

Shakti Pumps India Ltd.
Q4 FY19 Earnings Conference Call
May 13, 2019

Moderator: Ladies and gentlemen, good day and welcome to the Shakti Pumps India Ltd. Q4 FY19 Earnings Conference Call. 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 * then 0 on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Anuj Sonpal – Chief Executive Officer of Valorem Advisors. Thank you and over to you Mr. Sonpal.

Anuj Sonpal: Thank you Neerav. Good afternoon everyone and a warm welcome to you all. My name is Anuj Sonpal from Valorem Advisors. We represent the Investor Relations of Shakti Pumps India Limited. On behalf of the company and Valorem Advisors, I would like to thank you all for participating in the company's earnings conference call for Q4 2019 and the financial year ending 2019.

Before we begin, I would like to mention a short cautioning statement. Some of the statements made in today's concall may be forward looking in nature. Such forward-looking statements are subject to risk and uncertainties which could cause actual results to differ from those anticipated. Such statements are based on management's believes as well assumptions made by and information currently available to management. Audience are cautioned not to place undue reliance on these forward-looking statements in making any investment decisions. The purpose of today's earnings conference call is purely to educate and bring awareness of the company's fundamental business and financial quarter under review.

I would now like to introduce you to the management participating with us in today's Earnings Call. We have with us Mr. Dinesh Patidar – Chairman and Managing Director, Mr. Ramesh Patidar – Executive Director and Mr. Dinesh Patel – Chief Financial Officer. Without much delay I request Mr. Dinesh Patidar to give his opening remarks. Thank you and over to you sir.

Dinesh Patidar: Hello friends. I welcome you all to this year's fourth quarter conference call. I feel very happy that the dream which we have seen couple of years back that we want to become a 500 crores company, that we achieved by doing 546 crores which is also a great moment for our shareholders and our team. I thank everybody from the bottom of my heart in achieving this. Our team also struggled hard to achieve this success. Also, I thank our shareholders that they stood by us in difficult times. In future also we will deliver up to their expectation. I would also

like to tell that the 546 crores sales that we have done, in that this quarter's sale is... Else, I will tell yearly first. In EPC we did sales of 126 crores, last year it was 157 crores. We did 15% growth in solar EPC project, the government project. Exports we did sales of 140 crores, last year it was 128, so it was a 10% growth. OEM sales, which is again solar sale, we did 96 crores, last year it was 86 crores, a growth of 12%. In domestic our second product industrial and domestic we did 84 crores, which in last year it was 62 crores. So it was nearly 35% growth. In addition to this, we are working on solar pump segment with off-grid solar system which we will be able to market well in rural, we will get good signal with which we also will be able to push our second product in the local market. We have already installed off-grid solar like in small places like government hospitals, in governments schools. There we have hopes that our solar pumps will sell good in retail markets in village area.

Now we will talk about EBITDA. Last year it was 82 crores. This year it was 93 crores which is a 13% growth. PAT last year 35 crores this year it is 45, in which we had grown 29%. EPS also which we did 29, that also we have grown by 29%. So this way in total we sold 1.06,000 pumps, last year it was 99,000 pumps. In EPC we have sold 6,800 pumps, last year it was 4,370. We almost did 14,000 pumps last year, this year also the same. Now recently we are getting a good response for the VFD launched, we have traced that and also we have exported some of it. We have recently brought structure in the solar business; it was not getting delivered on time. We have done some investment for that and that plant has also started production and we are seeing a good traction in that. We will use the plant to increase the delivery in solar business. Like we have decided before that we will be giving 20% as dividend for the shareholders from the profit earned, from the 45 crores of profit that we have earned, we are planning to provide 9 crores as dividend to our shareholders. It is 50% of the face value which is 13% higher than last year. Just like that we will be working on this segment and will be delivering higher growth. We believe that we can grow even higher than 20%-25%. Right now, we have 150 crores worth of order book which we will supply in the future. Last segment, the pumps segment which we were working, we are working on the same state government pumps project. Around approximately 2 lakhs pumps tender has already come to the market. This will be finalized soon and we will have good traction in this. Same like that, we will try our best to have a good growth in this segment. If you have any questions, I am ready to answer up to your satisfaction.

Moderator: Thank you very much. We will now begin the question and answer session. The first question is from the line of Puneet Mittal from Global Core Capital. Please go ahead.

Puneet Mittal: Dineshji, my question is, we have seen that our topline has grown by 25% in FY19, but bottom line growth is little sluggish and basically growth margins has also reduced and the same is with EBITDA margin. So, why are we not getting operating leverage and at what level will this operating leverage kick in?

Dinesh Patidar: Puneetji, it is a very good question. For making you understand this I will have to explain this in detail. Because for our SS, copper or silicon, steel which are raw material of solar, in this one

government has asked for BIS certification because of which import got restricted to a limit and the total raw material price increased by 2%-3%. Even if you look in separate, the SS has increased by 4%, copper is 5%, silicon 10% and solar cell has increase in anti-dumping duty by 25% because of which 2% margin got reduced thereby increasing the production of raw materials. That is why we thought we will decide what should be the sale price and how much should be bought. If we want to do 100 crores more business, we might have to reduce our sale price too. Actually business does not work on percentage, it works on work done. Ultimately, we have made a profit of 46 crores, net profit and I think that is what shareholders also want, how profit is earned.

Puneet Mittal:

Second question is, after election, the government's fiscal situation is also not good. And election results too people have different opinion. But after election do you think that despite the government's fiscal situation, the schemes and yojanas for solar pumps, will government be able to fulfill it fast or will it become slow?

Dinesh Patidar:

Very good question. This is what I wanted to clear with all shareholders. The one segment, the Solar segment, we have to understand what exactly it is. Basically, let anyone come, government or anyone, what is solar? As of today, the cost of solar pump is 3 lakhs and to make the connection government expenditure is 3 lakhs, and it will consume electricity worth 1 lakh in a year, so the thing is ministry renewable energy is giving 30% subsidy which they have made a system in SNA, this is not a government business or not subsidy business, we have to clear it very well. The 30% subsidized price is provided to them by the MNRE and it is not subsidy. Actually, it costs more to install the transmission line and that is why 30% is granted. It is provided by central government upfront. If you see loss happens in discom because it consumer nearly one lakh worth of electricity every year and farmers have to spend more for giving connection to the discom, so total it comes to around 2 lakhs. So the pump which is 3 lakhs pump, 3 lakhs for connection, and one lakh for electricity, total it will be 6-7 lakhs expense for government and what they get in return? So the 30% come upfront as SNA and some state government gives as subsidy for it to not end up in loss. Farmers arrange 30% of the amount and then we get the order. So for us the previous record of government subsidy business and government outstanding that are all different. For solar it is a different system. Everyone is making money in this. If discom is giving some subsidy then it is also making money, Indian government is also making money, farmer also making money, because he gets profit in setting up irrigation. So it is becoming success everywhere and I think we are going to get more projects. I hope I am able to make you understand.

Puneet Mittal:

I think your point is very clear and very good. So it seems that Shakti Pumps future is very bright irrespective of which government is going to come. One more question Dineshji, which respect to exports. Export we have started again and we are focused on that. So what is the potential you see for export in 2020 and forward and has any new development happened in this?

Dinesh Patidar: As you know already 10% growth is already there in business and in export also we are pitching solar, so in that also we are seeing good opportunity. Because let it be Europe or other place, there our pump's price and installation price is almost half. So till people are not confident it takes time for them to decide for solar installation. It is other thing that we have already stabilized in this and now slowly we are getting orders from others and we think in the future also we will do very well in exports. Also, we are working on some solar projects also in export. So I think we will get good uplift in that sector too.

Moderator: Thank you very much. The next question is from the line of Monavi Mana from Arihant Capital Markets Limited. Please go ahead.

Monavi Mana: I have two questions, like your stake has increased from 106 crores last year to around 170 crores. So, I mean, over the last few years we are seeing that, I mean going forward you are swelling your growth, I mean by taking means of a little bit of debt. So going forward I mean till what time we can see this trend to continue and when it will, I mean your debt picture will come a little bit under control. So that is my first question and secondly is I mean your working capital cycle, I mean working capital days for last year was around 201 days and it is remaining almost same around 200 days. Actually, earlier I had spoken with Mr. Maru, he is not here now, he was saying that you were trying to bring it down to around 150 days. So that has not happened in FY19. So there is little bit of working capital stress in your balance sheet. So going forward how do we see, I mean is there any scope of improvement or if you can throw some light on this sir?

Dinesh Patidar: It is a very good question. I will tell you about debt first. The 170 that you are taking about it is just working capital. So the working capital in this, if you do from 400 crores to 450 crores or 550 crores then working capital will also be in that cycle, and till we do not reduce the debt, we won't be able to bring it down. This is I am sure you will also agree. Now I will come to working capital days. In solar for the last 2 years our timing has been more because we were doing pilot projects in different states and villages. We have done pilot projects for lot of governments. So it is difficult to do pilot project which is getting stabilized quickly. After **SNA**, the nodal agencies are there they provide funds and then only they give us order. This process which we are thinking of doing 150 days because it takes 3 months for installation and then later work, so there is a cycle, that cycle is for sure takes 150 days. We might be able to reduce, we are trying to do that. We have now reduced it to 170 days.

Monavi Mana: Going forward what will be the CAPEX sir, since that you have started the inverter process too, so what will be the CAPEX?

Dinesh Patidar: In the coming times, we will be making 20%-25% growth. For that we don't require much CAPEX. As the sales increases, we will work with our banker and go forward.

Monavi Mana: So now you cannot provide how much CAPEX you would require, like 50 crores, 100 crores, like that?

Dinesh Patidar: This year we do not require much CAPEX. But in routine we do 10-20 crores, that we will do. Let me tell you we have spent 6 crores in R&D also, that is almost 13% of our net profit and the certificate that we received from Government of India in that we will also get 150% reduction. We will continue doing R&D in future too. I just wanted to tell you that we spent money on R&D every year. We will also get reduction in prices since we have certification from Government of India. Now what happened, you see, this year we have launched VFD plants also, it is a very good thing for Hindustan. Because the work we have done on power electronics, that is converting of solar inverter to electric inverter, we were importing it earlier, now we are making it in-house. We have got rid of that cost too, and instead of that we have done heavy investment in structure in CAPEX for structure plant. So that plant is now in profit and its working is going forward and good.

Monavi Mana: Then sir, what is the effect of it? I mean if we see the result of this quarter, then effective tax rate is about 19.4% or somewhat whereas your last quarter, I mean previous year around 43%. So this tax saving happened because of this? I mean, R&D expense and the benefit that you got or is there something else involved?

Dinesh Patidar: Perfectly. It is the same effect.

Monavi Mana: Okay. And sir going forward also, how will be your tax rate?

Dinesh Patidar: It will be the same line.

Monavi Mana: I am talking about yearly. In FY19 you have reached till 25%, whereas in FY18 it was 35%-36%. So at least reduced by 10, so will it continue like 25% or will it reduce even further?

Dinesh Patidar: We are people who do work on final product, and also do marketing. So we decide on this strategy that how much aggressively we need to go in which sector. So we will maintain the margin as it is our philosophy. We don't do any work in which we end up in loss.

Monavi Mana: No, sir. I was talking about tax rate not margin. Your tax rate was 25% in FY19, so going forward also will it remain the same or will it reduce or increase?

Dinesh Patidar: See, the tax imposed by Government of India, the amount percentage will be in line with that. It depends on how much benefit you are getting of R&D expense, it is going to be life time and we will be getting the benefits going forward too. So 150% times we will get going forward too.

Moderator: Thank you very much. The next question is from the line of Harsh Mehta, an Individual Investor. Please go ahead.

Harsh Mehta: Sir, like you have mentioned, the current order is around 150 crores. So what can we expect in the first quarter and what is the outlook for FY20? And my second question is what is the average revenue per system or what is the pricing of solar panel now?

Dinesh Patidar: Very good questions. The current order of 150 we will cover in this quarter and next quarter too because we are not able to do it fully in this quarter. So, we have to work accordingly regarding installation and all. So don't work on per system pricing. So I won't be able to tell you how we do pricing on per system. We do on tender basis and planned strategy.

Harsh Mehta: And sir, what is the outlook of FY20, how many percent? What we expect for the growth in FY20?

Dinesh Patidar: Minimum 25%-30% growth. We are fully confident about it.

Moderator: Thank you. The next question is from the line of Ashok Shah from ICICI Bank. Please go ahead.

Ashok Shah: How are the solar panel prices moving? Has it reduced because that is the component in our systems?

Dinesh Patidar: What happened in solar pricing is, it initially went up. When we started solar at that time it was about Rs. 40- Rs. 50 and now it is around Rs. 20- Rs. 22 per watt panel pricing. So it has reached at a very good price. We are talking only about the panel price.

Ashok Shah: So panel price is reducing or not?

Dinesh Patidar: See, actually what happened in between is because of the anti-dumping duty, it has come down by Rs. 1- Rs. 2, now the it has come close to Rs. 20-Rs. 22. So there is not much of a difference.

Ashok Shah: Will it increase from there? The prices of the solar system will be same?

Dinesh Patidar: I think it will be same.

Ashok Shah: And sir any update on KUSUM, any demand from there?

Dinesh Patidar: Yes, in KUSUM, they are finalizing the deal. As soon as the new government comes, we will see about KUSUM in a month from that.

Moderator: Thank you very much. The next question is from the line of Parag Khare an Individual Investor. Please go ahead.

Parag Khare: Despite of increasing raw material and commodity prices you managed to get the margins at a respectable level, so really good thing. So my question is, do you see any pressure on the margin in future because of increase in the competition or prices going down, so are you seeing

any threat like that or with the monopoly continuing and we dominating the markets, what is your outlook?

Dinesh Patidar: Now everything is looking fine. But may be sometimes lot of numbers will come in KUSUM and if we had to reduce some margin then we will think about it. We are not interested to increase large margins and doing business.

Parag Khare: Okay. And sir any plans to grow inorganically, maybe buy a solar panel, acquire a solar panel company, so that we can be self-sufficient, self-reliable or buyer, so do you see any good opportunity in India or outside India?

Dinesh Patidar: It is a very good question. Sir, I have born in pump and will buy in pump too. I don't understand anything other than pump. Pump is happening in solar that is why I went there, otherwise I wouldn't have. I don't see anything else other than pump.

Parag Khare: So any plans of inorganic growth?

Dinesh Patidar: No, not at all. I am seeing much of exports in solar pumps, I have enough work in my country that nearly 4 crores pumps needed to installed in country first. Our country's economy will change from there. Then we are working on E-Rickshaw, we are establishing that. So the motor which we have made for the automobiles we are slowly establishing that, so we will be with all these till 2030, solar motors, solar pumps, E-Rickshaw, automobile motor, that is it. Now we have started the inverter plant because in the coming time when there will be so many solar things will be here then we will have inverter in-house, then we will be able to R&D very well.

Parag Khare: Okay. And sir one final question on the topline growth. Is this growth rate sustainable or say next 3-4 years, it is a bit long time but at least for 2 years, is it sustainable?

Dinesh Patidar: Minimum 25%-30% we will do because now you do, now the tenders are launched in India which is awaiting decision, so nearly 2 lakh pumps are there, it is waiting for decision. So we have achieved a lot of growth, we are continuing in line with the philosophy of our company. In solar also we are seeing very good market and we are seeing ourselves establishing very well.

Parag Khare: Okay sir. So if this topline growth continues, do you see more of more working capital related loan or with 170 crores whatever we have credit line will that be now?

Dinesh Patidar: No, for the moment just like what you have seen we have went from 106 to 170 working capital, last year it was 106 crores, so mostly for imports we will need limits for that and we get it from our bankers, for that we are confident about and we don't require that for the next year. We have already received the sanction letter from banks, so we need to line up in a few days.

Moderator: Thank you. The next question is from the line of Puneet Mittal from Global Core Capital. Please go ahead.

Puneet Mittal: Dinesh, two questions. First is, just like what you told that there is no immediate requirement of CAPEX, also you are not interested in any inorganic growth which is very good thing, so how are we planning to utilize the cash flow that we have especially given the market valuation as per my thinking, the company valuation is very less than what it needs to be, so will there be any buybacks or how you are planning to utilize the cash flow?

Dinesh Patidar: What you are saying is correct. Right now, we are managing the cash flow because we already have sanction for working capital from bank and we are working on that and it should happen within that. But suddenly the 20%-30% growth which we are planning, for that we do not require the use of working capital because if we increase the production then the inventory will also be less, so that much use of inventory won't also be there and we will correct the cycle. The pilot project which we have done, the small projects in Bihar, UP, Assam, now big orders will start coming in, so from that our cycles will improve and the working capital which we need is already planned, for that we don't need working capital. So the big orders which will eventually come, we will plan something for that. But for now, we can manage with this for this year.

Puneet Mittal: So any plans of buyback or anything?

Dinesh Patidar: No.

Puneet Mittal: Okay. And second question, you talked about E-Rickshaw motor, I think that is an interesting product line which I think of course market or investors don't know much about it and the company's valuation is not based on that, I think it is discounted fully. So if you can tell more about it, like which stage it is in, with whom we are working with, till what time you think we can get results, so it will be very useful for the investors.

Dinesh Patidar: Yes, perfectly right, what is happening is that the 1 KW or 2KW or 3 KW motors which as of today it applies in E-rickshaw, we have developed these watts and have given for testing to different companies. That is going on now and it is going on good. 3KW we will launch in the next quarter, because we have experience of motors for a long time and in-house plants we are planning to make inverters. So in this one we are going slow because we want to get used to by the time we enter into automobile sector as it is a new market for us and also new for India. So we are standing in a very good segment because most of the motors come from China and all are imported, and there are issues regarding after sales service and other things. Nobody has done R&D about it in India for this and we are working on it. In future, our experience that we have on motors or about 30 years that will help us in making the motors for automobiles as we are expert in those lines. So we will do it when the time is right, right now, we are going slow in this because we also need to do some learning and it will be another 1-2 years more for us to have a complete grip on this.

Puneet Mittal: Okay. But in rickshaw there are only 3-4 main players who have greater market share, so you are working with all those or you are planning for some new players?

Dinesh Patidar: We have worked closely with them. Also, we have worked with new guys. But bigger players they are still in development stage, but sale has started in the downside. We need to have feedback from them about the use of it in Indian roads.

Moderator: Thank you very much. The next question is from the line of Shikha Mehta from Equitree Capital. Please go ahead.

Shikha Mehta: Sir, can you give me segmental breakup of revenue, I missed it in the beginning?

Dinesh Patidar: Sure. I will give you yearly breakup, or you need quarterly?

Puneet Mittal: Yearly.

Dinesh Patidar: We have done 161 crores of solar projects which was 157 last year. We have done export of 140 crores, last year it was 118 crores. Our OEM, who is our friend, who does solar EPC project, and solar panel manufacturer we have done 96 crores which last year was 86 crores. 84 crores we have done in domestic which as 62 crores last year. In addition to this we have worked on off-grid solar pumps. All the schools or students in MP, we have installed off-grid solar system, we have worked on that too.

Moderator: Thank you. The next question is from the line of Monavi Mana from Arihant Capital Markets Limited. Please go ahead.

Monavi Mana: Sir, I have a few follow up questions. Can you please share the numbers of some of the pumps like just for the book keeping. I mean EPC solar pumps have sold how many in this year, if you can share the number please?

Dinesh Patidar: EPC we have sold 6,800.

Monavi Mana: And in OEM, solar?

Dinesh Patidar: Last year it was 4,370. OEM is 14,000.

Monavi Mana: And in domestic non solar pumps?

Dinesh Patidar: That detail I will give you later. Because it is total sales and there is no need for it.

Monavi Mana: And exports how many pumps, please could you tell?

Dinesh Patidar: That will give you in detail.

Moderator: Thank you. The next question is from the line of Shishir Kumar Sahoo, an Individual Investor. Please go ahead.

Shishir Kumar Sahoo: Sir, I have a question on the VFD, how much have you supplied this year for KUSUM?

Dinesh Patidar: We have already sold 6000 in market, around 10,000 we have already made.

Shishir Kumar Sahoo: What is the capacity of that plant?

Dinesh Patidar: Total plant's capacity is to make one lakh VFD, total it is 20,000.

Shishir Kumar Sahoo: So that VFD is of government scheme, on KUSUM Scheme, in that government will buy from you only or is there any other competitor?

Dinesh Patidar: Great question. If we keep it as a secret it will be even better. Thank you.

Shishir Kumar Sahoo: And the structural plans, which you have worked, working for some time, have the production started?

Dinesh Patidar: Yes, this yearend we have made a sale of 6 crores. It will be a 6%-7% of total sales, but this 6%-7% was the bottom line in this.

Shishir Kumar Sahoo: Now regarding the KUSUM, which government has approved, now in 19-20 we have to sell approximately 5 lakhs solar pump should be sold. Do you agree with that, or you think it should be less?

Dinesh Patidar: Tender has already come for 2 lakh pumps. Tender price is 4500 crores. This is not from KUSUM scheme. This is provided by state government itself.

Shishir Kumar Sahoo: KUSUM not yet started?

Dinesh Patidar: After new government comes in, with in one month I think pilot revision of KUSUM will come.

Shishir Kumar Sahoo: Sir one last question. In international solar energy, 5 lakh tender is supposed to come in that? Are you participating in that or anything to come on those line?

Dinesh Patidar: You have great information with you, on international solar energy too. We have done a lot of work done on international solar energy. Work is progressing very well on this and we also put some efforts in that. The tender which was in that also he has called for requirement. We have great expectation in this project. As soon as this order gets converted, I will come to you first.

Moderator: Thank you very much. The next question is from the line of Parag Khare an Individual Investor. Please go ahead.

Parag Khare: Sir, thank you again for the opportunity. Sir my question is on meeting the demand in future. I am saying the demand is very good. Our OEM Jain irrigation, Adani etc. there is only very few reason if they see opening margins are not very healthy according to their philosophy and if they decide to reduce their involvement, are we capable enough to cater to the pricing demand, are we ill sufficient in terms of installation or we will have to again start looking for again with some kind of a comprise with our OEMs. Do you see that possibility in case if they reduce their involvement, or they will not reduce involved because it a growing business.

Dinesh Patidar: This is very good business. Government can also save a lot of money. They are giving only 30%, they get profited too. Also it is useful for state government. Customer also benefits. So which all OEMs are there in they are not interested then more better OEMs will come. This is the system. It is going on process, someone comes someone goes.

Parag Khare: And sir what initiatives we are taking to increase the export because as far as exports margins are more compared to the domestic market in terms of improving our distribution kind of channel through the world sale route, are we trying up with our, if the distribution companies outside India in the export market?

Dinesh Patidar: It is a great question. We do like that only. Our export business is just like that, in those countries we make 2-3 distributors and make them invest, give them training and make them over forward. So that cycle is very good. And anyhow export business margin is not as easy you think, it is a very tough market. For us to stabilize in those market, it will at least by 4-5 years, then only it will get stabilized. So that is a very challenging job, but anyhow it is easy in India. It is very difficult in exports. For everything they need that philosophy to keep the readiness. There also we have established and brought till here. Doing 100 crores exports is not a joke. It is a big efforts, last 20 years we have done good efforts.

Parag Khare: Okay. And how is the situation in Middle East looking like?

Dinesh Patidar: Right now everything is stabilized.

Moderator: Thank you very much. The next question is from the line of Ashok Shah from ICICI Bank. Please go ahead.

Ashok Shah: Just on what you mentioned, that the total number of tenders are about 2 lakhs pumps and the size of the tenders we have about is 4500 crores. So the price per system comes to be around 2.5 lakhs per unit. So the price per system, I think the last year around 3.5 lakhs per unit. So it reduced from there and has become 2.5 lakhs.

Dinesh Patidar: Right, just like that you see the solar price. The 5 HP pump 5lakh need to be, if 5 lakh comes in Rs. 33 not is Rs. 12, so 50% is in this only.

Ashok Shah: In the same way price has reduced but our margin will it remain maintained or that will also compress because solar power unit, the per watt, how it got reduced, so like that is there chance to compress margin or we will maintain the margin going forward?

Dinesh Patidar: We will have to manage and go, I have told that I don't take aggressive steps. We will go according to the planning in margin. We work accordingly and there will be 1%-2% upside anyhow?

Ashok Shah: Is it like that margins because the solar panel prices have come off, so margins also would go down that faster. I can understand 1%-2%, going up and down, but okay, the other question is what is our capacity utilization going forward because we have, I think you have said you have sold pump above one lakh too. So what is our utilization for this year?

Dinesh Patidar: We are running at 42% capacity now. Now also we have got planning for one shift, second shift and all that. There are some bottlenecks too. As it keeps on coming we will proceed forward.

Ashok Shah: Okay sir. With increase in demand we can go to shifts as well, after the first shift is work 100%?

Dinesh Patidar: Yes. Definitely.

Moderator: Thank you very much. Ladies and gentlemen, as there are no further questions, I will now hand the conference over to Mr. Dinesh Patidar from Shakti Pumps India Ltd. for closing comments.

Dinesh Patidar: Thank you very much. You all have taken out time out of busy schedule to attend this call. All the members of Shakti team, we will work for the benefit of shareholders like that and will see you at the next conference call with more good news. Thank you very much.

Moderator: Thank you. Ladies and gentlemen on behalf of Shakti Pumps (India) Limited that concludes today's conference. Thank you for joining us and you may now disconnect your lines. Thank you.