"AllCargo Logistics Limited
Q1 FY15 Results Conference Call"

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Moderator: Ladies and gentlemen, good day and welcome to the AllCargo Logistics Q2 FY15 Results Conference Call, hosted by Batlivala & Karani Securities. 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. Jinit Mehta from B&K Securities. Thank you and over to you Mr. Mehta!

Jinit Mehta: Thank you. Good afternoon everybody. On behalf of Batlivala & Karani Securities, I welcome you all to the first quarter FY15 Results of AllCargo Logistics. It gives us great pleasure to welcome the management of AllCargo Logistics, represented by Mr. Shashi Kiran Shetty, Executive Chairman and Managing Director, and Mr. Suryanarayanan, Director of Finance and Executive Director, ECU Line. I would now request Mr. Suryanarayanan to give us a brief synopsis of the results before starting the question and answer round. Over to you Sir!

S. Suryanarayanan: Good afternoon everyone. Thank you for joining us on the call. I will do a brief summary on our consolidated results and after that we will take the questions.

I am sure all of you would have received our results and gone through the quarterly financials by now. For those who have not, you can view them along with our presentation on the website.

In terms of consolidated financials for the quarter our consolidated total revenues from operations for the quarter have grown by 35% year-on-year to Rs. 1321 crores. This was mainly on account of increase in volumes and revenues in the MTO and CFS businesses. About 84% of our revenues were from our global MTO business.

The consolidated EBITDA increased by 32% year-on-year to Rs. 118 Crores and the consolidated EBIT was Rs. 84 Crores year-on-year increase of about 23%.

I am happy to mention that performance across businesses has been in line with our expectations. Starting with the MTO operations the volumes have grown by about 40% year-on-year. Though these numbers include the acquisitions that we made last year in the second half we have also seen growth across trade lines organically also.

Asia continues to dominate the pie in terms of volume mix and we have seen intra-Asia movement continuing to grow. We have also seen the US leg growth in early double digits. We have also seen growth in the FCL product. The EBITDA margins have improved 50 basis points sequentially.

In the CFS as you all can see from the numbers we have grown 19% year-on-year. There has been a healthy growth in volumes sequentially as well. We expect to see this growth continue in the coming quarters.

Our expansion at the CFS where we started another container freight station has started to yield results. We have seen significant growth in the new CFS at JNPT and this is slowly starting to grow in double digits year on year in terms of volumes.The EBITDA margin in the CFS business has improved by about 200 basis points sequentially.

In project and engineering business we did see a significant slowdown which translated to lower asset utilization and yields in the past year. This was largely due to the slowdown in project execution as some of our major customers had postponed their capex plans.

In this business, we do have a strong order book and this order book continues to grow albeit slowly. Having said that going forward we do expect a good pickup in this segment as the capex plans are getting firmed up at our customers level and as both investment in infrastructure in the Indian Economy augers.

In fact we have started to see some positive movements coming up and small projects starting to move on the ground. The asset utilization has also started to pickup and I think we should see a good utilization pickup in the coming quarters.

On the consolidated basis, I am happy to say that our focus across all our businesses continues to be on growth in terms of volumes and revenues. We continue to focus on improved asset utilization and a higher return on capital employed.

As mentioned in our past interactions, our capex continues to be conservative and even in this quarter our capex has been mainly more of a routine maintenance capex's. At the balance sheet level, we have brought down debt and our current net debt to equity now stands at 0.37 as compared to 0.39 on March 31, 2014.

In fact what we are doing is as all the free cash flows that are coming in, all of these are getting applied to reduce our debt and as we start moving forward in the year, the debt equity ratio will start coming down.

To summarize and reflect across all our businesses we will continue to focus on growth in both revenues and profits and asset utilizations. Thank you so much. We can now take questions.

Moderator: Thank you very much Sir. Ladies and gentlemen, we will now begin the question and answer session. We have first question from the line of Sushil Chokshi of Indus Equity Advisors. Please go ahead.

Sushil Chokshi: Congratulation to AllCargo team for stable numbers.

S. Suryanarayanan: Thank you Sushil.

Sushil Chokshi: My first question pertains to there was a JNPT celebration and vision statement made by Mr. Nitin Gadkari to enhance and get JNPT Port to top 10 in the world. And he is talking of 50% to

60% growth in container cargo volume which he desires to. Based on this vision statement, I understand our CFS figures in the in the top 2 or top 1 in JNPT and we have started with a second CFS. Can you throw some highlights if this is achieved and current government is working on a policy how it will take us in future? Thank you Sir.

S. Suryanarayanan: What it would do to us Sushil is we have capacity both in our first CFS and we also have a big facility in our second CFS which is almost double the size of our first facility. So in effect if Nitin Gadkari's vision statement really comes true and the throughput through JNPT port increases then obviously we would be well positioned with the asset created, capacity created, I think we would be in a very good position to get that part of the growth through our CFS. What it would only do is with the asset already being there, the throughput coming through it will straightaway add a lot of free cash flows into the system and a return on capital employed will just move up.

Sushil Chokshi: If I just add a question there, he is talking at JNPT will be able to handle 10 million TEUs that is the vision which he throws up. I do not know how many years it takes, but this JNPT area having capability as a container freight station or any other infrastructure in a position to handle this cargo and if land bank how will you able to create any infrastructure other than the existing players. That is the question.

S. Suryanarayanan: No those the infrastructure will start moving away from where we are, so that the advantage would be for those who are much closer, they will be able to take advantage. For the others who will have to come in a little bit behind, then for them the cost of operations and the evacuations would be much more difficult so in that sense we would be well poised to take the growth that is coming in of that vision statement and obviously we see a lot more growth potential then probably we would also look at other places, but I think we would be in a very good position having worked this pace and having developed the additional capability with , the second CFS, which is a world class facility. I think we would be well poised.

Sushil Chokshi: Is there any land bank or infrastructure other than the existing players visible to you in terms of if these capabilities are put in or people have to distance themselves from it?

S. Suryanarayanan: I think they will have to distance themselves because 80% or little bit because the infrastructure will have to improve at multiple levels. The roads to the port and other things there because as it is the evacuation sometimes it takes time but once if this type of a facility were to be done then they will have to really move through a lot of infrastructure that will have to be developed across, but if it were to really happen and I see no reason if the vision statements that are there and from what we see and see the impact coming in from an outside in perspective I think India is poised well to reap the benefits of the growth that is happening in the infrastructure and other things across the economic sectors.

Sushil Chokshi: Any outlook on Chennai and Mundra Port because Mundra Port presentation is indicative that container volumes in India has increased and it is visible in various researched ports; however, we performing the capabilities to enhance capacity?

S. Suryanarayanan: In fact in Mundra itself if you see our results they are also up and it is showing the reflection of the volume in the growth there. You know from all our earlier discussions we are a market leader be JNPT or Mundra or in Chennai. So across we would do that and I see that as the government's promises start to coming into action especially in the investments in the infrastructure and other sectors this will only facilitate more exempt rate and all of this would auger well for all of our business and especially this year first and the project in engineering divisions.

Sushil Chokshi: Any plans to be around Dhamra because the Odisha is throwing up possibility of good business and lot of environmental clearances are coming for large projects. Our project division definitely will have big scope, but any possibility of container business coming up that side?

S. Suryanarayanan: We are looking at certain opportunities but as and then those come in we will have to calibrate it and then we will have to build thing, but all of these are getting scanned continually when we are being evaluated.

Sushil Chokshi: Just hearing the media few hours back the indications came that our project business may just look up and it is stabilized in terms of competition or margins or any respect so if asset utilization and enquiries have started or you already started getting receiving?

S. Suryanarayanan: Asset utilization has increased in the second quarter the first month that has passed by, we have seen asset utilization going up the enquiries coming lot more faster and they are also coming for a longer-term basis, so I see that once these assets get deployed I think we are in for a longer period irrespective of what happens thereafter. So I think that is why when our chairman spoke to the media he was quite bullish, it is not a question of if, but we are seeing the development already happening in the asset utilization moving forward.

Sushil Chokshi: Last question in specific on project business we have huge amount of assets on our books. In respect of the current condition we faced all the challenges in last 24 months, but the kind of assets we purchase it ever we valued if somebody had to buy or what is the current market value of these assets or what is the replacement value?

S. Suryanarayanan: The replacement value for us, the other way of answering your question is if somebody were to buy all our assets today we would get at least 25% to 30% greater than our book value would be the asset value if we were to move the assets to see if somebody there was willing to buy.

Sushil Chokshi: Last question can you say our competitors are shrunk or many of them up for sale. Can you just give an outlook on that division?

S. Suryanarayanan: I do not think many of them are up for sale, but I think some of them are, I would answer it in a different way, especially in the equipment side that we are in because of our stronger balance sheet, our ability to borrow at a much cheaper level than some of our competitors gives us a very big competitive advantage there itself then it only a question of how do we increase the asset utilization to move forward and in some of our other areas if there are opportunities that come across be it in our CFS or in our other businesses that we are in then these are all being continuously evaluated and if it fits in with our return expectations then I think there could be an opportunity.

Sushil Chokshi: Thanks a lot and I will follow up my questions if others do not ask. Thank you.

S. Suryanarayanan: Thank you.

Moderator: Thank you. We have next question from the line of Viral Shah from SBICAP Securities. Please go ahead.

Viral Shah: Congratulation on good set of numbers. Sir basically a couple of questions, one in MTO segment can we have the breakup of what is Indian **(indiscernible) 16:23** volume and global?

S. Suryanarayanan: One does not look at it from an Indian perspective and a global perspective because when you look at it at an overall network in a global business it is an integrated play. The way I would answer your question is not that I cannot give you what is the Indian volume or the other volume. It is just that if you start breaking into a geography to geography then you would never really fully appreciate where the growths are all happening. All that I can tell you is if I were to remove the impact of the acquisition as compared to the previous year we would be growing at about 14% organically and this growth in a volume-term basis is happening across trade length. It is not that it is confined to one country or a specific set, but it is happening across trade lines so that is how I would put it across to you in terms of overall level.

Viral Shah: Just to have that breakup and to more clarity that means it is 40% volume growth that is year-on-year, 14% is organic and remaining would be inorganic?

S. Suryanarayanan: But then you must remember you are comparing at a quarter-to-quarter level where you are having a full acquisition coming in for a quarter which was not there. So that is why one should look at this growth in a very moderate way rather than simply say that that will be the growth that will start running in because somewhere when you start coming to the fourth quarter it will all start equalizing because in the fourth quarter of last year is when this acquisition started coming in to play. So that is why you need to be a little bit careful when you are looking at this figure. So that is why I am giving you the growth pre and including the acquisition so that just gives you a sense of that even without these we have grown at an organic level itself. So that was the purpose of the message when I am discussing this with you.

Viral Shah: Yes Sir very well. You know we understand that 14% was a healthy growth for the quarter, secondly the CFS segment we have grown 19% year-on-year right. So in that can you give us a breakup which CFS may be JNPT or Chennai or Mundra have contributed that growth during the quarter?

S. Suryanarayanan: What will do is instead of discussing at a specific level all I can tell you is we have seen growth across all our CFS and we can look at it from that perspective rather than get into where and which one and one on one if you need any information you could speak to my colleague Salvi, the she would be in a position to give you those numbers. Before you ask me this question I would welcome our Chairman, Mr. Shashi Kiran Shetty. He is also on the call so that when you address the question you can get a business sense or a business perspective of the businesses that we are in. So if you want to address any of those then he can take those questions.

Shashi Kiran Shetty: Hello, good afternoon everybody.

Viral Shah: Thank you Sir. Sir basically a couple of few data points what will be our gross debt figure? Can you give that?

S. Suryanarayanan: The gross debt is about 906 Crores.

Viral Shah: And net debt.

S. Suryanarayanan: Net debt you knock of about 238 Crores of cash. So you are talking about 669 Crores.

Viral Shah: Sir we had this forex gain during the quarter for your P&E and CFS division right?

S. Suryanarayanan: Pardon, sorry.

Viral Shah: You had this forex gain translation gain for the quarter right for your P&E brand equipment and CFS division?

Company Management: That is for the previous quarter when we had both open hedge net position. Now this quarter there is no such measure impact. It is all below the materiality threshold.

Viral Shah: Because in the result that there was a line item stating that it includes realization and gain on cancellation of derivative taken on?

Company Management: That is pure accounting kind of thing, but it is nothing really material in terms of quantum or value.

S. Suryanarayanan: That note was just to tell you to one was from our compliance perspective and the second was last year we had about Rs.7.5 Crores of gain, this year was Rs.1 Crores, so when you are looking at the results if you eliminate both then you will be comparing the real business impact on that divisions. So that is the purpose of that disclosure to help you to understand what is the real business growth? So that was the purpose of pulling that much.

Viral Shah: Basically I was looking for that number, what is really that number see for Q1 last year similar year?

S. Suryanarayanan: Rs.7.5 Crores.

Viral Shah: Rs.7.5 Crores was the last year right and this year Sir?

S. Suryanarayanan: Because suddenly you fall low and then it comes back, so that is why I am not able to get your questions.

Viral Shah: So basically I was looking for Q1 FY2015 the similar number for that during this quarter?

S. Suryanarayanan: Rs.1 Crores.

Viral Shah: What will be that for Q4?

Company Management: You cannot estimate depending on the actions and prevailing at closing debts and other things. Now, it will not be a material kind of things, because most of the loans are also getting repaid off.

Viral Shah: Can you tell me the utilization level of our equipment for P&E segment?

S. Suryanarayanan: They would be around 80% and as I speak to you in the month of July that increase has already started to happen by about 2% or 3% more.

Viral Shah: For this P&E segment, what is our EBIT margin as on date is around if you do not include this Rs.1 Crores, including this Rs.1 Crores forex gain is around 6% right, if I am not wrong?

S. Suryanarayanan: Yes.

Viral Shah: So this will likely if you are going forward.

S. Suryanarayanan: Because the asset utilization starts coming in then it all starts adding to the bottom line.

Viral Shah: All the best.

Moderator: Thank you. We have next question is from the line of Rishabh Parekh from Sunidhi Securities. Please go ahead.

Rishabh Parekh: I just wanted to check, what is the capacity utilization on the CFS vertical?

S. Suryanarayanan: They would be about 63% on JNPT, Mundra and Chennai put together.

Rishabh Parekh: How much if this moves up to 80, how much incremental delta, are you likely to see in terms of EBIT at the EBIT level?

S. Suryanarayanan: The incremental would be quite significant, because this 63 will also include that expansion that we will be at JNPT. If you were to kicking this 63% going to 80%, that 17% on an incremental EBITDA would be quite significant.

Rishabh Parekh: What was your peak margin in this CFS vertical?

S. Suryanarayanan: Those days were all very good days where we were at 55 upwards percentage.

S. Suryanarayanan: Right now, they are very competitive also, so it is very difficult to expect that kind of margin going forward.

Rishabh Parekh: So, there is a competitive pressure on pricing in the CFS business?

Shashi Kiran Shetty: It has been around for the last three years already, it is almost bottomed out now.

Rishabh Parekh: In terms of capacity utilization of P&E, you mentioned that it is about 80% if again this goes close to 95%, then how do you see the margins moving up, because currently EBIT margins about 7%.

S. Suryanarayanan: This business you must understand is very highly operating leveraged business that means for the same set of an asset has the utilization increases, the EBITDA margins in this business is very high, because the real cost is only than the depreciation and the interest, because the EBITDA margins have very high in this business. For us if it were to move to the numbers that you are suggesting of 92% or 95%. They would be quiet increase the EBITDA quite a lot on this.

Rishabh Parekh: Do you foresee in the next one or two years that you can achieve this asset utilization in the P&E segment?

S. Suryanarayanan: If the economy picks up and I see no reason why it should not pickup, because we are already seeing that trends happening, we are seeing lot of enquiries coming in and most importantly what is happening is, the assets are now being asked for a long period of time, thereby what really happens is, you are able to turn the recovery of these assets for a longer period and what happens is since many of our assets have been put into play in 2010-2011 as we start now coming into the cycle, you should do the maths, you will realize that after the sixth year onwards then the return on capital employed and all starts moving in a much, much more higher level. So actually we are on a sweet spot as these assets are now going on for a longer period of time and 2015-2016 we will see a much difference picture.

Shashi Kiran Shetty: I think with all the announcements by the government that the focus is going to be on infrastructure and we are talking about trillion dollar investment, so even if half of that happens, there will be a significant demand for this equipments and which we have seen in 2010-2011, but EBITDA margins have much higher which means not on the capital utilization, equipment utilization will go up, it is also the rental income, rate will also go up, so that will have double impact.

Rishabh Parekh: Last question, when do you expect to be debt free by?

S. Suryanarayanan: India business should be debt free by in the next financial year.

Shashi Kiran Shetty: By and large over the next 18 to 24 months, we should be going in fact when you come and sit with me for the next quarter analyst itself, we would have paid off some more significant amount of debt. So where you need to look at it, in fact if just to give you all the perspective, because this is a very, very important aspect for us is if we were to do the type of numbers that we have done on this first quarter, then we would be generating EBITDA of almost about 500 plus odd Crores and some element will go to tax, some element will go to interest and then thereafter everything else is just getting repaid back to that debt, so very quickly we would be within the next 18 to 24 months we should become debt free and then everything else is free cash flow start of coming year.

S. Suryanarayanan: We are talking about Rs.500 Crores plus EBITDA not a bullish market right now. I think a market change and the business sentiments increase and improve, when the capacity utilization comes into play more and more both in CFS and in the P&E segment and also our international business where we are, now completed the acquisition but there is a lot of room for us to grow organically the margin and the volume and the revenue, number can be very different.

Rishabh Parekh: Thank you. That is all from my side.

S. Suryanarayanan: That is what we are working on right now.

Moderator: Thank you. We have the next question from the line of Hardik Shah from Birla Sunlife Insurance. Please go ahead.

Hardik Shah: I just wanted to know what is the type of capex that you are planning for the next one or two years?

S. Suryanarayanan: This will be mostly maintenance capex. We are not looking at any major capex unless there is some good opportunity for an acquisition; otherwise there is no major plan on the capex.

Hardik Shah: How much would that be roughly?

S. Suryanarayanan: Not more than two years, in two year about Rs.75 to Rs.100 Crores.

Hardik Shah: On the rentals front, what are you seeing? Are you seeing any increase in trends as in rentals?

S. Suryanarayanan: Good capacity utilization has gone up already and it is likely to go up further in the coming quarters actually and as the capacity utilization increases, there will be greater rental per equipment basis. The rental rate itself will change. It will be purely demand and supply. If you look at it in the last three years nobody has invested any further amount in this segment literally in India. So which will create a tremendous such amount of shortage and likely to be the rental income will go up substantially.

Hardik Shah: Final question, any particular concerns that you are seeing or say this that turning up in this scenario?

S. Suryanarayanan: No, we do not see any risk, we only see upside.

Hardik Shah: Thank you.

Moderator: Thank you. We have next question from the line of Jinit Mehta from B&K Securities. Please go ahead.

Jinit Mehta: Congratulations on a good set of numbers. Volume growth in MTO sequentially was 8% in CFS and the volume growth was 19% sequentially, but overall revenues grew by only 3% sequentially, so where is disconnect?

S. Suryanarayanan: No, but in which segment are you looking at that 3%?

Jinit Mehta: Overall the revenues consolidated basis grew by 3%, but the volume growth of MTO was 8% sequentially, CFS 19% volume growth sequentially, so did the realization take ahead?

S. Suryanarayanan: Do not look at the revenue. You will have to look at slightly different, because in the MTO, the freight becomes element, freight rates dropped, freight rate increases which starts moving up or down, so therefore if you look at it from that perspective and since 84% of this entire business is coming from the global MTO business, it is sort of slightly distorts when you compare it at a revenue-to-revenue level. So, that is why you need to look at it more at an EBITDA level at a overall level, because then that gives you if freight rate comes down by simple 5% that will make a big impact on the overall revenue of the company, but that is nothing changes at the GP level or at EBITDA level, that is what we need to be more focusing on.

Jinit Mehta: You spoke about the trade lines showing good growth, so what is the sense now are these volumes sustainable and MTO business, so is the more opportunity for us to increase the volumes?

S. Suryanarayanan: That is what I have said earlier that we are focusing a lot on organic growth by consolidating the various constituents within the organization both in terms of network and both in terms of management to drive extra volume out of some other important countries where we are currently do not have a very high market share something like China for example or US for example. So these are the strategy that the company is driving today to see how we can get higher volume, which will lead to a higher GP and higher EBITDA that is one of strategies of the company focusing on and on top of that we are also very actively pursuing the opportunity of developing a lot more full container load business, because that huge opportunity with the same customers today our potential customers also for full container load business. We can increase the volume quite substantially, although margin could be not as high as LCL but they have still reasonable margins, so there is something that we are driving from this last couple of quarters onwards to drive it globally to get a higher margin and GP.

Jinit Mehta: What will be the differential between margins for LCL, FCL, if you can just actually throw some light on that?

S. Suryanarayanan: It is difficult to say, but you can say the margins would be somewhere about 15% or 20% of quarter margins could be on LCL, because it all depends on market-to-market, shipment-to-shipment, trade line-to-trade line, it is not straight jacket, difficult to predict that ballpark I gave you there.

Jinit Mehta: On the CFS business at JNPT, now we are seeing capacity edition of 0.8 million TEUs by **DP World**. So with that capacity addition, it is believed the volumes would come to the CFS market predominantly, how do you gauge your volumes would increase and would it help our CFS?

Shashi Kiran Shetty: It will be similar ratio what we have currently. Currently about 50% import volume comes to the CFS and 50% goes to the ICDs. So when you add 0.8 million, so 400,000 will come to various CFS and balance will go to various high cities.

Jinit Mehta: What is CFS market in JNPT? Is it like close to 2 to 2.5 million TEUs?

Shashi Kiran Shetty: Around something like that.

Jinit Mehta: Realization on JNPT, Chennai, Mundra, how have they moved over the last couple of quarters, if you can throw some light on that?

Shashi Kiran Shetty: Quite stable.

Jinit Mehta: Lastly, what is the P&E order book as of now?

S. Suryanarayanan: P&E order book we said earlier about 80% of capacity utilization is already there and on the order book side, it is more than Rs.200 Crores.

Jinit Mehta: Thank you so much Sir.

Moderator: Thank you. We have next question from the line of Mansi Verma from Karma Capital. Please go ahead.

Mansi Verma: Congratulations on a very good set of numbers. Could you share some details on your cost side? My question is that when we look at your operating expense side, I see your year-on-year comparative basis the cost of growth pretty much in line with the sales and your interest expenses have also gone up, so could you probably share some details on, what are the cost items that has seen to largest increase to you and for example your staff cost are up almost 40%. Is that because if added more staffs, is it wages and also is it primarily on the operating expense wise where you are seeing a lot of cost pressure coming in?

S. Suryanarayanan: The staff cost increase is only because of the acquisitions that have happened, so that is one element that is coming in. At an operating cost level, it is a question of as we explained a bit earlier in the call that if freight rates are more or less like passthrough in the system, so in one sense that is also happening. Interest is a function of for the acquisitions we had to borrow, we took in some money that there is an interest what do you call increase in the interest, but if you look at it an overall level, I think it is quit and also the interest rate is at hardly 3% when we borrowed for the acquisition for a year even though it was for longer term.

Shashi Kiran Shetty: We got it funded overseas completely.

Mansi Verma: If you could share details on your MTO operations, could you give us a sense of directionally how do you see this business growing and also in terms of your margin outlook for this business?

Shashi Kiran Shetty: The margin outlook for the MTO business, it would go up by about 1% or 2% as throughputs start increasing across the networth, but in terms of the volume growth as I explained to you a bit earlier and as we have been telling you I think the growth is there both at an organic level and as these acquisitions are also accretive, you see overall growth happening even in the coming quarters.

Mansi Verma: Thank you Sir and all the best.

Moderator: Thank you. We have next question from the line of Mr. Jinit Mehta from B&K Securities. Please go ahead.

Jinit Mehta: Thanks again for the opportunity. Sir just on the CFS side, we saw 19% sequential growth at on the CFS. But if I actually look at the spot volumes are JNPT, it was predominantly JNPT is a biggest facility. Spot volumes have actually not grown by much, what explain the sequential growth in volumes?

Shashi Kiran Shetty: It is higher wallet share and adding new customers.

Jinit Mehta: This is sustainable going forward even if the spot volumes stay where they are 3% to 4% increase, this is sustainable that is what you are saying?

S. Suryanarayanan: If you recall in the previous conference calls, we always said that on the strategy is to bring higher capacity utilization of our assets by adding new customers, by getting higher wallet share from our existing customers and that effort is paying given as a result.

Jinit Mehta: Thank you so much Sir.

Moderator: Thank you. As there are no further questions, I would now like to hand the conference over back to Mr. Jinit Mehta for his closing remarks. Over to you Sir!

Jinit Mehta: Thank you Sir. On behalf of Batlivala & Karani Securities, thank you for taking time out for the investors.

S. Suryanarayanan: Thank you very much.

Shashi Kiran Shetty: We will be hope that we continue to drive better margins and better value to our shareholders. Thank you.

Moderator: Thank you all. On behalf of Batlivala & Karani Securities that concludes today's conference. Thank you for joining us and you may now disconnect your lines.