



# “Shaily Engineering Plastics Limited Q2 and H1 FY2018 Earnings Conference Call”

November 27, 2017



**MANAGEMENT:**

**MR. AMIT SANGHVI – MANAGING DIRECTOR -  
SHAILY ENGINEERING PLASTICS LIMITED  
MR. SANJAY SHAH - CHIEF FINANCIAL OFFICER &  
VICE PRESIDENT (FINANCE) - SHAILY ENGINEERING  
PLASTICS LIMITED**

**Moderator:** Good morning ladies and gentlemen. Welcome to the Shaily Engineering Plastics Limited Q2 and H1 FY2018 Earnings Conference Call. This conference call may contain forward-looking statements about the company, which are based on the beliefs, opinions and expectations of the company as on the date of this call. These statements are not the guarantee of future performance and involve the risk and uncertainties that are difficult to predict. 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. Amit Sanghvi, Managing Director, Shaily Engineering Plastics Limited. Thank you and over to you Sir!

**Amit Sanghvi:** Thank you. Good morning and a warm welcome to all the participants to the post result earnings call of Shaily Engineering Plastics. I am joined by our CFO, Mr. Sanjay Shah and SGA our Investor Relations Advisors. I hope you had a look at our results update presentation that is uploaded on our website and the Stock Exchange.

I am very happy to inform you that we have been able to continue our good performance. The H1 of FY2018 has been very good for us and we are confident of keeping the momentum going, going forward in the future quarters as well. I shall begin by giving you a brief background of the quarter gone by.

Q2 FY18 has been a good quarter for us. We have been able to secure business confirmations from three large pharma companies for pen injectors. These devices will be used for different applications. We have also successfully converted another metal part into plastics for one of our existing customers. This is the second time we have executed the conversion business for the same customer. Previously, we had converted rods for turbo charges, which are used in high-end European luxury products. This is a reflection of Shaily’s strong R&D, innovation, and ability to provide value to its customers.

With respect to the commercialization of previous business confirmation received, we have commercialized most of the orders worth Rs.60 Crores received from the global home furnishings major and the remaining will be commercialized in Q3. I had also mentioned this during our last call.

We have also successfully launched derma applicator for five Pharma companies in India. I feel very proud to inform that Shaily was awarded as the top exporter from Inland Container Depot, Baroda during the previous quarter for FY17. We are on an exciting journey and are very confident to achieve the milestones that we have set for ourselves. We at Shaily put in a lot of efforts, knowledge, and experience providing the best plastic solutions to our customers and we

*Shaily Engineering Plastics Limited  
November 27, 2017*

believe this is the single largesh factor of our growth. That is all from my side. I would like to now hand over to Sanjay who will take you through the financial performance of the Company. Thank you very much.

**Sanjay Shah:**

Thanks Amit. Good morning to all the participants. I will share the highlights for our operational and financial performance following which, we will be happy to respond to your queries. During the quarter gone by, the credit rating of the company was upgraded from BBB+ to A- on long-term debt and A2 to A2+ on short-term debt by CARE rating. The ratings upgrade is a testimony of Shaily's creditability and business performance.

During the quarter, we processed 3374 tonnes of polymer as against 2771 tonnes in the same quarter last year increasing by 22% year-on-year. For the half-year, we processed 6016 tonnes of polymer as against 5302 tonnes of H1 of FY2017. Machine utilization rate stood at 82% during Q2 FY2018 as against 67% in Q2 FY2017. We expect our utilization rates to remain high going forward. Exports during H1 FY2018 stood at 72% of total revenue down from 78% in the same period last year. For Q2 FY2018, our revenues stood at Rs.78.8 Crores showing a year-on-year growth of 21% from Rs.64.9 Crores in the same quarter last year.

For H1 FY2018, the revenues were 148.2 Crores as against 124 Crores in H1 FY2017 showing a growth of 20%. EBITDA for Q2 FY2018 is at 14.9 Crores versus 12.2 Crores in Q2 FY2017 growing by 23% year-on-year. EBITDA margins stood at 18.9% in Q2 FY2018. For H1 FY2018 the EBITDA was 27.1 Crores as against 22.6 Crores in H1 FY2017 showing a growth of 20% with EBITDA margins for H1 FY2018 standing at 18.3%. EBITDA margin improvement is on account of improved machine utilisation.

Net profit for Q2 FY2018 is at 6.4 Crores up 33% year-on-year with margin at 8.1% an improvements of 70-basis point year-on-year. Cash PAT for Q2 FY2018 is at 9.8 Crores as against 8 Crores in Q2 FY2017 growing by 23% on year-on-year basis.

This is all from our side. We can now open the floor for Q&A.

**Moderator:**

Thank you. Ladies and gentlemen, we will now begin the question and answer session. We take the first question from the line of **Prajwal Gote** from Systematix Shares. Please go ahead.

**Prajwal Gote:**

Sir, thanks for taking my question and congratulations on a good set of numbers. Sir, just wanted to understand, as you said that you have got three new customers in the pharma space, so what is the total numbers we have in the pharma space total number of customer whom we get as of today?

**Amit Sanghvi:**

In the entire pharma space we will catering to about 15 to 16 customers.

- Prajwal Gote:** I mean, what is the kind of revenues you get out of total revenues, if you can give your percentage like 20% to 30%, 40% that would be helpful as of today?
- Amit Sanghvi:** We are advised not to do that, but revenues, we think we are doing a lot of new development, so it is not so consistent as the business matures it will become more consistent.
- Sanjay Shah:** As well what we have talked about that we are developing three new pen devices for three customers.
- Prajwal Gote:** These are three new customers as they were not your customers before is that interpretation right Sir?
- Amit Sanghvi:** Some of them were old customers and some of them are also new.
- Prajwal Gote:** That is all Sir from my side. Is there is anything I will get back in queue.
- Moderator:** Thank you. We will take the next question from the line of Avinash Nahata from Aditya Birla Money. Please go ahead.
- Avinash Nahata:** Good morning. Thanks for the opportunity. The first question is we have shown that our tonnage has improved by 22% and the value growth in terms of the topline improvement is 21%, assuming some inflation growth are we saying that our realization per tonne has moved southward in terms of the mix of the products being processed this quarter?
- Amit Sanghvi:** No, our margins are actually better.
- Sanjay Shah:** We need to correlate value per tonne because there was a mix of products, so lot of it depends on the product mix, I think a better barometer for looking at Shaily's performance would machine utilization numbers as compared to polymer costs.
- Avinash Nahata:** Contribution is the better matrix what you are saying since EBITDA has moved up despite?
- Amit Sanghvi:** Yes, that is one thing and the second is look at more in terms of the machine utilization numbers.
- Avinash Nahata:** Second thing, again whether you talk about machine utilization or your capability to process volumes, what is the practical capacity in terms of either value or volume since you have done closer to 3400 tonnes in terms of this quarter, so on an annualized basis what is the practical capacity, value or volume, which is possible without additional resource being put in?

- Sanjay Shah :** We have talked of this in the past that based on the current product mix, which we have and on the current capacity & the current investments can basically take us to a revenue of somewhere around close to around Rs.425 Crores to Rs.450 Crores.
- Avinash Nahata:** So this is based on the current profile mix as well as the current capacity correct?
- Sanjay Shah :** Yes current product mix as well as the current capacity.
- Avinash Nahata:** Sure. One last question the tooling we use for our customers, do they sit on our books or there is a mix wherein some customer it sits in their book? We are using it how is it?
- Sanjay Shah:** It is a mix. In most of the cases the tooling is owned by the customer. Recently, we invested in some tooling for a customer where we basically were amortizing that over the product pricing, so we have volume commitments from that customers or those customers.
- Avinash Nahata:** So they are contract specific?
- Sanjay Shah :** Yes very specific to products and specific to contracts.
- Avinash Nahata:** Any capex we intent to do over the next four to five quarters?
- Sanjay Shah :** We are in the midst of a capex cycle right now where we have said earlier that we would be investing about Rs.30 Crores in the current year in growth of facilities whichever we have. This is in addition to the funding for moulds, which we are doing, which is separate, which is customer specific. So, a large part of that investment would get over probably by Q3.
- Avinash Nahata:** So out of this Rs.30 Crores how much we have expensed out? How much drawdown has already happened?
- Sanjay Shah:** We are in the midst of expansion, so we would have probably expensed out Rs.10 Crores to Rs.12 Crores in the current quarter.
- Avinash Nahata:** When you are saying Rs.425 Crores to Rs.450 Crores on an annualized basis this does not include whatever in swing capex of Rs.30 Crores is happening that would be in addition to that Rs.425 Crores to Rs.450 Crores correct?
- Sanjay Shah:** Yes.
- Avinash Nahata:** Thanks. That is all from my side. Thank you.

- Moderator:** Thank you. We will take the next question from the line of Akhil Parekh from Nirmal Bang. Please go ahead.
- Akhil Parekh:** Congratulations on a very good set of numbers. A few questions regarding CRC, so how much is the utilization level as of now for the first half of FY2018 and how much do we expect it by the end of FY2018?
- Amit Sanghvi:** We mentioned on the last call that we are undergoing a consolidation for our healthcare plant, so the CRC plant also manufactures other health care products today particularly whether it is primary packaging, which is what CRC is or for solids, for liquids, for topical applications, and pen devices. The overall utilization of the CRC plant is fairly good. We are at about 60%. Specifically, to the product, child resistant closures we are still at about 7% to 8% on the utilization.
- Akhil Parekh:** 7% to 8% for the CRC caps and bottles, right?
- Amit Sanghvi:** Yes.
- Akhil Parekh:** Sir just from the CRC caps and bottles side, would it be a right interpretation that we are not getting the right kind of traction that we expected when we initiated the plan because if I remember correctly the numbers, which we had given the ballpark numbers at full utilization levels the CRC caps and bottles can itself generate almost Rs.60 odd Crores of sales?
- Amit Sanghvi:** So, you are right. I think the right thing to say would be that the gestation period that we initially thought is turned out be a bit more longer. We are getting good traction though. We have our products on various stages whether it is stability, trials, and commercial negotiations with more than 15 Pharma companies. The only thing is that we need to start commercial supplies, which is where I think we have kind of been incorrect in terms of estimating how long it will take to start supplies.
- Akhil Parekh:** Would you be able to tell exactly where we are stuck like in terms of the audits, which needs to be done?
- Amit Sanghvi:** For the customers, it will be in different stages plus we also need to factor in the customers cycle in a given year period when they can take in new products and periods when they cannot take a new product. Our pipeline is quite strong.
- Akhil Parekh:** Fair enough. Sir in terms of retail furnishing major like Rs.60 Crores is almost we have almost executed the 60 Crores of order for first half of FY2018?

*Shaily Engineering Plastics Limited  
November 27, 2017*

- Amit Sanghvi:** No. 60 Crores represents annual revenue for the new products that we have been awarded. Other than new products, which are 38 SKUs, we commercialized half of the order probably near to the September 30, 2017. By the end of Q2, we would have commercialized about less than half, but as of today, we have commercialized most of the SKUs. Somewhere between the beginning of the year, I had also mentioned that we are looking at five months of revenue coming from this financial year.
- Akhil Parekh:** Fair enough and Sir is it going to be a repetitive order or is it like a onetime order for the 60 Crores from the retail policy major?
- Amit Sanghvi:** No all our business is repetitive. It will be an annual basis on board.
- Akhil Parekh:** Sir one more question is terms of the margin, I remember last call you had mentioned because of the storm, which happened in Houston we might see some kind of incremental raw material cost for a couple of our products, but still we have done fairly well in terms of margin, so would it be a right interpretation saying that we are having a higher contribution from the Pharma space as against what we are doing in Q2 FY2017?
- Amit Sanghvi:** The answer is two parts. Yes, we are having higher revenue coming from the pharma space in Q2, but the margin expansion is not because of that. The margin expansion is because of increased utilization and as probably we mentioned on several calls before raw material is a pass through for us, so we do not really get impacted by whether raw material goes down in terms of a margin percentage.
- Akhil Parekh:** Sir one last question in terms of the export market, it is still like 72% and I am assuming the furnishing major would be almost 55 odd percent, so would you be able to brief us about like who would be your other big clients in the export markets?
- Amit Sanghvi:** If you look at our clientele, we export to GE in the US. We export to seven different divisions of Emerson Electric. We export to Electrolux. We export to Mabe, which is the contract manufacturer for GE. We have exports in the healthcare space also. We do P&G exports and Honeywell is also exports, so there are several customers that make up that 72%.
- Akhil Parekh:** Got it and Sir Corvi would you be able to shed some light. Last quarter we said we have started? We have assumed the sales of Corvi, so are we on track for Corvi?
- Amit Sanghvi:** When we started the year, we did not take anything into consideration, but sales are happening with Corvi. So it is a positive note.
- Akhil Parekh:** Sir just one suggestion from analyst community which would be really helpful. I know you do not give a segmentation of sales in terms of the industry, which we cater to, but if you can give a

*Shaily Engineering Plastics Limited  
November 27, 2017*

broad ballpark number or percentage going forward would really help the analyst community in terms of how much we contribute to furnishing major and how much medical appliances, CRC, and all those things?

**Sanjay Shah:** We will just think about it and let you know.

**Akhil Parekh:** Sure Sir. Thank you so much and best wishes.

**Moderator:** Thank you. We will take the next question from the line of Dhwanil Desai from Dotal Capital. Please go ahead.

**Dhwanil Desai:** Thanks for the opportunity. I have three questions from my side. So the first question is more generic in nature, when I look at the return ratios of Shaily they hover around 15% to 16%, so I just wanted to understand what is the reason for the same?

**Amit Sanghvi:** Can you repeat your question?

**Dhwanil Desai:** My question is that when we look at the return ratios of Shaily it is kind of hovering in 15% to 16% range, which is very decent, but do you see any scope for improving up to 20% both from asset turn perspective and from margin expansion perspective? Any view on that?

**Sanjay Shah:** If you were to look EBITDA margins, EBITDA margins for Q2 have been at 18.9% and for H1 have been at 18.3%.

**Dhwanil Desai:** I am looking at ROCE. I am looking at return on capital employed.

**Sanjay Shah:** So if you were to look at ROCE and compare ROCEs and analyze the ROCE for the current year and compare it with what we did last year or the year before that ROCEs have been on an improving trend. ROCEs when you look at Shaily and in a place where we are growing fast that we are investing a lot capital in fixed assets, but when you look at it, we look at an average capital employed from the start of the year to the end of the year, and then it is ROCEs. If you look at around six months, the ROCEs are in the region of about 19% to 19.5% and that is not an average ROCE. I am basically taking ROCE, not an average.

**Dhwanil Desai:** Understood because you were in a capital deployment phase probably end of the year it gets skewed and things like that, so I understand that much?

**Sanjay Shah:** We have said on the earlier calls that as the utilization levels improve and as we move up the value chain. We expect margins at an EBITDA level and ROCE levels to improve. We have not put in a number and we would refrain from putting the number here.



- Dhwanil Desai:** Sure. My second question is I think if I remember correctly we were kind of endeavoring to tap into some of the FMCG space and packaging market in India as well apart from what we are serving to the foreign customers, so any updates on that side?
- Sanjay Shah:** So we are growing that business also.
- Dhwanil Desai:** I mean have we already got any orders or are we working on that or like it is in a pipeline or any updates on that?
- Sanjay Shah:** If you were to look at the Q2 of last year and Q1 also we have talked about business from some large FMCG companies where we have taken on additional business from Gillette. We are working on some packaging for a large company, which was commercialized, so those are things, which we have been talking about. I am not at the liberty to name some customers here, but yes we are working on some projects.
- Dhwanil Desai:** So I think that is it from my side. Thank you Sanjay and Amit.
- Moderator:** Thank you. The next question is from the line of Ravi Naredi from Naredi Investments. Please go ahead.
- Ravi Naredi:** Sir first of all congratulations for good results and margin expansion. Sir you have mentioned successfully converted a metal part to plastic part for Honeywell, can you tell me how much volume we can get or value wise we can get in the year?
- Amit Sanghvi:** In the current year, not so much because the supplies have been made already, but if you look our overall portfolio of products that we have converted so far and the number of models that we have converted over a period of the next three to four years, we could be looking at a good annual revenue generation of 4 to 5 million dollars.
- Ravi Naredi:** Sir one more thing you mentioned that utilization is 82.1%, how much efficiency we can attain in the future?
- Amit Sanghvi:** About 92% to 93% is what we target.
- Ravi Naredi:** Very nice. Thank you very much. From my part it is over now. Thank you.
- Moderator:** Thank you. The next question is from the line of Manish Poddar from Renaissance Investments. Please go ahead.
- Manish Poddar:** I just have one question. The vision, which is there for USD 100 million target stands by FY2020?

- Amit Sanghvi:** Yes. The target still stands very much.
- Manish Poddar:** How much of incremental capex would we need to do to achieve this?
- Amit Sanghvi:** Since the last year, we have said we will do about Rs.25 Crores to Rs.30 Crores every year and we will continue to do Rs.25 Crores to Rs.30 Crores annually.
- Manish Poddar:** The margin profile would largely be similar then would that be right?
- Amit Sanghvi:** Margin profile would be similar, we do not see it decreasing.
- Manish Poddar:** Thanks.
- Moderator:** Thank you. The next question is from the line of Anuj Gupta from Perfect Research. Please go ahead.
- Anuj Gupta:** Can you please give the segmentation wise how much revenue and profit is from the big furniture client?
- Sanjay Shah:** We would not be able to give segment wise revenue or segment wise profitability.
- Anuj Gupta:** Sir like we can see on a year-on-year basis current investments and long-term loans and advances have come down from rough figure of around Rs.20 Crores and receivables have also increased by 30% so can you just give some comment on the working capital requirements?
- Sanjay Shah:** Can you just repeat the questions?
- Anuj Gupta:** Sir I am talking about the current investments and long-term loans and advances on year-on-year basis so that has come down to zero and the receivables have also increased by around 30-40% so just wanted to understand the working capital of the Company?
- Sanjay Shah:** If you were to look at the current investments it was surplus cash which the company had invested in liquid mutual funds that has now been deployed in capex so to that extent, money is being spend for capex utilization so that is what it is. Second is with the business growing up, there is requirement of increase in working capital. I think if you were to look at in terms of number of days between September of last year and current year, we will not see substantial increase in number of days in terms of increase in working capital.
- Anuj Gupta:** Sir the answer that you gave for the current investments parked in mutual fund, I did not get that?

- Sanjay Shah:** We had surplus cash, which was deployed in liquid mutual funds, Rs.30 Crores capex which we are doing in the current year we are basically utilizing internal accruals for the capex and not looking at borrowings. So, the current investments were liquidated and basically invested in fixed assets for growth of the business.
- Anuj Gupta:** Sir regarding the trade receivables can you throw some light on it?
- Sanjay Shah:** Yes so we are executing some large projects as we talked about Rs.60 Crores order for the home-furnishing majors where we imported or bought some raw materials for those projects, which will basically be utilized in the current quarter.
- Anuj Gupta:** Sir last questions can you just share who are the big competitors for us?
- Amit Sanghvi:** We have different competitors in different parts, and different segments because there are not many companies that are into all the segments that we are in. People, who are specialized in FMCG, people who are specialized in automotive, people who are specialized in only healthcare so we have different competitors in different segment.
- Anuj Gupta:** Sir if you could provide the major competitors in terms of revenue segment?
- Amit Sanghvi:** I think over there, the main competition would come from Europe and China.
- Anuj Gupta:** Thanks a lot Sir.
- Moderator:** We will take the next question from the line of Sunil Jain from Nirmal Bang. Please go ahead.
- Sunil Jain:** Good afternoon Sir. This is Sunil Jain from Nirmal Bang and congratulation for good set of number. Sir my question relate to your future vision of reaching to \$100 million revenue by 2020, so even if you take CY2020 still we need to grow around 30%. In last four years what we see the growth average CAGR seems to be around 18%, 20%, so that seems to be big growth factor, which need to factor on even a bit higher base, I would like to understand where from you see this optimistic view?
- Amit Sanghvi:** From the current order book, to be very honest, we have, majority of the target about 85% of the target will come from the current order book and the current visibility that we have and even when we just talk about this financial year going into Q3, we are already in end of November, so we know what our Q3 looks like and going into Q4 there is enough visibility in terms of the order book where we are confident that we should be able to achieve 30% growth year-on-year.
- Sunil Jain:** But against this what I understand that your business required asset turn ratio is around two times, so if I take that and the gap between the turnover currently and what is expected over a

period of four years, you need to invest around Rs.40 Crores plus every year and the investment target right now is around Rs.25, Rs.30 Crores?

**Sanjay Shah:** Sunil, just to correct this currently yes I believe you are looking at about 2, but incrementally whatever we are investing we are looking at about somewhere between 2.5 and 3, so depending on the business, which we are looking at because the basic infrastructure is already there, so I do not need to replicate a basic infrastructure and everything, so we are looking at higher filament there, it could be 25, 30, 35, but I think on an average Rs.30 Crores per year should take us to the revenue target, which we are looking at.

**Sunil Jain:** That is sufficient to reach to the goal?

**Amit Sanghvi:** Right.

**Sunil Jain:** Great. Thank you very much Sir.

**Moderator:** Thank you. We will take the next question from the line of Pranshu Mittal from Gomukhi Capital. Please go ahead.

**Pranshu Mittal:** My question is related to the product pipeline, so I want to understand is it like how it is build in the sense do you develop a product keeping some customer or some segment in market of the customer to mind and then show them how it will improve their value proposition in terms of metal to plastic change or is it the customer comes to you and say can you develop this for us and these are the characteristics that is the one and the second is as you just mentioned to the earlier question that your competition in the major revenue segments are from Europe and China, so what kind of competitive advantage you offer to the customer, is it something specific to the cost or other than the designing or the characteristics of the product or the quality of the product? These are the two questions I have.

**Amit Sanghvi:** To answer the first question, we are basically a custom OEM, custom molder, contract manufacturer. We less frequently do our own developments and then go to our customers, I would say it is in very few cases of that. More often it is always the customer who comes to us with a requirement or something that where our expertise on polymers and processing is required and then we execute the project for them. To answer your second question regarding what is unique about Shaily and how do we compete with European and Chinese suppliers. We do supply to both those markets today also. We supply a lot of products into China and lot of products into Europe and I think core advantage comes with innovation in process. There is not going to be any significant advantage on materials when you are buying in such large volumes. So consider materials being neutral at cost to European suppliers and to the Chinese suppliers, our real advantage only comes in innovation of the process, in designing of the moulds, in how

*Shaily Engineering Plastics Limited  
November 27, 2017*

we set up manufacturing, how efficient our manufacturing is and consistently delivering on customer expectations regarding quality, regarding delivery security, regarding our service level to the customer.

**Pranshu Mittal:** Just one more is, approximately what percentage of your business would be recurring business from the same set of customers with the different set of customers, so what kind of generally you...?

**Amit Sanghvi:** Apart from all the new projects we do, but 100% of our business is recurring business.

**Pranshu Mittal:** Is there advantage in terms of labour cost, basically these SKUs, which we are having, there will be more SKUs and the less number of quantities versus the SKUs and they are manufactured in the tonnage of the million tonne or 1,00,000 tonnes. So you need to change the machine or the process again and again to change the moulds. So does it help in terms of lower labour cost versus manufacturers of the China those who are doing with large processing?

**Amit Sanghvi:** I do not think so. To be honest we do not see labour as being a key advantage or labour cost being a key advantage for us at Shaily. Most of our newer products are always kind of made to a machine and they are fully automated so there is not a much of labour intervention required there anyway. To answer your question, no I think we specialized in a certain type of products or certain size of equipments and we are very good when it comes to producing efficiently and efficiency is not a result or cost is not directly derived from the labour. All new products which we have developed over the last 24 months we have looked at a small incremental increase in labour.

**Pranshu Mittal:** Just one last thing, how is the pricing as you said it is all RM pass through. So suppose a customer is giving the same product to European vendor or a Chinese vendor or to you. So does the final pricing is more or less same since the raw material is linked to the one particular index or is it some difference or how does it work if you may have share something on this?

**Amit Sanghvi:** May be the RM portion of the total price would be more or less the same between all three, but that is where the advantage comes from right if we are able to through some innovation bring about a lower cost or higher capacity to investment for the customers , then it is preferred.

**Pranshu Mittal:** Okay. So your price would be lower or higher?

**Amit Sanghvi:** It is hard to say on a net landed, very difficult to say in some cases it would be higher, some cases it would be lower.

**Pranshu Mittal:** Thank you so much.



*Shaily Engineering Plastics Limited*  
*November 27, 2017*

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

**Amit Sanghvi:** Thank you everyone for joining the call. We remain very focus on our target of 2020. We see an order pipeline, which gives us confidence to meet this target. Thank you and we hope we have been able to answer your questions adequately. For any further information or questions you may have I request you to get in touch with SGA, our Investor Relations Advisors. Thanks once again for joining the call. Thank you everyone.

**Moderator:** Thank you. Ladies and gentlemen that is the conclude today's conference. Thank you for joining us. You may now disconnect your lines. Thank you.