yes.

**G.R.K.Prasad:** Manganese is used in very small quantity...

**Harish Jain:** Yes.

**P. Trivikrama Prasad:** It's not, you know, like about 2 to 4 kgs like that for a tonne of steel. It is a small quantity, but Ferro Chrome is required for about 20% to 25% in stainless steel.

**Harish Jain:** That is stainless right.

**G.R.K.Prasad:** Yes stainless.

**Harish Jain:** And this...

**P.Trivikrama Prasad:** This in kgs is very little, I mean like 4 to 5 kgs or something like that.

**Harish Jain:** Okay. And this reduction in price is not applicable to stainless steel products, is that so?

**G.R.K.Prasad:** Yes, it is not.

**Harish Jain:** Okay, right.

**P.Trivikrama Prasad:** It is only for carbon steels and you know...it is only for construction.

**Harish Jain:** Yes, right, right. Okay.

**Moderator:** Thank you very much Sir. Next is a followup question from Bikash Bhalotia of Ambit Capital. Over to you Sir.

**Bikash Bhalotia:** Hello Sir, Bikash Bhalotia here. Sir, my question was regarding your profitability in the power as well as in the Ferro side. On the PBT front, you made around Rs. 180 crore in Ferro and close to Rs. 211 crore in power. If I look at your number in terms of profit from the merchant...merchant side which was like 430 Million Units at around Rs.2.00/unit, it comes to around Rs. 90 crore. So, one should expect that the balance profit is for Ferro?

**G.R.K.Prasad:** Ferro Alloys also is giving us about a Rupee plus per unit.

**Bikash Bhalotia:** Pardon me Sir?

**G.R.K.Prasad:** What is the cost of generation you are taking for the power?

**Bikash Bhalotia:** For power, I am taking a realization of Rs.4.00/unit and a cost of around Rs. 2.00/unit, so I am looking at a profit of Rs.2.00/unit in the merchant side, in that I am getting a merchant profit of around Rs. 90 crore ....

**G.R.K.Prasad:** Okay.

**Bikash Bhalotia:** Roughly. Your total power profit as per your segmental is Rs. 211 crore rupees. So, if I net that Rs. 90 crore, I am left with Rs.120 crore which would be part of Ferro Alloys because you transfer power to the Ferro business at a predetermined price of Rs. 2 .60/unit or Rs. 2 .80/unit as per the price of the grid. So, if that was not the case and if you had...

**G.R.K.Prasad:** No, for example, in merchant sale, the profit you have to assume at about Rs. 2.50/unit.

**Bikash Bhalotia:** And the realization is Rs.4.00/unit, okay.

**G.R.K.Prasad:** And as far as Ferro Alloys is concerned, it will be about a Rupee.

**Bikash Bhalotia:** Of cost?

**G.R.K.Prasad:** Yes, One Rupee I mean profit.

**G.R.K.Prasad:** So that the....

**Bikash Bhalotia:** Profit is for Ferro Alloys.

**G.R.K.Prasad:** .Profit for merchant sale will be about Rs.2.60/unit.

**Bikash Bhalotia:** This would be the profit...

**G.R.K.Prasad:** And for internal consumption, it would be about Rs.1.00/unit.

**Bikash Bhalotia:** But Rs.2.80/unit is the profit you are looking at?

**G.R.K.Prasad:** Yes.

**Bikash Bhalotia:** And so the balance profit is for Ferro Alloys. So, the Ferro Alloys business would have made actual profit of around Rs. 260 to Rs.270 crore business.

**G.R.K.Prasad:** Yes.

**Bikash Bhalotia:** If that was, I mean from the accounting point of view, right?

**G.R.K.Prasad:** Right.

**Moderator:** Thank you very much Sir. Next is a follow-up question from Mr. Ruchit Mehta of HSBC Asset Management. Over to you Sir.

**Ruchit Mehta:** Yes Sir, just a small clarification on your merchant sales, you mentioned that going into fiscal 09, there could be a dip into the average realizations for Rs. 4.5/unit to 4/unit.

**G.R.K.Prasad:** No, we have an incremental generation coming in.....

**Ruchit Mehta:** Okay.

**G.R.K.Prasad:** Roughly about let's say 300 Million Units because of this 64 MW being operational for 10 months. Of that, about 20 MW we will be selling at between Rs.2.50/unit to Rs. 2.60/unit to GRIDCO. Balance power including the last year power will get sold at around Rs. 5/unit.

**Ruchit Mehta:** Okay.

**G.R.K.Prasad:** That is the average we need...

**Ruchit Mehta:** So, let's say... I mean if I were to assume...

**G.R.K.Prasad:** I gave the average figure for the incremental generation.

**Ruchit Mehta:** Okay. But average for the companies whose external sales...would it be fair to assume it will be same or at least Rs.4.5/unit ....

**G.R.K.Prasad:** Yes

**Ruchit Mehta:** And captive would again be the same at Rs.2.80/unit.

**G.R.K.Prasad:** Yes.

**Ruchit Mehta:** Okay fine, thank you so much.

**G.R.K.Prasad:** Yes.

**Moderator:** Thank you very much Sir. Next is a follow-up question from Ms. Abhilasha Statale of Techno Shares & Stocks Ltd. Over to you ma'am.

**Abhilasha Satale:** Sir, you mentioned that you have quarterly contracts for your raw material. Sir, what is the cost currently you are incurring on your raw material , if you could say.

**G.R.K.Prasad:** For Manganese ore, it is about Rs.11,000/tonne.

**Abhilasha Satale:** Okay. And for...

**G.R.K.Prasad:** Chrome ore is about Rs. 16,000/tonne.

**Abhilasha Satale:** This is domestic?

**G.R.K.Prasad:** I am giving the blend cost for both per tonne.

**Abhilasha Satale:** Okay. So, this is average, domestic as well as international.

**G.R.K.Prasad:** Yes.

**Abhilasha Satale:** And then what is the difference between domestic prices and international prices like?

**G.R.K.Prasad:** About...see there are two different grades, so the consumption also varies.

**Abhilasha Satale:** No, but Sir, means overall, average like you said that 65%...

**G.R.K.Prasad:** Yes 65%, for example, the export grade purchase was a little...about 5000 rupees more...

**Abhilasha Satale:** Okay fine, thanks.

**G.R.K.Prasad:** in terms of Manganese.

**Abhilasha Satale:** And for Ferro is...

**G.R.K.Prasad:** Ferro Chrome, there is not much of a difference between export and domestic.

**Abhilasha Satale:** Okay fine, thank you.

**G.R.K.Prasad:** Yes.

**Moderator:** Thank you very much ma'am. Next question comes from Mr. Vijay Priyolkar of Private Investor. Over to you Sir.

**Vijay Priyolkar:** I have only one question. I would like to know whom I am speaking to?

**G.R.K. Prasad:** I am G.R.K. Prasad.

**Vijay Priyolkar:** Thank you Mr. Prasad. I have no questions.

**Moderator:** Next question comes from Mr. Shirish Kumar Reddy of PCS Securities Limited. Over to you Sir.

**Shirish Kumar Reddy:** And about the SEZ that you are developing, so you said we will have about 2 million square feet....

**G.R.K.Prasad:** That's right.

**Shirish Kumar Reddy:** Of economic interest. So, out of 2 million sft, what is the allocation for IT, commercial, and residential?

**G.R.K.Prasad:** I would say about 40% will be IT.

**Shirish Kumar Reddy:** 40%.

**Shirish Kumar Reddy:** And commercial?

**G.R.K.Prasad:** About 20% will be commercial.

**Shirish Kumar Reddy:** Rest is residential.

**G.R.K.Prasad:** Yes.

**Shirish Kumar Reddy:** So, that should be 40-20-40 for IT, commercial, and residential.

**G.R.K.Prasad:** That's right.

**Shirish Kumar Reddy:** And about the power Sir, different units and the number of units generated.

**G.R.K.Prasad:** Oh, you need breakup unit-wise.

**Shirish Kumar Reddy:** Yes.

**G.R.K.Prasad:** Yes, I can give that separately,

**Shirish Kumar Reddy:** Okay, not a problem, thank you.

**G.R.K.Prasad:** Okay.

**Moderator:** Thank you very much Sir. At this moment, there are no further questions from the participants. I would like to hand over the floor back to P. Trivikrama Prasad, Executive Director, Nava Bharat Ventures Limited. Over to you Sir.

**P.T. Vikram Prasad:** Thank you very much for taking the trouble of participating and I hope you have clarified all your questions and if you have any further clarifications, you are always welcome to 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.

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