



“ITD Cementation India Limited Conference Call”

May 11, 2012



MODERATORS: **MR. ADUN SARABAN**
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 MR. SUNIL SHAH SINGH
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Moderator: Ladies and gentlemen, good day and welcome to the ITD Cementation earnings conference call, hosted by Angel Broking. As a reminder for the duration of this conference all participants' line will be in the listen-only mode. There will be an opportunity for you to ask questions, at the end of today's presentation. If you should need assistance during the conference call please signal our operator by pressing * followed by 0 on your touch tone phone. Please note that the conference is being recorded. I would now like to hand the floor over to Mr. Abhimanyu Sofat, thank you and over to you sir.

Abhimanyu Sofat: Thanks a lot moderator. Good evening ladies and gentlemen on behalf of Angel broking I would like to welcome you to the 1QFY12 conference call of ITD Cementation. It is my pleasure to welcome Mr. Adun Saraban, Managing Director of ITD Cementation, Mr. S. Ramnath, CEO of the Company and Mr. Sunil Shah Singh, Corporate Advisor to ITD Cementation. Now I would like to hand it over to Mr. Saraben to briefly tell everybody of the company ITD Cementation and then after that Mr. Ramnath will give you details about the quarterly's performance. Mr. Saraban over to you sir.

Adun Saraban: Good evening, ladies and gentlemen. I am Adun Saraban, Managing Director of ITD Cementation India Limited. Actually ITD Cementation India Limited is a subsidiary of the Italian High Development Public Company Limited, which is the largest contract company in Thailand. The company has done the business for almost about 75 years and almost of the history there have been belonging to the foreign company so one can say that ITD Cementation India Limited is the multinational company. So the major strength of the company from the beginning till now is the foundation work and now we have another area which also is the strength of the company and done very well for almost 19 years which (indiscernible) 2.31 work and after the Italian High Development Public Company has taken over it in 2004 end or almost about 2005 onwards. We diversify and doing in so many areas where we collaborate our foreign company's trends. We are now almost successful in doing the project in the joint venture with the foreign company seven projects, out of which 2 project is already completed and we believe that it is okay in the next three to five years ITD Cementation India Limited can be qualified itself for almost its major projects that is currently undertaken in India now and I believe that is we have the unique advantage among our fellow in the industry where we have credentials and people from our parent company came to join hands with us for almost the type of the projects being done in India so that is one advantage that we have and the amount that we spend and move forward in this direction.

For the current scenario that is I believe that it is operation that this is the scenario of the uncertainty but we believe that Indian economy still remains positive because the government



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of India is fast emphasizing of the infrastructure project that is if you look at the Twelfth Five Year Plan which is almost twice of the Eleventh Five Year plan. So that is the reason positive in growth but however there is pressure on the high interest rates and the political risk and upward trends in the commodity price that would be cause of a concern and it is like a speed breaker delaying almost BOT or PBT I believe that government is doing something but until analyze that these actions from the government materialize the competition in the Indian market that it becomes tougher and tougher because it is many new players entry into the Indian market even from the overseas who is suffering economy down to elsewhere, I was so keen to tap into the vast potential of the Indian market. This affects more or less our overall performance but to overcome this problem and to whether to come out from this situation the company targets our major turnover from the Mali and South Asian which is our strength. Another area is from the projects where we leverage our parent company or the project where we can joint venture with our parent company in these three areas. I mean South Asian, Mali, and joint venture with the parent company hovering about 20% of their turn over. That is quite to adapt whatever turnover we targeted or margin we targeted, it could be protected, so because of overspend and by doing this I believe that we can overcome this problem where we can achieve our target. In this year budget we have target our growth is about 14% to go from 1700 Crores to 1950 Crores of the turnover that it is targeted and has been challenged because I believe that there is many companies now even target negative growth, but considering the work flow new order flow from January onwards till April, we see almost about 1200 Crores that is we quite believe that our targets more or less is near to what we have budgeted. This is over base of this year target and strategy how to overcome the problems and to achieve the target.

Abhimanyu Sofat:

Thank you sir. Mr. Ramnath can you add little bit of flavor to the quarterly numbers sir?

S. Ramnath:

Thank you Abhimanyu. I just wanted to say that on a standalone basis in the first quarter of this year for us January to March is the first quarter because our financial year is from January to December, so in the first quarter of this year we have achieved a sales of RS.384 Crores against the Rs.326 Crores in the comparable quarter that is about 11.5% higher than the comparable quarter last year and about 17.5% higher than the previous quarter that is October to December quarter of last year that was Rs.374 Crores and the bottom line has improved quite substantial line and we have made a 303% increase in the net profit after tax at Rs.1195 Crores as against Rs.393 Crores in the corresponding three months of the last year.

On an overall basis if you see, last year, full year we made RS.1297 Crores as a topline sales and a bottom line of Rs.22.5 Crores, so almost you can say a 50% of last year full year's profit we have been able to achieve in the first quarter. Consolidated results are also almost in the line it is the standalone numbers in the growth wise I am saying around 9% growth on quarter on



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quarter basis and a 15% growth over the last quarter of last year that is October to December. Bottom line is again about as I said last year Rs.350 Crores quarter on quarter and full year the same. In other case the consolidated net profit and the standalone net profit will be the same because this is the joint ventures with our parent company that gets consolidated. We do not have any operating subsidiary company. Now profit wise there has been a improvement in margin which is evident in our profitability so right now our PBT levels are at about 3.2% of revenue in this quarter in comparison with 1.6% in the corresponding quarter last year and overall year basis for a full year we have made a PBT 1.5% against that it is 3.2%. So I think all around we can see some improvement in the performance this quarter, so that summarizes our performance. I am open to answer any questions, our Managing Director and Sunil Shah our corporate advisor would be glad to address any question that any of you may have.

Moderator: Thank you very much. We have our first question from HR. Gala from Quest Investments. Please go ahead.

HR. Gala: Congratulations for the good set of numbers. Sir I wanted a small bit of clarification that income tax rate, which was 55% in calendar year 2010 came down to 20% in 2011 and similar decline we can see in this first quarter also. So what would be the effective tax rate going ahead?

S. Ramnath: There is no change in tax rate, Mr. Gala. Basically, the tax provision includes not just the current tax but also the deferred tax effect, so in earlier years when the tax rate were higher the deferred tax element debit, provisions for deferred tax effect. In the current year there is a reversal. In other words in earlier years whatever excess provisions in deferred tax has been credit. Therefore there is a credit because of that. That is why PBT and PAT in the last year were almost the same at Rs.22 Crores. Going this year also we do not expect a deferred tax to be higher because there would be a credit in deferred tax, but that would not be as big as last year. The effective tax rate remains the same for any company that is at 30.9%.

HR. Gala: That is true but including the default tax liability or the reversal thereof like what would be the total tax we can expect; will it be around 20% to 25% range?

S. Ramnath: This year it would be around you can say around 26% to 28%.

HR. Gala: My second question pertains to what is the current pending order book position?

S. Ramnath: It is around Rs.3600 Crores.



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- HR. Gala:** Do you think this particular level of order book is slightly less considering that we are aiming around Rs.1950 Crores type of turnover in the current year. So are we likely to get into the other areas of operations beyond some of them where we have had the technical advantage?
- S. Ramnath:** As our Managing Director addressed just explained we are already working on many strategic initiative which he will be able to explain. I will request him to explain to you.
- Adun Saraban:** Yes one area that is the company missing quite some time, but is now we have started to crack in this market where we can use our parent company's strength, in that sense I believe it is a good sign of this thing, because of the ethical, in the last two months only let us say Rs.100 Crores so that we believe that in the coming months to come we will secure more is about 600 something. This is a new area and good area for us.
- HR. Gala:** Is it under which vertical sir?
- S. Ramnath:** It is across. Industrial when we say companies let us say power plants or oil and gas companies which are going for expansion and other things, for which civil components involved in the form of piling or foundation or building. The main plant building or the balance plant building, those kind of things, so what Saraban was trying to say is our role in this going down, we have arrested and started gaining in that area.
- HR. Gala:** I understand and the last question from my side is as far as road projects are concerned we have gone to have single percent still lot of things are standing in our books we understand that the bidding process and the award of the contract process have been expedited and more transparent and fair. Do you think that in future you would like to road projects once again?
- S. Ramnath:** Mr. Saraban will answer for that.
- Adun Saraban:** We are open to take it but with consciously that is we will see until as I said, until the government actually visible and materialize then we will revisit on these things.
- S. Ramnath:** Mr. Gala one thing the road projects that have been announced recently by NHAI have all be on BOT basis and we have an EPC contracts wherefore we do not take up BOT projects and being a foreign company we have constraints in taking the BOT projects, so therefore we do not take that is one thing and the second thing is consciously we want to take only those projects in EPC even in road sector which are profitable as a contractor. So if there are people who have taken BOT players who have taken and who want to use our expertise in constructing those roads we are open to that. That is what our MD was saying.



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- HR. Gala:** Yes sir I understand so we do not form any consortium with anybody to get the BOT type of PPD projects?
- S. Ramnath:** No we do not have any plans in that direction.
- HR. Gala:** Thank you very much and wish you all the best.
- S. Ramnath:** Thank you.
- Moderator:** Thank you. The next question is from the line of Nitin Arora from Angel Broking. Please go ahead.
- Nitin Arora:** Hello good evening sir. First can you give us the breakup of the order book segment wise as in what sector would be contributing to the order book sir?
- S. Ramnath:** See presently our order book has around 80% concentration from Marine and Specialist works. When we say Marine and Specialist work you know these are piling and foundation work across different industrial sectors that we are doing from the beginning known for in India as a quality company and then we have about 7% in the private sector road projects we are constructing about 8% in airport and urban infrastructure project and about 3%-4% in other areas than tunnels and irrigation projects.
- Nitin Arora:** Okay and secondly what would be the normal execution period for these projects on an average basis?
- S. Ramnath:** If you were to look at the structure of our backlog that would be about 22 months of work today. If you take my last year sales as basis we have 22 months forward work with us but we expect this to grow during this year.
- Nitin Arora:** Okay and sir what segment would ITD would expect to enter into the future and what would be the sectors which would be going into the order book?
- S. Ramnath:** Across all the sectors, we expect contribution and we continue to grow in areas where we are strong that is specialist work, piling foundation, marine, MRTs, and there are quite a few projects coming up in MRDs. These are some of the areas where you would expect to grow. As you know we are doing already metro almost in all the cities where the work is going on, Jaipur, Bangalore, Kolkata and Delhi. Delhi we have almost completed the projects, so we are looking at wherever there are metro opportunities coming up including the expansion in Kolkata and Delhi, we are addressing all these opportunities. So we expect to be in that area and including



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of course in marine we expect to grow that area quite well and piling in foundation and as Mr. Saraban explained some time back we are making a let us say we are recapturing some of the lost market we had in industrial we have made a good beginning in the beginning of this year in that direction.

Nitin Arora:

Sir coming back to the EBITDA margin

Sunil Shah Singh:

My name is Shah SingS. Ramnath if will you allow me to add a little bit to that; the emphasis in the country is quite clearly infrastructure, I went to a infra conference some two days ago and Kamal Nath was present and he was talking about \$500 million investment having been completed in the last leg and a trillion dollar investment planned for the Twelfth Plan. Now that is doubling, that is very, very significant in that infra and if you look at the total infra construction, civil construction is ballpark 60% of that it is a very significant growth and a very significant market we are looking at. Now how is our company positioned? I think we have been through an ordeal by fire in the road projects that we have took on. Fortunately the bulk of that is behind us now. So what else have we done that positions us well for the future? We are executing and nearing completion on Kolkata Airport, we have completed the Ahmedabad Airport in joint venture with Prathiba and on MRTs system we are virtually the largest contractor of the Delhi metro has and Delhi Network is the only one which has done significant work. We are doing all the track work for the Bangalore Metro. We are doing significant network for Jaipur metro and every single city with the population of over a million and now we are looking at the second tier cities not just first tier, we are planning for the metro. The Urban Development Ministry believes that any city with a critical mass of the million people and you inevitably get satellite developments around it for another million we got two million people to serve the conventional means of transport other than the mass rapid transit. So MRTs is going to be the big thing that is going to happen and we are positioned rather well having probably the largest reference list in the country for that. So urban infra to cater to the movement from a rural to urban and one other statistics came up that was interesting that for the first time growth in the urban centers in actual numbers and not percentage but the actual numbers was higher than in the rural areas but that is a significant statistics and these people have to be catered to. So having done airport or having established good track record in the airport, having established good track record in the MRTs system, we are now also moving into water and sewage is also a big area of development. We have picked up water transportation contract in Kolkata and a micro tunneling contract for water transport in Maharashtra area. But we are equipping ourselves to really look into urban area business as well.

Nitin Arora:

Okay and sir lastly coming on to EBITDA margins the margins have gone up in the first quarter CY12 and going ahead how should we see the margins for the full year?



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- S. Ramnath:** Let me try to give some perspective to this. We earn our EBITDA margins are in line with industry which is about 11% whatever, but what happened is it has improved because as our Managing Director and also Mr. Shah Singh explained some time back that earlier those road projects which had the higher share in the overall sale have coming down significantly this quarter and that road projects had a lower margin and that has brought down the overall margin so we expect now with almost the completion of that project those kinds of projects are no longer in our backlog going forward we should be able to maintain this margin at least this year unless we get a large commodity shop we do not expect that. So I think our 11% of EBITDA margins are retainable.
- Nitin Arora:** Okay and sir if I may ask one more question the company was looking to lower the interest cost so any development on that front?
- S. Ramnath:** No it has happened. Some banks have already intimated to us that that they have brought down the interest rates at 0.25% but going forward I think that should gather momentum and every day we are getting some conflicting signal from RBI and banks really none of us are able to come to any clear judgment on that but independent on that it is our efforts with our banks to reduce the interest rates purely based on our better performance and others, better rating that we should get going forward are continuous and we expect that to bear fruit.
- Nitin Arora:** That will all be from my side and thanks a lot for the answers.
- S. Ramnath:** Thank you.
- Moderator:** Thank you. We have our question again from the line of HR. Gala from Quest Investments. Please go ahead.
- HR. Gala:** Sir just in continuation of the previous question after the gentleman regarding data in the interests, because in overall scheme of things last year Rs.106 Crores was a very a big chunk of money going out of the company, now our debt level at 1.61 that is the net debt to equity ratio any thought process on how do we reduce the total quantum of debt going ahead?
- S. Ramnath:** Reducing debt is high and it will come only in two ways either you infuse further equity or you allow the company to improve to operations. Which is happening, but that is a slower process. You will appreciate this, Mr. Gala. Operating cash flows have to improve and that goes on to reduce your debt. So you should have like a blood transfusion of equity. Now for that to happen it is difficult in our case because our parent company is already holding 70% and limitation to add equity is very limited because the parent cannot bring in more equity and they will have to delist, we cannot exceed 75% so for a company like us to bring in additional equity is there is



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very little room for additional equity from the promoters, now for dilution in today's market you will appreciate there is very little scope with the kind of valuations that are going on despite good performance if valuations improve most certainly, I am sure our promoters and our management and board will be definitely looking at all options.

HR. Gala: So just as a corollary you said that the operating cash flow improvement will be a little bit a slow process now that may happen two ways, one will be your EBITDA margin will expand which has already expanded and second thing will be the type of projects that we take do you look at the turnaround time of the project execution getting contracted so that the working capital cycle improves?

S. Ramnath: See working capital cycle is also depended upon not that what we do but what is prevalent in the industry and the economy if some of our customers are passing through a little bit of our liquidity of a difficult phase there is bound to be reflected in our own payments and stretching of the work-in-capital cycle, but despite all that on an average basis we have brought down our debtor days by about 7 to 8 days last year. In this quarter also to about 140 days from about 147 days same last year. So all our efforts are on to reduce our working capital cycle, but the real change will happen if you have seen our balance sheet then all those arbitration awards that we have won we start receiving money. It has happened last year in a small way, further we will start receiving this year and in a year or two I think you will find a dramatic change in that.

HR. Gala: I think rough we have to receive about 174 Crores going by all the qualificatory notes that come in?

S. Ramnath: Yes I would say about 130 to 140 Crores, receivables and work-in-progress which are under claim.

HR. Gala: Thank you Sir.

Moderator: Thank you. The next question is from the line of Madan Gopal from Sundaram Mutual Fund. Please go ahead.

Madan Gopal: Good evening Sir. I have some questions on the metro front. You were talking about metro being a big opportunity, and I understand that, lot many projects are being planned but none of them have come to a bidding stage for more than a year now, so can you give some kind of view on what is the current status on Delhi, phase III metro and the Kochi metro, the Amritsar, Chandigarh, Ahmadabad these projects were likely to come to bidding stage this year itself, but got delayed so what is in your sense when we they can actually come to the table for bidding?



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- Adun Saraban:** I would like to advice as to is let us start with the MRTS phase III we have seen phase III is okay we participate almost of the underground MRT and now is one contract that already submitted is not open and the other one that is going to be submission is due on 22, that is also is a very large project. It is 1000 Crores more. So we know we will participate. That is the DMRT and even it is large churn project phases 27 also is in base submission in a couple of months that is also we will participate. That is DMRT phase III, almost is 1000 Crores plus project and on the Kolkata project that is track laying for almost of the MRT both underground and elevator that is already submitted but not open. Kolkata track laying for the whole stretch of the MRT both elevated and underground the tender already submitted but it is not open. So there is a tender bidding prepared on the process of the evaluation but not open, but we believe that it is in the couple of weeks not more than four week that is DMRT would be opened at least one or two tenders.
- Madan Gopal:** Okay but what is the status on other metro projects Sir. The second tier cities where they stand because they have been talking for a long time?
- Adun Saraban:** Yes they are talking for a long time, but it is not materialized like Mumbai MRTs. They are talking on the underground MRT quite a bit already but it is not floating and Bangalore is metro link 33 km from the airport to the city that is almost initiate for a year but it is not taken up, so that is a belief that is PPT or BOT projects is almost expected by like in phase and investment from the foreigner or something that is effect and delayed project quite a bit, at least in the next six months.
- Madan Gopal:** Kochi Metro?
- Adun Saraban:** Kochi yes on the truck laying also that is so far it is prequalification stage or even tenders have not come out yet.
- Madan Gopal:** Ahmadabad?
- Adun Saraban:** Ahmadabad yes now is the Meka (ph) who is the agency who handles this project already on the process for selecting for south end so one is they cannot appoint from south end. The tender may come in the one or two months. That is for sure we will participate.
- Madan Gopal:** Chandigarh?
- Adun Saraban:** Chandigarh so far it is in prequalification and none so much yet. But we know that it is a project if somebody is not (indiscernible) 33.13.



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- Madan Gopal:** So it looks like Bangalore, Delhi these may come up immediately but others will take a lot of time?
- S. Ramnath:** Kolkata metro will come up for track laying work.
- Madan Gopal:** So that is quite significant for a company. Sir which are the other you talked about industrial buildings you plan to enterprise into but before going to that just want to understand in the metro project how is the competition I think lot many people are now cleaning up for this project and number of players bidding has increased significantly?
- Adun Saraban:** Yes in MRT as I shared with you there are lot of competition that is one tender is more than 10 or even 20 bidders participate but if you see the underground MRT that is where we have done successfully in Delhi, more or less it is around four to six bidders that is earlier where we look at or we will be aiming for.
- Madan Gopal:** This four to six bidders include L&T, you, Soma, am I right?
- Adun Saraban:** If you see none of them that can be single they always joint venture with foreign company, L&T, and someone, Soma Amigo with someone that is but for us we can only go with our parent company. That is one good thing.
- Madan Gopal:** That is great, and so competition is relatively lower, so margins can be better in the underground construction?
- Adun Saraban:** Sind is a very large project in the FO list number that is last.
- Madan Gopal:** So you were talking about industrial projects that are being the new area of focus but I suppose lot of competition is there in that space as well so is there anything that is unique to you that you believe you will win orders or make better margins compared to others in this space?
- Adun Saraban:** The industrial where we are looking for is like power plant like industrial plant there is almost negotiate, or even the private owner so that more honest the foundation for this plants done by us so that they know to us already or even finance knowing us very well on this thing, that is the continuity of that, so there is very competition comparing to the projects on the government, roads, elevators, like this it is very less.
- Madan Gopal:** But sir is there any opportunity because industrial CapEx is under severe constraint now, steel is surplus, cement is in surplus, so the Industrial companies, the engineering companies will



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service to these sectors are all painting a very bleak picture so is it right time that we have entered or are you seeing enough inquiry in that?

- Adun Saraban:** I appreciate one thing, when we talk on the industry, industrial project is unlike road or elevators where they call in linear meters that is 6-km, 72-km, 70-km passing through so many area and land acquisition problems and enforcement problem but industrial is you are seeing in a confined area where there is no problems of these things, so that is probably it is only internal problems so once that contract is awarded and we put a large cheaper that is what is compared that we have clocked the first thing.
- S. Ramnath:** To elaborate what Mr. Saraben said, Mr. Madan Gopal take an example power plant you know how much capacity that we have added in the year and all these plants some of them over a last one year have been hold for fuel and other reasons. Now they all are taking of again. It is not as if they were all 100% complete and physically all the projects you see there is a construction component of around 30-40% in every project, now as Mr. Saraben said in many of these customers we were earlier or even today doing a lot of their piling and foundation work anywhere for their plant.
- Madan Gopal:** For the boiler structures?
- S. Ramnath:** Yes that is right. For us to take it over from there was another further piece of negotiation. That is all. They know our quality and deliverable.
- Madan Gopal:** Okay here you work with companies for example BSNL?
- S. Ramnath:** I will give you example see Adani Power then we are similarly I am saying that are typical power plants like these are many coming up.
- Madan Gopal:** But general understanding in the market is whatever was supposed to be or the number that you are talking about 1 lakh mega watt the general understanding is most of these orders have been placed, the construction delays?
- S. Ramnath:** I agree, but we are not talking of very big numbers here. I am not talking of picking up 10,000 Crores or 6000 Crores of industrial business. I am talking about diversifying a further into my product mix. We are a 2000-3000 Crores company adding to 300-400 Crores of orders of quality and these are short term deliverables certain margins and completion without too much of hassle. These are the type figures we are talking and we are not very, very challenging.



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- Madan Gopal:** Is there any other area where your parent is present and you are still looking at doing it in India?
- Adun Saraban:** It is one that in Delhi is of interest and we are targeting quite long but that has not happened is man housing, that is a delay that is this is like nation or policy of the government that is to be launched for every state for the man housing but it does not happen in a big way now but we will wait and see how our MDA start on man housing how to be competitive and how to get it there. We believe that is forthcoming that is okay we have been tapping this market.
- Madan Gopal:** Okay what is the net debt right now in the book?
- S. Ramnath:** It is about 600 Crores.
- Madan Gopal:** Effective interest cost?
- S. Ramnath:** It is around 14% and now it just come down by 13.75% average I would say.
- Madan Gopal:** It looks like higher compared to the other construction, is there any need particular reason why?
- S. Ramnath:** No it is not higher because in our case these are all working capital debt these are the normal rates at which most companies borrow 13.5% to 14% is the average rate. I do not think most companies, some AAA companies may have half of percent lower rate, but by and large Mr. Madan Gopal this is the rate everywhere.
- Madan Gopal:** Sir any chance of reduction in working capital and using cash flows so that you can pay this off or the hope of reducing debt is mostly linked to the recovery from disputed clients?
- S. Ramnath:** Yes both, it is an action, joint action plant, improvement in cash flows. If you see for example last year, although we made a net profit of around 22.6 Crores our cash profit is nearer about 60 Crores so that and similar this year we expect this trickle down and have an effect on this to reduce the debt we do not have any major CapEx plans, about 30 to 35 Crores of incremental CapEx so we expect these to improve and then we would have recoveries flowing in about from the older claims and other things. I think we expect that to happen. Major equity infusion we have not planned unless market does improve something in a big way that can happen, but as I said we are a foreign company with 70% held by my parent company and room for additional equity it does not exist actually.
- Madan Gopal:** Thank you for taking my questions.



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- Moderator:** Thank you. We have the next question is from the line of Ajay Sheth from Quest Investment. Please go ahead.
- Ajay Sheth:** Thank you. The story looks really robust and excellent how do we participate because the liquidity in the sales is very low so do you plan to address that?
- S. Ramnath:** How can we as a company address because none of us are holding any shares. We are professional.
- Ajay Sheth:** I understand see basically when you do the institutional placement they may pay the higher price as compared to the current market price so I understand that there is no current market prices are very low and the volumes are very low so how do and that can also to some extent help you in reducing your debt also? So do you think that you know that there are something?
- S. Ramnath:** We are not in a position to as I said raise addition equity I think through the market participation of good mutual funds and others or if you can have higher investor interest. There have been times if you see when our shares have traded quite well, there are other times when it does not trade much, there is a greater visibility in the exchange amongst people like you, people like investor community, brokerage houses, if you look our share is not tracked like some of the others in our sectors. I think we will have to talk to the Angel Broking in that regard, and I am sure when you talk to your own I think that would happen and I think small funds like Mr. Madan Gopal who just joined from Sundaram Mutual Fund I am sure these are kind of people who can look at some of these kind of companies. They are dedicated small cap funds to invest in these.
- S. Ramnath:** I was talking about buying for our fund so I was not honestly.
- S. Ramnath:** If you look at the performance and all that people can start accumulating and all, earlier if you see there are few lakhs shares used to be traded earlier, we were one of the highest in terms of price to earnings per ratio. We were the highest in the industry and we will continue to remain and enjoy markets with good perception.
- S. Ramnath:** Thank you. I sincerely appreciate your answer. Thank you.
- Moderator:** Thank you. We have the next question is again from the line of Ajay Sheth from Quest Investment. Please go ahead.
- Ajay Sheth:** Yes my question was pertaining to on the capital expenditure which just now you answered that now I think the CapEx will be around 30-35 Crores. Is that right?



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S. Ramnath: Yes that is right.

Ajay Sheth: Thank you.

Moderator: Anyone who have a question may press "*" and "1".

Abhimanyu Sofat: Moderator if there is no further questions then we put on the end.

Moderator: As there are no further questions from the participants I would now hand the floor back to Mr. Abhimanyu Sofat for closing comments.

Abhimanyu Sofat: Thanks a lot ladies and gentlemen for joining us today for this call. I hope this is the first call that we have done for the ITD and many more calls going forward and thanks for the interest you have kept today in the company. I would like to thank the management especially Mr. Saraben, Mr. Ramnath as well as Mr. Shah Singh to be part of the call today. Thanks a lot and this concludes this call.

S. Ramnath: Thank you very much.

Moderator: Thank you. On behalf of Angel Broking that concludes this conference call. Thank you for joining us. You may now disconnect your lines. Thank you.