"Shilpi Cable Technologies Limited Q2 FY-17 Earnings Conference Call"

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MODERATOR: **MR. LAKSHAY PATNEY – FOUR-S SERVICES PRIVATE LIMITED**

Moderator: Good day, ladies and gentlemen and welcome to the Q2 FY17 Earnings Conference Call of Shilpi Cable Technologies Limited. As a reminder, all participants' lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing '*' then '0' on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Lakshay Patney from Four-S Services. Thank you and over to you, sir.

Lakshay Patney: Good afternoon everyone and welcome to the Q2 FY17 Earnings Conference Call of Shilpi Cable Technologies Limited. We have from Shilpi Cable Mr. Manish Bhatt, the CEO and Mr. Ajay Mahajan the CFO. We will have Manish give his opening remarks followed by an update from Mr. Mahajan on financial performance. And then we will open the call for Q&A. Over to you, Manish.

Manish Bhatt: Welcome once again to all of you and good afternoon. Okay so we again give another stellar performance for the quarter 2. We continue our mission and as we set our direction we continue to move in that direction. As we see we have telecom segment where we continue to make progress. Our major child now is the antenna which is the big opportunity for us. Happy to share that we have been able to make our product approved at two of the OEMs and the work on others are also continuing. Though you know that last auction which happened has also increased the frequency band and hence the requirement of antenna is little bit changing in terms of the specs.

Where an antenna is supposed to now handle a broadband of frequency. So now we are now developing the product as they are required. So I think this quarter with the kind of confidence now we have getting approved the earlier ones we are well set to get into this new antenna and this also makes us equal to the in terms of opportunity and because everyone is now starting on this new antenna. So it gives us a fair chance to grab good opportunity. On the auto side as that the initial entry barriers or time taken for NPA is very high and we continue to make good progress as far as the four-wheeler segment is concerned.

In the quarter gone by and present quarter we have some three or four visits of the various OEMs and the harness manufacturer and they are very happy with the way we are performing and we were getting quite positive things giving us confidence that we should be able to make a breakthrough in the next quarter into some of these key accounts.

Similarly if you see energy cable we continue to make progress there too. We are breaking into more accounts and we are gaining market share. If I look at our key growth engines which is our B2C segment we continue to expand on our reach. We have now almost 500 general partners across India. We cover almost 18 territories states right now. And we continue to make the our penetration further deep into the nearby towns and rural areas along.

We have reached a mark of 5,000 retail outlets last quarter and we continue to grow as we speak. So I think this is what and we are developing this model based on the FMCG model and we believe that this strength is one of our huge reward in coming times.

So as far as our India business is concerned we continue to go along this path which we have set. I see no major challenges and our progress in quarter 2 only gives me more confidence that we will be able to go and meet our targets in this year.

With that I will handover to Ajay to take you on the international business and the financials.

Ajay Mahajan: Thank you, ladies and gentlemen. Manish has explained about how the company is growing. Now let me throw the lights on the financial figures how we have grown and later on we will discuss about the growth patterns what the next year looks like. If we look at the consolidated revenue for the quarter, the revenue is almost 46% up on YoY basis at Rs. 11,973 million in quarter 2 financial year 2017 and 26.8% YoY in H1 FY17 at Rs. 23,253 million.

On a standalone basis the revenue has increased by almost 30% on YoY basis to Rs. 5,395 million in Q2 FY17 and 27% on YoY basis to Rs. 10,719 million in H1 FY17. Along with the revenue growth higher profitability have been a priority at Shilpi. During the quarter on a consolidated basis EBITDA margin improved from 7.4% in Q2 FY16 to 8.7% in Q2 FY17. And if you look on a standalone basis the profitability margin improved from 9.8% to 10.4%. The improvement in the margin is due to decline in the raw material cost and the various initiatives taken for procurement cost and the manufacturing process.

On a consolidated basis not only the operating margin has improved but the PAT margin has also shown the improvement. On a consolidated basis this has improved from 3.3% to 4.5%. But if you look at on a standalone basis the PAT margin is almost flat. In terms of our business segment now we come to the business segment. Because I have explained to you about the consolidated and the standalone operations. Now we come to the business segment.

On a standalone basis if you consolidate if you look at the various figures in the business segment in our business segment the domestic market the B2C segment has shown the rapid growth. Within a span of almost two, two-and-a-half year the percentage of sale from B2C has grown to almost 15% of the total revenue. This year if I compare my figure from this first half year to last half year financials it has grown almost 96% that is from Rs. 840 million to almost Rs. 1,650 million.

And margin for this segment has also improved from 15.2% to 16%. The reason for the improvement in the margin is that initially we were selling the wires and cables. Now in our last conference call we have already updated the people that we have added the switches and MCB there. So because of addition of product mix the margins has shown the improvements. And the second segment is the auto cable segment. In the auto cable segment my revenue has grown from almost Rs. 1,280 million to Rs. 1,480 million. And there is a marginal improvement in the operating margins.

In telecom segment Manish has already explained about how we are growing. If you look at the financial figures the revenue has shown almost 27% growth. That is from Rs. 1,620 million to Rs. 2,060 million. And the margin is almost is on a flat basis. There is a slightly dip on the margins because of the product mix. And the our segment the last segment that is the copper wire conductor segment it has also shown a growth of 18% from Rs. 3,330 million to Rs. 3,940 million. Along with this the margin has slightly improved.

So this is how we have performed in the Indian market. In the overseas market, we have already told you that we are doing the trading of the copper and the telecom products. And there the revenue has also grown and the margin has also grown. And in last conference call we have updated that we are setting up a manufacturing unit in Abu Dhabi and that is in process constructions we hope to get completed by the third week of December. Order for the machinery has already been placed and we expect that the first stage that production activity will commence from April 2017 onwards.

So with this now I handover to the people for the question answer session.

Moderator: Thank you very much. We will now begin with the question-and-answer session.

The first question is from the line of Aakash Jain from Ajcon Global. Please go ahead.

Aakash Jain: Sir, my question is regarding the debtor cycle, what are the steps we are taking to reduce the debtor cycle since if you see in the September 2015 quarter it was around 64 days, now it has risen to around 108 days, so what are the steps we are taking?

Ajay Mahajan: No, if we look at the standalone basis and on a consolidated basis the receivable cycle, so on 31st March 2016 my receivable cycle on a consolidated basis of 4.33 months. And if you look at my actual 2017 what you will find my circle has reduced from 4.33 months to 3.75 months and if you look at the standalone basis it was 4.47 months and it has reduced to 3.90. Means it has not increased. We are taking almost every step to reduce the receivable period. Our initial thing was to extend the credit to get the revenue, and now slowly and slowly wherever we are getting the consolidation, wherever we are getting the things in under control, we are reducing the receivable cycle there. We hope that in the future this receivable cycle will further reduce.

Aakash Jain: Yeah but my question is regarding this demonetization reason, so will this not have an effect on the receivables?

Ajay Mahajan: I will give you a slight answer then I will hand over to Mr. Manish who will basically handle it. Look yes, definitely now this demonetization has happened on the 8th of November. Yes, from 8th of November till date this corrections has taken a hit, almost there is a drop of almost 30% to 35% collection because now everybody is engaged. Because if you look at my business segment, we have the retail segment, we have the business B2B segment, so everyone is engaged in saving their collection. So maybe I think this is a temporary effect and maybe from the next quarter everything will be in line, we hope. And I will give it to Manish. Manish will explain further.

Manish Bhatt: As far as B2B is concerned, I think it is too early to comment anything on this because right now the impact of their sales which will impact their performances is yet not dawning on them. So we are not able to get any view on that. But as far as B2C is concerned, you are right, I was in market last two weeks and mostly the activities have come down to 20%, 30% of what used to be at the retail outlet. And that definitely is going to impact. The question is how long it is going to be like that, you know that is anybody's guess right now. But we hope that things will improve fast.

Aakash Jain: Okay, and secondly my question is on the conductor wire segment. It is having margins of around say 5% whereas the newly entered segment B2C is having a good margins. So why are we not reducing our percentage of this conductor wire segment and increasing B2C share?

Ajay Mahajan: So what is happening if you look at the whole segments and the different segments in which we are operating, there the common raw materials is copper. And we have already explained in our previous conference calls that our main raw material is copper and if we go and expanding our operations in the wire segment business as well as in the other segment although the percentage if you look at the percentage of the revenue contribution for the wire segment has declined. As a percentage of the revenue is increasing but in the absolute terms the revenue from the wire segment is increasing.

So when you are doing these kinds of a business you are getting the economy of scales in buying the copper, because copper is available at LME plus premium. So the more quantity of the copper is there, then you can have the negotiate power to reduce the premium on the copper. That gives an edge over the others. So this is the reason we are doing.

Aakash Jain: And sir what is your view on the copper prices going forward?

Ajay Mahajan: What we think that yes there is no international activity this is only a speculation it has touched 6000, now again come down to 5600 but we are thinking that it may be settled in between 5000 to 5200.

Moderator: Thank you. The next question is from the line of Neha Gupta from Star Capital. Please go ahead.

Neha Gupta: My question is on the export side. So the revenue contribution of 51% from the overseas operation do we expect it to stay same or do we expect it to grow going forward?

Ajay Mahajan: Neha, if you look at the consolidated revenue almost 51% of the revenue is from the overseas market and the remaining is from the Indian market. And if you look at the Indian market operations almost we can say 10% of the revenue is from the exports. So as far as the overseas market is concerned, yes we are doing the trading, but once the manufacturing operation in the Middle East country will be there, there the revenue contribution will increase. But if you look at the Indian operations, in the Indian operation we are growing with the CAGR of almost 25% to 30% on a year-to-year basis. So we think that is the coming years, the contribution from the overseas and the Indian market will remain 50% to 50%.

Neha Gupta: Okay and sir what are the growth drivers for this high CAGR in the domestic business?

Ajay Mahajan: Yeah, that I think Manish can better explain.

Manish Bhatt: The growth driver if I really see one of our pillar is our B2C. As you know that we are a very small player right now and also we are increasing our penetration. Along with it, we have also planned new product and our next foray would be into LED. So I think one side we are increasing the product length and second side we are increasing penetration. So this is going to be one of our growth engine. But in each of the segment itself we are working for the growth opportunity. As I explained you in the telecom we are getting into antenna. In automobile we are getting into four wheeler segment. So all this each segment we have good opportunities which we are exploring and which has tremendous opportunity for us to grow.

Neha Gupta: Okay, and sir this Abu Dhabi project which you spoke about, so by when do we expect production to commence and by when do we expect it to you know the production to be ramped up to the maximum capacity?

Manish Bhatt: Yeah what we are thinking that in the because we have divided the whole project into the four verticals. First vertical is the manufacturing of copper rods from the cathodes, then there is the copper tube. Then there is the copper tube then there is a copper strips is there, then the wires, copper wire is there. We hope that the first stage of the production will commence in April or May 2017 and we hope that the full production capacity for rods, tubes, bus bars, strips and wire will be available from the September-October 2017.

Neha Gupta: And we are moving from trading to manufacturing, so what kind of impact it will have on our margins?

Ajay Mahajan: Yeah, definitely now if you look at our trading margin, my trading margin in the overseas market from this trading operation ranges from 4% to 6%. So once this manufacturing operations will be in place and with the introduction of all the products like rods, tubes, bus bars, strips and wires might consolidated margins operating margins will be in the range of 9% to 10%.

Neha Gupta: For FY16 or FY18 you were saying?

Ajay Mahajan: FY18 we can say the true deflection will commence.

Neha Gupta: And sir you spoke about the LED so what is our strategy and what are the timelines you know to enter and gain market share there in the LED?

Manish Bhatt: So LED we are presently exploring organic as well as inorganic ways to get into there. What we are bringing on table is our distribution strength you know because it is the same outlet, where this product is also going to send it to the same dealer whom we will have to interact mostly. So that is our strength. On the product side, we are into various talks with various opportunities we are exploring and we are expecting that in this quarter we will be able to give shape to it.

Moderator: Thank you. The next question is from the line of Pawan Kumar from Unifi Capital. Please go ahead.

Pawan Kumar: Sir, can you just tell us how much of your revenue proportion as of now comes from the renewable energy connected kind of segments, and what is the kind of growth or growth prospects you are seeing there?

Ajay Mahajan: Sorry, we will have to look at our business. Right now we may be supplying some of our products may be going into this application, but we have actually not identified it yet.

Pawan Kumar: Okay fine. Sir secondly, I am a bit new to this particular company, so can you just give me a break up between the retail and direct B2B contribution of this particular business? And secondly, we are doing Rs. 2,200 crores of sales on a consolidated basis, which we have we hold a total working capital trade receivables plus inventory of around Rs. 1,600 crores. So is it not a bit on the higher side or do you think this is the kind of working capital cycle that is expected to sustain going forward also?

Ajay Mahajan: So if you look at the revenue we have already explained that 50% of the revenue almost 51% of the revenue is coming from the overseas market and the rest 49% of the revenue is coming from the domestic market. And if we look at the domestic market revenue contribution in the H1 of this financial year it is almost Rs. 1,072 crore. Out of this 15% has come from the B2C segment that is Rs. 165 crores has come from the B2C segment and the rest of the revenue has come from the B2B segment.

This is about the Indian operations. And when you look at the working capital, yes definitely our business is a working capital intensive business because we are buying the copper, you know copper is available only on a cash basis, cash basis means that you will have to make the instant payment, through LC or something like that. And you have a production cycle of say varies from 7 to 15 days, then you have a distribution, then you have receivables, receivables yes it is a 90 to 100 days cycle is there.

So working capital is there, but we are trying to reduce working capital cycle by bringing down the receivable, by cutting down the inventory, and by negotiating with the various suppliers to extend the credit period. So we think that whatever the working capital cycle today we have it will be further reduced in coming periods with the consolidation of our operation.

Pawan Kumar: Fine sir, so if we solely look at the international side of the business which I guess would be around another Rs. ,1000 crores, Rs. 2,200 crores this whole business would be B2B or B2C how would the revenue breakup be there on that front?

Ajay Mahajan: It is totally B2B, there is no retail business there.

Pawan Kumar: Okay fine and by B2B what kind of customers do we mean how much would be the private and how much would be the public entities breakup?

Manish Bhatt: Almost all the 99% we can say 95% we can say is private, because what we are doing in overseas market, we entered into the various contract with the various manufacturers of copper product, that means this much of quantity from you on a monthly or a quarterly basis. We get the lesser premium there then we supply those materials to various manufacturers, various traders, located in the MENA country, African countries and the Middle East countries there and we supply those materials to them in a small quantity. So whatever the premium charge with those customers and whatever the premium we are paying this is our profit margin, number one. Number second, we have to finance this activity for a period of say 90 to 100 days because when you are giving credit to the people you have to finance the working capital through the banks there.

And whatever the interest that we pay, we also add that interest in the premium also. So this way we are doing the business. Our main intention of doing this kind of business was that we want to set up a list of clients there where we can supply the material, once our manufacturing facility will be in place. Now since for the last three years we are doing these kinds of trading for copper and other products there. Now we know that which customer are good customers, which customer pay immediately, which customer delays so once our supply from our manufacturing unit will start, so those customers will get replaced from our own manufacturing process. This way we are doing the business.

Pawan Kumar: But on the Indian side, do we supply to the SCVs and SCBs and the state discoms?

Manish Bhatt: No, not yet we are supplying now with our new product addition like we have updated in our Investor Presentation that company has set up a plant here for manufacturing of copper magnesium rod. This is a total imported technology from UK, the machines have already been imported, that has already been set and we expect that the trial production and other things will get complete in the month of December and after that we will be in a position to manufacture the oxygen free copper rod in India, number one.

We can also manufacture the copper magnesium rod from which the capillary wires can be manufactured and can be supplied to Indian Railways. Till date we are not doing any kind of business with State Electricity Board.

Pawan Kumar: Okay, one last question from my side. Since maybe the majority of the portfolio does include copper as a raw material, so what is the kind of contracts we enter into with the customers and if copper price volatility is there how does it affect our business overall?

Manish Bhatt: Mostly there is a natural hedging so like we get into contracts where the price changes as per the defined copper prices. So let us say last month average you know is what something we get and every month prices keep adjusting. This is how the last month average moved. So all the copper prices we are naturally hedged with the customer.

Pawan Kumar: So which is like if I had to supply a customer say after one month and we set a contract today, and the copper price has moved, so would I be negotiating based on the copper price one month ahead or right now?

Manish Bhatt: So we negotiate price based on a specific copper rate then we apply a principle that how will this change in LME and exchange rate will get transferred to the, so there is a pricing formula then which keeps changing.

Moderator: Thank you. The next question is from the line of Neha Gupta from Star Capital. Please go ahead.

Neha Gupta: Sir, I also wanted some details on the order book, you know what is the size of the order book and how do we see it going forward?

Manish Bhatt: So I think on the B2B side, I think we are booked for the year, as far as you know as present trends are whatever we have. On the B2C of course we are growing and we expect the order book every month to keep improving.

Neha Gupta: Okay. So any new clients additions that we have done or like you know more revenue from the existing client any new?

Manish Bhatt: So one is in our existing client we are getting penetration of new products. So for example if you say telecom earlier we used to supply RF, today we are also giving them jumpers, we are also giving them energy cable. So we are increasing our product portfolio. That is one way we are growing. Second way is we are also getting into obviously the new customers. For example energy cable, we started with Geo, today we are with Idea, we are already talking with Airtel. So every segment we are going to all the relevant customer and adding few customers every month.

Neha Gupta: Okay so order book and how do you expect it to grow sir, I mean you know like any size you have any number you can say in B2B?

Manish Bhatt: On B2B side it is driven by their own expansion. So for example if telecom is going through a expansion in network, then we are going to get more orders. So our job is to maintain or share in their size of market. The market size is not in our control. You know it varies from month on months. But today what we measure is how much share do we have in each of the account. In B2C of course we have a target where we are saying we will continue to grow you know to reach to at least 20% of our revenue.

Neha Gupta: And sir is there any number with the dealer network or something you have for B2C business?

Manish Bhatt: So we have around 500 general partners now, we are in 18 states, we are almost retailers could be more than 5,000 now and we are supplying to almost more than 400 cities towns.

Neha Gupta: Okay and sir another thing on the CAPEX. So apart from this Abu Dhabi project like do we have any more plans in the more CAPEX in our book like we are planning anything more?

Manish Bhatt: No, we are not planning because in the last conference call we have already told that for the last year and this year we have a CAPEX plan of Rs. 50 crore. Out of this Rs. 35 crores is the term loan and Rs. 15 crores we have to contribute in the form of equity. And almost we think that that CAPEX has already been completed maybe this year we will incur another Rs. 4 crores to Rs 5 crore and for the next two years there is no CAPEX requirement for Indian operation.

Neha Gupta: Any maintenance CAPEX, sir?

Manish Bhatt: Yeah maintenance is regular CAPEX, it is only the replacement of equipments, replacement of parts and spares, no major replacement is there.

Neha Gupta: How much would that be, sir?

Manish Bhatt: It will vary between Rs. 1 crore to Rs. 2 crores.

Moderator: Thank you. The next question is a follow up from the line of Aakash Jain from Ajcon Global. Please go ahead.

Aakash Jain: Sir, my question is regarding the B2C business. Next two years what is the top line that we are expecting to see from B2C and what is the strategy to expand into different markets in India and at present which states we are present in?

Manish Bhatt: The top objective of ours is to be the top three brands in India in this category. Of course we expect that it should constitute at least 20% of our business should come from B2C, at least Rs. 500 crores we should reach as soon as possible. These are the various benchmarks.

Aakash Jain: But what time what would be your period for Rs. 500 crores?

Manish Bhatt: In next two years we should be reaching there.

Aakash Jain: And at present which states we are present in India?

Manish Bhatt: If you take north, west and south we are covering all the states but from Bihar onwards in the east side we are still to cover.

Aakash Jain: Okay, and considering the competitive intensity in the market players like Anchor, Havells, Vito so how is the segment in terms of entry barriers for you?

Manish Bhatt: I think that is a good question because I think this market is not only very competitive, it is also benefit by there are eight, nine national brands and local brands at each of the market, you know to see that it sounds very complicated. But at the same time the market size is very huge and in the period in which we have been, we have been able to make two major dent, one is our product is well accepted and it is a good value for money.

Second, we have been able to provide good services which is normally in this if let us say one color is not available, delivery is not happening on time all those kind of services we have been able to provide them well. So we have created our own kind of positioning in the market place. Yes, we need to take it forward, but we are getting a traction now.

Aakash Jain: Yeah and I just wanted a update on the Indian Railways side. Did we receive any orders from the Indian Railways for copper magnesium wire?

Manish Bhatt: As Mr. Mahajan was saying that we have now a facility which is a production facility which is already in, we are going to take trial. Meanwhile we are already in touch with railways, they had shown a very good interest into this product. Right now the specs are getting finalized and that is where we are driving this business forward.

Moderator: Thank you. The next question is a follow up from the line of Pawan Kumar from Unifi Capital. Please go ahead.

Pawan Kumar: Sir, I just wanted to understand if my question is that it is almost the same as my previous one. In the sense on the working capital side do we see any kind of improvement or there are any kind of targets in mind of the management going forward?

Ajay Mahajan: Yes, working capital we have already explained it is intensive but now we are doing we said management is in the process of reducing this by reducing the receivable period by negotiating with the various vendor like copper, we are getting the coppers from the various reputed manufacturers like Vedanta, Birla in India and if we look at the international market, we are getting from Ducap, Fujairah Gold and UCR is there. Now with a continued supply from those manufacturers, yes now we are asking for some credit periods and we hope that in the coming periods that will be materialized, number one.

Number second, production cycle we have already explained now with a dedicated production facilities and with the latest technology we are reducing that cycle also. Third, the inventory we are saying now B2C is contributing a lot of major portions and in the future it will also contribute as much Manish explained that we are expecting 20% of the revenue from the B2C segment. So we are setting up the various warehouses in the various states so that our cycle for distribution reduce as minimum as possible and through various kind of discounts, trade discounts we are encouraging our customer to make the earlier payments. So this way we are trying to reduce our working capital.

Pawan Kumar: So sir, if I look at the retail versus non-retail credit period, that is being given is there a significant difference in the sense can you give us an idea of what is the kind of credit that is given to a dealer for India taking your goods and selling them in the market for example maybe 60 or 100 days something or some number on the retail side?

Ajay Mahajan: So there is a mix so some people prefer paying advance. So the credit goes till 60 days officially but in the retail market there are some exceptions also which happen. But mostly it is 60 days.

Pawan Kumar: Okay because my understanding was once the brand gets through an inflection point you will be able to reduce the credit at a very much faster pace. But how far are we away from that particular inflection point where we can push the retailers to actually pay faster?

Ajay Mahajan: You are absolutely right. The moment we have a brand value where we can negotiate this much better. I think the way we are progressing I think we should be there in next three, four quarters you know in that position.

Pawan Kumar: Okay, and how much would be the discount versus maybe the other pan India players like Havells and say V Guard and all these other kinds of brands?

Ajay Mahajan: So let me put it like this that you know there are two categories. One is a kind of national brands and another is the local brand. National brand we would be placed at an average price.

Pawan Kumar: But what would be the discount as compared to the national brand that you would be offering in our product pricing?

Mahish Bhatt: So their discount varies but it depends on what MRP you are discounting at. You know so it will be difficult to compare discounts with competition depending on how MRP you have put. So I think the best way is to figure it out what price finally the person is getting. So I think we are average placed at an average price of the national brand if that helps you in understanding.

Pawan Kumar: But sir is it the same as average price of the other national brands?

Mahish Bhatt: Right.

Pawan Kumar: Okay almost the same price we are competing?

Mahish Bhatt: Okay so the Havells etcetera would be at the premium price and so we will be somewhere in between if you list all the brands in that order.

Pawan Kumar: So maybe a 20% premium for Havells?

Mahish Bhatt: Maybe 10%, 15%, yes.

Pawan Kumar: Okay and sir lastly, I wanted to understand your marketing strategy regarding building up your brand awareness going forward, because you are targeting particularly you are almost talking about growing your revenues by almost five times, or four times in next two, three years in your branded segment. So what is the marketing strategy like?

Mahish Bhatt: So right now what we are doing is activities at the point of purchase mostly below the line activity and our focus is using that to expand our network. Because the cost of per rupee deliverables in marketing would be much higher if we are having a better coverage. So right now we are much more focused on getting the right coverage and once we feel that we have covered then we would like to go and building our brand through above the line activities too.

Pawan Kumar: Okay, are there any kind of dealer discounts or any kind of promotional schemes which we do as compared to other brands?

Mahish Bhatt: Yes, that is the tactical activity which will keep happening. And like any other player we keep putting that schemes.

Moderator: Thank you. As there are no further questions from the participants, I now hand the conference over to the management for closing comments.

Manish Bhatt: Thank you very much for your participation. I hope we have been able to answer the questions as you have raised. If there is any further queries if you have you can raise to our IR and we will be very glad to answer them. Thank you very much for your time.

Moderator: Thank you. On behalf of Four-S Services, that concludes this conference. Thank you for joining us and you may now disconnect your lines.