"Salzer Electronics Q2 FY16 Earnings Conference Call"

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Moderator: Ladies and gentlemen good day and welcome to Salzer Electronics Q2 FY16 Earnings Conference Call hosted by Systematix Shares & Stocks Limited.. As a reminder all participant 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 a '*' then '0' on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Salil Utagi from Systematix. Thank you and over to you sir.

Salil Utagi Thanks Ali. Ladies and gentlemen welcome to the 2Q FY16 Results Conference Call of Salzer Electronics. Joining the call from the management is Mr. Rajesh Doraiswamy – Jt. Managing Director of the company. Also joining the call is Ms. Savli Mangle from Stellar Investor Relations. Now I hand over the call to Mr. Rajesh for his opening remarks. Over to you Rajesh.

Rajesh Doraiswamy Thank you Salil. Good evening to everyone. Welcome you all to our earnings conference call for the second quarter for this financial year 2015. I have with me. Mr. Sankaran our Director, our Company Secretary Mr. Baskarasubramanian along with Ms. Savli of Stellar IR Advisors. We have shared with everyone our updated investor presentation and I hope you all must have received it. Before we get onto the quarterly and yearly performance I would like to give a brief summary of the company.

Since incorporation in 1985 we have grown to become a multiproduct company today providing complete customized electrical solutions to our customers. We have five manufacturing facilities located in Coimbatore and Himachal Pradesh. We also have our in-house R&D lab recognized by Government of India. All our products are internationally certified. And we have one patent for our rotary switch and five products awaiting pipeline. Though we are operating under the electrical and electronics product group for ease of analysis we have classified our businesses into four different segments namely the industrial switch gear business, the copper business, the building segment business, and the energy management business.

The energy management business is our new and emerging business. Here we manufacture energy savers and street light controllers. Last year we won a Rs. 106-crore order for four different corporations in the State of Tamil Nadu where we have to install energy saver panels for the street lights. These panels guarantee an energy efficiency of approximately 30% to 35% the total consumption of street lighting power. This is an order book driven business which has a huge potential. However, since this is a government oriented business we do not have much visibility on the order book as there are no current tenders out this year. But we have been talking to various states and various corporations across India who have expressed a lot of interest in this business.

Now moving to the quarterly and half-yearly results – I will first share the financial highlights of this second quarter. Revenues from operation stood at Rs. 80.9 crores in Q2 as against Rs. 67

crores in the corresponding. This gives a year-on-year growth of 19%. Out of this exports contributed to 23% of our Q2 revenues. Breakup of revenue as per the business segment if I go through the industrial switch gear business is the largest and contributed 55% to the total revenues in this quarter and reported year-on-year growth of 36% and on a quarter-on-quarter growth of 19%. This is in line with our business strategy of focusing more on the profitable allied growth products in industrial switch gear segment.

The building product segment which is still a small segment in our total business contributed 4% of the total revenues and witnessed a year-on-year decline of 9%, however grew by 8% quarter-on-quarter. Copper business consisting of copper wires and cables contributed 33% of the total revenues of the company which was I think year-on-year we had a growth of just 1% but declined 13% quarter-on-quarter. The reason that the decline on quarter-on-quarter is basically because of the decrease in the copper price which is the main raw material for this product, so though the volumes had a growth of around 20% on value wise we have declined by 13% quarter-on-quarter. Energy management business contributed 8% to the total revenues and saw a significant year-on-year growth of over 600%. This is Q2 very negligible contribution of this business in the last year. The energy management business declined by 15% quarter-on-quarter. This is again because it is order book driven business and the revenues get booked only post audit of supply and installation. So though we have supplied and installed close to Rs. 20 crores we could book only around Rs. 7 crores in this quarter as the audit did not happen entirely for the supply that we have made. So we expect the balance revenues to be booked in the next two quarters.

Also I would like to highlight that we had a one-time TDS expense of Rs. 46 lakhs on account of employee stock options. So adjusting for that the normalized EBITDA stood at Rs. 11.5 crores in Q2 FY16 as against Rs. 9.5 crores in the corresponding quarter last year, which is at 21% year-on-year growth. Also the normalized EBITDA declined by 12% quarter-on-quarter basically due to the decline in revenues from our energy management business. The EBITDA margins was at 14.1% after adjusting the Rs. 46 lakhs TDS expenses. This is an improvement of almost 19 basis points year-on-year and was flat quarter-on-quarter comparison. The PAT was Rs. 4.6 crores in Q2 FY16 as against Rs. 3.3 crores in Q2 FY15 with a 42% year-on-year growth. However on a quarter-on-quarter comparison PAT declined by 9% and this again is due to be decline in revenues from the energy management business.

Moving to the half yearly comparison – revenues from operations was at Rs. 172 crores in half year FY16 as against Rs. 136 crores in the corresponding year with a 26% growth. The exports contributed 24% of the revenues in the half year. The revenues have grown in line with our expectations especially from the profitable segment, industrial switch gears and the breakup of revenues as per the segment in the half year is the industrial switch gear contributed 49% with 26% year-on-year growth.

The building product business contributed 4% with the year-on-year decline of 9%. The copper business contributed 34% with a year-on-year growth of 6%. The energy management business contributed 13% and had a growth of 800% and as I already said the high growth is because last year energy management business contribution was very less.

Half year EBITDA stood at Rs. 24.3 crores as against Rs. 18.3 crores with a year-on-year growth of 32%. This is after adjusting the one-time expense of Rs. 46 lakhs on account of employee stock option. The EBITDA margin is at 14.1% compared to last year this is 65 basis points improvement. PAT is at Rs. 9.7 crores in the first half of this year as against Rs. 6.1 crores in the corresponding year with a year-on-year growth of 50%.

Going to the balance sheet highlights – the net worth stood at Rs. 198 crores as against Rs. 107 crores last year, March 31st, 2015. The total debt is at Rs. 101 crores as against Rs. 93 crores in March mainly on account of increase in short term borrowings. The net working capital has increased due to the increase in debtors by about 20 days. We are working to bring this down back to 3 months levels going forward and we can expect the working capital cycle to remain at 3 months of debtors 1.5 months of inventory and 1 month of creditors with a net working capital cycle of 3.5 months before end of this year.

Growth strategy and opportunity for Salzer in future – as we have all seen that over a period of time we have added more products in our basket and offered customized solutions. We have increased our exports and currently we export to more than 50 countries worldwide including the most advanced nations like Europe and US. It is this diversification and customization that has led to attention of customers and adding more customers. I am very happy and pleased to mention that last year we have received and awarded as the best preferred supplier from both GE and Snider. Last week Indian Railways moved ahead and gave a large order to GE for 1000 diesel locomotives. As Salzer is a preferred supplier to GE we expect significant orders for transformers from GE out of this deal of railways to GE. Similarly orders of 800 locomotives to Alstom will also be an opportunity for Salzer going forward. This year we plan to add three new products to our suite – dry type three-phase transformers, capacitors, and latching relays. The dry type transformers are high tech with applications in large megawatt UPS renewable business railways for generation and marine industry.

As discussed in our previous conference call about our technical alliance for a 3-phase dry type transformers with an Australian company called Trafomodern, one of the leading manufacturers of dry type transformers in Europe. We are optimistic for the same and believe it will help us in expanding our Forex portfolio. Salzer will use Trafomodern technology design and assistance to manufacture 3-phase dry type transformers in India. Similarly we are working with a large multinational for setting up a factory for latching relays. However since the usage of latching relays in energy meters in India is still under ongoing discussion, the standards are still under discussion by BIS and IEEMA.

Our potential foreign partner wants to go a little slow on this and wants to time the project somewhere early next year. We are in continuous discussion and will start the project appropriately and we see a huge potential for this product though. We expect all these new projects to contribute approximately Rs. 200 crores to Rs. 250 crores to our topline over the next three years post FY17.

During the current financial year we successfully closed the QIP and raised around Rs. 62 crores which will be used to fund all our new product development and new projects. Successful raising of funds through QIP has provided us enough capital to invest in the ongoing projects. Temporarily the cost of interest has also gone down which we can see in Q2 due to the reduction in working capital. Also as you all are aware subsequently post the QIP Larsen & Toubro had invested in our company since 2007 exited their stake. This was in line with L&T's strategic decision to exit all non-core investments which they have been doing in other companies as well. This has absolutely no effect on our business relationship. That continues as usual and grows strongly. The revenue contribution from L&T in Q2 FY16 was at Rs. 26 crores as against Rs. 24 crores in the previous corresponding period. And in the first quarter of FY16 they contributed Rs. 26.9 crores so that has overall in H1 the business with L&T has seen a growth of approximately 4%. This indeed reflects that there has been no impact on our business and our relationship with L&T. In general our business model is slowly changing towards the industrial switch gears which is relatively higher margin business in our portfolio and going forward our focus and concentration is going to be on this segment. This will actually increase our EBITDA margins from 12.75% in the last financial year to around 13.75% in FY16 and we expect this to grow by at least another 100 basis points in the next two years. So with that I would once again thank you call for joining this conference call and we can take questions now.

Moderator Thank you very much. Ladies & gentlemen, we will now begin the question and answer session. We will take the first question from the line of Sagar Parekh from Deep Financial.

Sagar Parekh Sir my first question is you mentioned that we are expecting significant transformer orders from GE for the recently announced order win for them. What kind of opportunity are you looking at and this is basically the Toroidal Transformers, right or this is for the new dry type transformers that we are talking about?

Rajesh Doraiswamy The opportunity will be for the new business, a 3-phase dry type transformers. Every air-conditioned coach will take minimum of 2 transformers so that whatever new locomotive business is going to come is going to be a business for Salzer.

Sagar Parekh And is it like an agreement between us and GE that they will take the 3-phased dry type transformers from us only or will they call for bidding from all the players and then the L1 will win the bid for this?

Rajesh Doraiswamy There is no agreement as such and there is no bidding also. However it will be a B2B business with GE and since we being a preferred supplier with GE we will have the better opportunity to go and do business with GE compared to other Indian suppliers.

Sagar Parekh And they will probably give the orders for transformers in FY17 or FY18, right, it is still time?

Rajesh Doraiswamy I think the business will start in FY17.

Sagar Parekh And we will be ready with our factory by that time. And what kind of opportunity are you looking at in terms of first year only from this order?

Rajesh Doraiswamy In FY17 we look at approximately Rs. 20-25 crores revenue from 3-phase dry type transformers. Going forward we would like to target Rs. 80-90 crores in three years.

Sagar Parekh But how good be just one order if we get like since they have got 1000 locomotives for 10 years, so probably even 100 locomotives and each coach you said transformers, so that is like such a big order and if we get the entire order then probably we can do much more than Rs. 20-25 crores.

Rajesh Doraiswamy But I think this is a very new development so we have to get this into our projections and redraw our projection which we have not done. Whatever I am saying is what we have already projected based on the figures and information that we have.

Sagar Parekh But if by FY17 we would be having the full capacity of Rs. 90 to 100 crores of revenue that we can book, in case if there are more orders available.

Rajesh Doraiswamy Yes, I think we will be ready with that.

Sagar Parekh And second question is on 26% H1 growth in this industrial switch gear segment, can you give us a broad sense of which are the three or four major products that contributed to this and we are also talking about this C3 controls going through revenue in this quarter also with incremental revenue of Rs. 20 crores expected of full year. So any kind of revenue flowed through from C3 controls in USA and also if you can give me the breakup of three or four major products that contributed to such a high growth?

Rajesh Doraiswamy I think the biggest revenue or biggest growth was from the transformer business, toroidal transformer business. Secondly from cable ducts, wire ducts.

Sagar Parekh Toroidal transformer contributed how much?

Rajesh Doraiswamy I do not have the product wise figures immediately to give it to you. I can share it later with you.

Sagar Parekh Okay, so toroidal transformers and the duct wiring.

Rajesh Doraiswamy Growth happened in toroidal transformers, wire ducts and also C3 controls contributed approximately around Rs. 4 crores in this quarter.

Sagar Parekh Okay, which was zero last year, right?

Rajesh Doraiswamy Yes.

Sagar Parekh Okay. And we were also talking about this GE and Schneider been our preferred suppliers for incremental revenues flowing through in Q2 and going forward, so has that happened in this quarter or that is just the normal business that they have ordered?

Rajesh Doraiswamy See we have grown with Snider by about 27-28%. We have grown with GE by about 17-18% in this quarter. But the incremental revenue because of the preferred supplier is yet to see the light because of the projects are at various stages of testing and finalization. So we can see bigger growth in the next second half of this year as well as in the next year.

Sagar Parekh So this year industrial switch gears can do about Rs. 200 crores of top line?

Rajesh Doraiswamy Yes.

Sagar Parekh Okay and on the cables and wire segment, did we book any inventory loss this quarter because of the copper prices?

Rajesh Doraiswamy Actually we will not be booking big inventory loss because our pricing is on average, monthly to monthly average. We buy on monthly average, sell on monthly average so since we have an agreement with all the clients like that, so we do not have large inventory losses because of that. It goes like that.

Sagar Parekh And so basically initially we are targeting about Rs. 130-140 crores of revenue in FY16, now we are seeing some scaling down for this year in terms of revenue targets?

Rajesh Doraiswamy There is definitely no scaling down but the growth is going to be much lower compared to the switch gear business. We still expect the wire and cable business to grow at 15-16% in volumes. Because of the price fluctuations we see the revenues going down a little bit this quarter and the copper prices we expect to remain at this level in the next half year. So we will definitely see a volume growth of 15% and revenue growth of 5-6%.

Sagar Parekh 5% to 6% growth you can still see in terms of revenues. And my next question is on the working capital front, what exactly happened in terms of 37% growth in debtors from March quarter and also there was some 70% growth in loans and advances as well. So could you elaborate on that what was it exactly?

Rajesh Doraiswamy First going for the loans and advances, I think the growth is because of the advances that we have paid for the project that we are now working on the 3-phase transformers.

Sagar Parekh Oh, that is the capital advance then?

Rajesh Doraiswamy Yes, we have started paying advances for the machinery and the buildings that we are working on now. So that is the reason that that has gone up. On the debtors I think it is been a tough quarter for sure because September we saw some very kind of a very slow order booking. So in general there has been a little bit tight situation across. So I think that is one of the reasons that this has gone up. Second reason also is that we have also been doing some kind of a bill discounting with L&T which we are not doing.

Sagar Parekh And why are not we doing this?

Rajesh Doraiswamy To save the cost of finance, we did not want to do that. Because we were giving additional discount of almost 1.2% for immediate payments which we are not doing now, so we get payments after 90 days. So both of this has contributed to the increase in debtors.

Sagar Parekh So that when we mention that it will go back to normalized days then we will now again come back to bill discounting?

Rajesh Doraiswamy We will not be doing bill discounting because that is a very small portion, so we continue not to avail that and save on the cost of finance but we will try and collect the rest of the debtors which are exceeding 90 days so that we will remain at 90 days. As of now the overall debtors is around 3.7 months.

Sagar Parekh Okay, so that 3.7 will come down to 3.

Rajesh Doraiswamy Yes, and similarly the inventory currently is at 2.5 months, we expect this to drop to around 2 months in this year.

Sagar Parekh So it will normalize in H2 then both these put together.

Rajesh Doraiswamy We will see improvements in Q3 and Q4.

Sagar Parekh Okay, so basically this improvement will come through better collection efficiency from our side. And on the EMS front H2 what kind of revenue booking can we look at?

Rajesh Doraiswamy In this full year we expect Rs. 43 cores to be our revenue, out of which we have already booked around Rs. 25 crores of our order. Rs. 18 crores is remaining to be booked which I think we will be booking a majority of them in Q3 and a little bit in Q4.

Sagar Parekh Okay. And post this Rs. 43 crores of booking, then next year can we see some more booking

Rajesh Doraiswamy We are seeing a Rs. 12 crore revenue every year for the next four years.

Sagar Parekh Okay, that is from the current order. And any other pipeline you mentioned that you are in talks with several states but anything specific in terms of order booking?

Rajesh Doraiswamy I do not think we have any information as of now to be very specific on which state, which corporation and the timelines but as and when we have some information we will definitely share it with you.

Sagar Parekh And you mentioned that these latching relays there was some delay from technology partner, he is going slow because till the time it is not certified in terms of BIS but this can be used for, this was largely our thought process was to build up the factory for exports, right. So for export market the smart meters would already be having lights latching relays. Am I correct?

Rajesh Doraiswamy You are right but I think the Indian market is going to be one of the largest market for smart meters going forward. So the partners want to time the business a little bit later in this year so that the project comes up at the same time, the Indian market also requires this product. So it is not only for exports that they are interested, it is also mainly for the Indian market. So we want to club these together. We are in serious discussion on that and hopefully by end of this year we should be able to start this project.

Sagar Parekh So then FY17 we would see incremental revenues coming through only from the transformer orders, right, that Rs. 25-30 crores that we are talking about apart from the linear growth from our existing business but the newer or the three new products we will see only revenues flowing through from the transformers, am I correct?

Rajesh Doraiswamy No, we are also talking up with capacitors companies which I mentioned in my last call. This project we were slated to begin only by end of this year, which will happen as planned and we will be seeing revenues from duct business to the tune of around Rs. 8 to 10 crores in FY17. So this both put together we will see Rs. 35 crores revenue and this latching relay business happens we were expecting only around Rs. 15 crores revenue from that business in the first year.

Sagar Parekh So incremental revenue we were expecting about Rs. 50 odd crores from these projects put together. And this year we can finish the year with Rs. 400 crores, that looks achievable, right, Rs. 400 crores topline.

Rajesh Doraiswamy So far we are in line with the projections and I am hopeful that we will close to Rs. 400 crores in this full year.

Sagar Parekh And next year what kind of revenue are we expecting?

Rajesh Doraiswamy We are seeing excluding the energy saver business which will be contributing only Rs. 12 crores to us, so we will be seeing at least a 20-25% growth in FY17.

Moderator We will take the next question from the line of Vinay Nair from Emkay Global.

Vinay Nair Just wanted to know if the EMS business had been its usual, had done a usual business with the third party audit being done, so what would have been the impact on the revenues and the PAT? I mean how much incremental would we have got because of that?

Rajesh Doraiswamy We would have added another Rs. 10-11 crores top-line. On the bottom-line we would have added another 11% of the Rs. 10 crores approximately.

Vinay Nair And secondly I was just curious about despite having a lower component of EMS business, we did very well on the margin front especially on the EBITDA margin front so this is primarily I suppose because of the switch gear business obviously. Can I get a breakup segmental what kind of EBITDA we had generated for all the four businesses if you can?

Rajesh Doraiswamy I am sure that our switch gear business gave an EBITDA of 16% on an average.

Vinay Nair So again this must be higher than the Q1, right?

Rajesh Doraiswamy Equal to the Q1 I would say. But since the growth in the industrial switch gear segment was much higher that has actually reflected in a small increase in the overall EBITDA margin.

Vinay Nair And this was lower wires and cables or it was

Rajesh Doraiswamy Wires and cables it was in line with what it was last year around 9%.

Vinay Nair And the building segmet is insignificant.

Rajesh Doraiswamy Building segment is very insignificant but still a very small portion we are still trying to grow that business to a significant level in the next two years, so that contributes around 11% of EBITDA.

Vinay Nair And EMS do we have any number as far as margins are concerned as of now?

Rajesh Doraiswamy EMS has been a little up and down. This quarter it has been at around 18% EBITDA,

Moderator We will take the next question from the line of Salil Utagi from Systematix.

Salil Utagi Can you throw some light – is there any recovery in the industrial segment especially for the switch gear sector for you?

Rajesh Doraiswamy Ground reality is nothing great has happened in the country. We are not seeing a huge demand. I think first 1.5 months of the second quarter was good. We saw some real demands, saw some good inquiries coming out from large multinationals but I think the second half of August and September was very dull. There was no movement I would say. So we are not really seeing great investments coming in any of the sectors say either mining or power or steel or cement. The infrastructure industries are not growing.

Salil Utagi And how is the competition intensity right now?

Rajesh Doraiswamy There has been no change compared to what it was last year. So we maintain same status quo I would say. It has not intensified nor it has gone down.

Moderator We will take the next question from Bhavesh Jain from Envision Capital.

Bhavesh Jain Sir I am just going through the PPT, there has been some discrepancy in the segmental revenue which has been reported on the Slide #9 and which has been reported on the slide #2. There the copper business they are saying that on Slide #9 it is 42% of the overall revenue.

Rajesh Doraiswamy I think whatever I mentioned in this call is the correct figures. So you should take the figures that I mentioned today in the call as final.

Bhavesh Jain Okay. And sir, can you tell us about our CAPEX guidance going ahead?

Rajesh Doraiswamy CAPEX guidance for the transformer business we will be investing around Rs. 22-23 crores. It has happened this year and we will be starting production first quarter next year. Capacitor business will take an investment of approximately Rs. 15 crores, which again the investment will start. The last quarter of this year will flow through first quarter of next year. The relay business if it happens will take an investment of approximately Rs. 18 crores from Salzer.

Bhavesh Jain Okay, thanks a lot. And sir, another thing, I joined late on the call. Can you tell us how much revenue we have generated in H1 FY16 from the new products i.e. C3 controls and whatever new product range we have added recently?

Rajesh Doraiswamy We only added C3 controls product range. We have not added any other new product range in this year. So C3 controls generated approximately Rs. 3.9 crores.

Bhavesh Jain For H1 FY16 Rs. 3.9 crores and once I think latching relay will start production we will start selling the product how much revenue we are expecting over the next three years post FY17?

Rajesh Doraiswamy You are talking about the relay business that we are about to start?

Bhavesh Jain Yes. All the three products I am asking.

Rajesh Doraiswamy All the three products in three years we are expecting between Rs. 200 crores and Rs. 250 crores in third year, FY19.

Moderator We will take the next question from the line of Abhishek Maheswari from Wallfort Financials.

Abhishek Maheswari My question was relating to the train warning system and L&T power theft system which our R&D team is working on right now. So we have got the approval of these systems?

Rajesh Doraiswamy I think to the benefit of others, this is the new product that we are working. We are trying to develop a warning system for the unmanned railway crossings. This is the project that RDSO requested us to work on and our R&D did develop a system for this and we have put it to test in a field in Coimbatore as well as in Lucknow RDSO office. This is under trial and the inspection has been over. RDSO is happy with the system and the functions and the features of the system. So they have recommended, I would not say they have approved but they have recommended to all the railway zones to do a trial of at least two unmanned level crossings using this system, which will happen in the next six months or so. The real approval of this product can happen only next year.

Abhishek Maheswari Okay, so we cannot expect any revenue from this in next year

Rajesh Doraiswamy I think we can expect around 35 sets of business, so that is around Rs. 3-3.5 crores in the next six months.

Abhishek Maheswari And our anti-power theft systems and telecom temperature system?

Rajesh Doraiswamy Anti-theft system again for the telecom tower to see the new business that we have developed. Again these have been under trial and testing by Indus towers. We expect the business to come anytime but so far I think it is all under discussion.

Abhishek Maheswari And these two railway products that we developed the signaling and track feed battery?

Rajesh Doraiswamy Yes, the products are in production and we have started realizing revenues. In this first half I think we have realized around Rs. 2.5 crores in H1 from railways from these two new products. In this full year we expect to realize around Rs. 8 crores.

Abhishek Maheswari And with Trafomodern transformers we can start realizing revenue from Q1 FY17, right?

Rajesh Doraiswamy Yes, we want to complete the project and start by that time, hopefully we will. So far we are in line with the plan.

Moderator We will take the next question from the line of Bhavesh Jain from Envision Capital.

Bhavesh Jain Can you tell us the competitors for this 3-phase dry type transformers as you said that there will be other players who will be also bidding for that GE order?

Rajesh Doraiswamy There are two major companies working in India. One is called Tamura from Japan. They are in joint venture with an Indian company located in Bangalore. The other company called Trafomec. It is an Italian company, 100% Italian investments. These are the two major companies and recently we also found that there is one Chinese company which is in joint venture with an Indian company, which I think they are much smaller in size. So as of now these are the three companies that are in competition.

Bhavesh Jain And sir how big the market will be current size in India?

Rajesh Doraiswamy I think the market should be approximately around Rs. 2000 crores.

Bhavesh Jain And for this latching relays, who are the other companies?

Rajesh Doraiswamy In latching relays there is only one German company that is right now manufacturing in India which is very small. They are located in Uttaranchal. It is very difficult to estimate the size of the market today because the market is not really available today in India. We expect the future to be this. I think very recently the power minister also spoke about implementation of smart meters etc. So I think once that starts happening then you see the growth to be very substantial for this product.

Bhavesh Jain And sir who will be our clients?

Rajesh Doraiswamy Secure Meters, HPL, Havells, all the energy meter manufacturers.

Moderator As there are no further questions I now hand the floor back to Mr. Salil Utagi for closing comments.

Salil Utagi Thanks Rajesh for the participation. Thanks all the participants. Thanks Savli. We can close the call right now.

Rajesh Doraiswamy Thank you very much everybody.

Moderator Thank you. On behalf of Systematix that concludes this conference. Thank you for joining us and you may now disconnect your lines.