ELGI

May 22, 2023

National Stock Exchange of India Ltd.
Exchange Plaza,
C-1, Block G Bandra Kurla Complex
Bandra (E)
Mumbai - 400 051

Through: NEAPS

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai - 400 001

Through: BSE Listing Centre

Dear Sir/Madam,

Subject: Transcript of the analyst conference call - financial results for the quarter and year ended March 31, 2023
Scrip Codes: NSE - ELGIEQUIP / BSE - 522074

In continuation to our letter dated May 10, 2023, regarding quarter and year ended March 31, 2023 Earnings conference call and pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of the analyst conference call held on Friday, May 19, 2023 at 5.30 P.M. for your information and records.

The aforesaid information is also being made available on the Company's website viz., www.elgi.com

Thanking you,

Yours faithfully,

For Elgi Equipments Limited

PRAKASH SIVASAMY Digitally signed by PRAKASH SIVASAMY Date: 2023.05.22 17:14:30 +05'30'

S Prakash
Company Secretary
Encl.: a/a

“ELGi Equipments Limited Q4 FY-23 Earnings Conference Call”

May 19, 2023

MANAGEMENT: MR. JAIRAM VARADARAJ – MANAGING DIRECTOR.
MODERATOR: MR. KAMLESH KOTAK – ASIAN MARKETS SECURITIES LIMITED.

Moderator: Ladies and gentlemen, good day and welcome to ELGi Equipments Limited 4Q FY23 Earnings Conference Call hosted by Asian Market Securities Limited.

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 date of this call. These statements are not the guarantees of future performance and involve risks and uncertainties that are difficult to predict. Actual results may differ from such expectations, projections, et cetera whether expressed or implied. Participants are requested to exercise caution while referring to such statements and remarks.

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. Kamlesh Kotak from Asian Markets Securities Limited. Thank you and over to you sir.

Kamlesh Kotak: Thanks Aman. Good evening everyone. On behalf of Asian Markets we welcome you all to the 4Q FY2023 Earnings Conference Call of ELGi Equipments Limited. We have with us today Mr. Jairam Varadaraj – Managing Director representing the Company.

I request Mr. Jairam to take us through an overview of the quarterly and the yearly results and then we shall begin the Q&A session. Over to you sir. Thank you.

Jairam Varadaraj: Thank you very much Kamlesh. I appreciate as always; you are hosting our call with the Analysts and Investors. And ladies and gentlemen, it's a pleasure for me to be with you and thank you for taking the time to be with us. I'm going to give you, I apologize that we are having this call as, in a very short time after the results were uploaded, I hope you had a chance to look at them at least briefly.

I'm going to talk about the Annual Results in the context of the Annual Results of last year. We've had a good set of numbers, revenue sales has grown by about 20% and we've had a pretty significant growth in our EBITDA, though we've had the leverage benefits, I would still like to talk about certain nuances that are unique to this performance. On the positive side, our profitability at a contribution margin in terms of our variable costs, control and price realization has been good. And that besides the 20%, top line growth, that has been a very key contributor to the improved profitability that we've been able to present to you for the whole year. In fact, for the quarter, we've had even better percentages. So, which I'm sure you've been able to, you will if you have not already seen it you will be able to see it as you step back and kind of soak into the numbers after this call. So, the contribution at material cost level has been a very positive development. And it's not something that is accidental, it's been very deliberate. And therefore it's given us good results.

On the cost side:

On the fixed cost side, we've had some increases on employee costs, which is kind of normal and nothing that is extraordinary. A big part of it is our continued investment into Europe. And adding to the team there, I will talk a little bit more about Europe in detail. The other fixed cost besides people cost, we've had some a few extraordinary costs which have actually reduced the profitability. Costs that are relating to our implementation of our ERP system, standardization of ERP across the world as part of that we've had a huge project that is still ongoing in North America, that's been a significant expense for us. We also participated in our once in two years we have this big Hannover show we participated in that this year. And that has been a cost. And also there has been some of the expenses that were there, that were treated differently in the past where the accounting standards they've said we need to treat it differently. That was relating to our ERP implementation cost in Europe which we did last year which we had capitalized and now the prudent accounting norm is to write it off in our revenue. So, that's also part of it. So, close to about 20 to 25 crores is a onetime expense that is sitting in fixed cost, which I don't expect will be there in the future.

Now, having said that, we also had a bonus kind of a bumper gain in the sale of our property in in Charlotte, that post tax has given us close to about 75, 78 crore, it's in the published numbers it is shown as a pre-tax value of about 105 crores. So, this is a gain. So, net net, if I take the gain after tax, and these expenses that are one time, the real benefit is about 50 crore. So, that's something that we need to keep in mind. So, if I bake all of that in the performance in terms of profitability has been very good. So, there is nothing really in terms of a reconciliation normally I do the reconciliation based on increased sales and improved contribution. Our EBITDA for the full year is close to about 300 crores and it should have been about 500 crores if I take last year's levels of all costs. now that 500 crores the reconciliation, like I told you, is a question of certain normal increase in people cost, normal increase in some of the variable cost. And these onetime cost, so there is nothing alarming about the gap. So, it looks pretty good to me and it looks pretty okay.

Now winding down to sales:

Let me start, like I normally do with starting from Australia:

I just want to step back and before I give all of our regions have grown compared to the previous year. So, some have grown more and some have grown less. Now, by looking at Australia, Australia has grown but it could have done a lot better there were opportunities that we missed because of certain timing issue. And there was also some slowing down in certain segments in the market. So, that definitely it could have done a lot better than what it did. Southeast Asia for sure, was a problem they grew Yes, but nowhere near what the opportunity it represents.

Moving forward to India:

India was to be honest; we could have done a heck of a lot better. The problem there were specific verticals in which we had growth issues. I believe we could have done better and we are working on some plans to get ourselves reoriented and realigned to realize certain pockets of opportunities that we believe is this, going forward.

Moving forward into Middle East and Africa:

Again, growth was there, but not nearly where it's supposed to be. So, there are things that we are working on there as well.

Europe was a very good show, we had some significant growth in Europe, definitely we are tracking from a top line point of view better than planned. So, this is a good thing, North America was an outstanding performance for us very, very strong numbers and again is a reflection of our growing strength in that market.

ATS also grew with a strong growth for ATS given the context of the presence in the Indian market and the instability in the automotive industry in terms of supplies because of electronics supply chain challenges considering that they've done very well.

So, net-net, the performance has been quite good as far as our net debt position is concerned as, as of now our net debt is about, net positive of about 60 crores, we have cash including debt that we have taken in Europe, US and Australia. US not so much because bulk of the cash that came from the proceeds went towards settling the debt. There's still some debt, but we cannot retire even if we want to in Australia for instance, we are in a contractual thing there and of course the debt in Europe.

As I said we will talk a little bit more about Europe, Europe is done in terms of top line and the planned losses they are at a better than what we had planned, this is a critical year for us in Europe and we are all prepared, we are fully supportive we are looking as a team we are watching closely in terms of how we are performing there. So, as of now everything looks quite okay and positive.

So, that's the net-debt position the overall split of our business between international rest of the world and India is roughly 40:60, India being 40 and the rest of the world being 60 that continues even this year.

So, that is a summary of the whole thing. In terms of our CAPEX spend, we plan the significant amount, we have planned close to about (+100) crores, but we have actually spent only about 55 crores, which is part of the budget for this year plus the carryover from last year. And even this year, we will probably continue down a similar kind of thing even though the aspiration is to spend a lot more I believe that we would be roughly in that area. The project for a new campus is something that I would like to talk about later on in one of our future calls and things have been crystallized. So, there is no specific number yet we will talk about it when that is done.

As far as 1st Quarter of this year in terms of our expectation, we need to be prepared for some disappointment, not because of a business problem, it's more of an execution issue, because the implementation of ERP in the US is a big challenge because it's a complex set of businesses that we are implementing in and things are improving, but I want to be very cautious on rather than project a very optimistic number. So, we will definitely be better than last year, but that could be some slippages that could be in the neighborhood of 5% to 8% compared to Q4 of this last year, compared to Q4, the 1st Quarter May have it, we would have ideally liked it to be about 2%, 3% lower but probably it will be about 7%, 8% lower. So, this is what I think will be the 1st Quarter of this year. But overall we are tracking to high double digit growth in our business at the top line across the world. And we hope to continue to at the worst case we will continue to hold the profitability that we have been able to achieve in Q4 so which means combined with a mid-double digit growth with the Q4 level of profitability, we will be able to return some good number. So, this is our expectation, as far as India is concerned.

Like I said the opportunities are big we need to regroup, reorient and realign ourselves to the market, which is what we are going to do, we are going to be looking at bringing in outside assistance to help us with some reorientation. So, that is something that will happen this year. So, that could be some one-time expenses that could come into the Company. We are also looking at building certain strategic roles, filling up certain strategic roles that could be some cost. But these are all nothing to be concerned about. Something that we are going to do is good for the long-term talent succession planning all that is going to be something that we'll be doing.

So, I will stop here and I will wait to respond to your questions as a better form of clarity. So, thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Ravi Swaminathan from Spark Capital Advisors. Please go ahead.

Ravi Swaminathan: Sir, my first question is with respect to the standalone business where the revenue has been largely flattish year-on-year during the quarter. Any reason why it has been kind of on the flattish side, why we have delivered good growth at the Company level, the standalone has been flattish, if India seeing some kind of plateauing out in terms of growth?

Jairam Varadaraj: No, what happened was when you look at last year standalone, there was quite a bit of stock building that happened and as a consequence there was quite a bit of sales made to subsidiaries that boosted up last year sales and this year we have really manage the business for cash especially in the last couple of quarters. So, we significantly throttle back on supplies to subsidiaries and that's why you see a flattish standalone.

Ravi Swaminathan: Okay. And last year this quarter was there any oxygen concentrated say for….

Jairam Varadaraj: Almost nothing.

Ravi Swaminathan: Okay. And if you could give a sense on how the India market is, how it is panning out in terms of demand across key categories, industries, infra, water well, that will be really great sir.

Jairam Varadaraj: Well, overall the economy is on a positive note, inquiries are still strong, we need to there are segments that, for instance textiles is quite weak by virtue of the cotton to yarn parity, but things are improving there as well. So, there are, except for a few sectors like this, that are challenged by virtue of very external factors, all the other segments are quite buoyant. The large projects, stuff is still kind of not moving ahead in any significant way. But it's going to come, as far as water well is concerned, it is still kind of very docile. We don't see any uptake. We are not planning for any uptake, but we are prepared. Our product has been a great success in the market. And once the market picks up, we're quite confident that we will get though. So, the infrastructure segments are also investing whether it's construction and mining, there is investment going on, industrial is also. So, it's a question of reorienting ourselves getting a lot more present in certain segments that we are not in, geographical segments that we are not in, customer segments that we are not in, so there's nothing like earth shattering but just doing the basics in a very good way.

Ravi Swaminathan: Got it. So, is it safe to assume that the compressor industry in India over the next 12 months can grow at a double digit pace, and we can also grow on par with the industry or probably even higher than that due to certain one, two, three reasons?

Jairam Varadaraj: Well, if I had a crystal ball that I could look into and read Ravi then I'll tell you what India is going to look like, but, my traditional view of India is, sometimes it's like a mirage, you don't know it seems to be there, but then suddenly disappears. So, I don't like to make any comments about India, in terms of what it can, but what I can say is, what we are doing is building our capability internally that in the market we will get strong.

Moderator: Thank you. The next question is from the line of Shriram, as an Investor. Please go ahead.

Shriram: So, the compressor segment for FY23 what would be your non-auto revenue sir?

Jairam Varadaraj: Sorry?

Shriram: For the compressor segment, what would be our non-auto contribution, non-auto sector?

Jairam Varadaraj: I don't like to talk about specific segment why sales of compressors, that's too competitive information.

Moderator: Thank you. The next question is from the line of Bhavin Vithlani from SBI Mutual Fund. Please go ahead.

Bhavin Vithlani: So, Jai, really positively surprised by the margins that you have delivered, 21% on a standalone EBITDA level. Would you believe that, we are now in a position to sustain such level of margins because the other two competitors are also from the top level, rather being MNC, margins is the first thing that comes into discussion in their boardroom. So, will you believe now that there is a trajectory shift on the margins for yourself as well as the industry?

Jairam Varadaraj: I don't know about the industry Bhavin, for us the last one and a half to two years was the cost, the commodity price challenge that was placed on the table got converted into a price discovery process right. Now we had to discover a price which is sustainable for us, from the cost that we were facing. So, we took a certain risk and we said we have to do it because the commodity price had gone up, freight cost had gone up so we had to discover these prices. And fortunately, I wouldn't say this is accidental there were latent opportunities of prices for ELGi that we were not extracting is point number one. Point number two, price levels in the market went up because commodity prices went up across the board. So, if you look at our competitors, global performance numbers and margins have also increased quite handsomely. Especially Ingersoll rand, if you look at their margins, they have done exceedingly well. Now, that doesn't come purely just by the operational leverage. Sure, they have also grown quite significantly there's no doubt of us, managing margins at the unit level.

Bhavin Vithlani: Sure. The second question, if you could talk about the capacity utilization in general and what's the kind of expansion that we are planning and at the end also if you could just stretch up on what's the kind of aftermarket as a percentage of the standalone and the growth that we would have seen in the last year?

Jairam Varadaraj: So, as far as capacity utilization in our business is very hard to tell because the same capacity is used for multiple products, the manufacturing, but from a planning point of view, this is not like a process industry where you have linear expansion, there's a step wise expansion in capacity. So, we've been making the step wise investments in our manufacturing capacity. So, we are still ahead of the curve as far as not only ours, but also a suppliers ability to deliver whatever growth that we have planned. So, I don't see that as a challenge at all. As far as aftermarket is concerned, yes, India continues to do well, as far as percentage is concerned, I don't have the number in front of me, it's probably around 26%, 27% of our revenue and aftermarket is also will grow in the other markets, because that's the whole underlying logic of this business, you get your machine installed and then you derive your profit from supporting the customer and aftermarket is the opportunity. We are on track for that, margin improvement is a combination of one pricing which we have done to reflect the cost, two our own internal cost reduction project that we had initiated a year and a half, two years ago. And in the year '22-23, I would say about 40% of it kicked in that year. So, this coming year, we will have 100% of it kicking in because the projects are all done. So, this is not an accident, this is not some kind of a fluke, or a specific product mix or something like that. So, this is a sustained thing.

Moderator: Thank you. The next question is on the line of Manish Goyal from Thinkwise Wealth Managers. Please go ahead.

Manish Goyal: Sir, I am just like a bit surprised with your commentary on Indian market that probably you could have done better. And you mentioned that you need to realign with the market. So, is it to do with the product offering or your inability to meet the growing demand or if you can a bit elaborate and probably what actions are you looking to take off?

Jairam Varadaraj: So, when Europe and America growing at 30%, 40%, you get a little, angry that India is not growing at 30%, 40%, when the whole world is talking about India is the next big thing. So, you look at your own internal thing, and you need to be rightfully unhappy with what you're performing through. Now, it's not because of product offerings, the product offering was a constraint, then we would have bigger problems in Europe and the US. So, product is not the issue. The point here is, there is an opportunity, we need to go after the opportunity a little bit more deeper and a little bit more intensely. So, this is really what I'm talking about, so when you go to a large market like Europe or America when you throw the net into the water and as long as you have a good product you get a lot of fish but in a market like India, you need to go once you are already got a certain large share of the market. You in order for you to aspire to grow the same percentage as you are growing in Europe, which is possible then you need to be at a different level of your strategy, not your current strategy that's what I meant.

Bhavin Vithlani: Okay. Also on say CAPEX plan like if we look to grow strongly and particularly with our overseas market also growing very strongly. So, to meet the demand do you think you will probably need to kind of have a significant increase in capacity number one and number two, apart from having sales through subsidiaries are you also probably seeing a traction on direct exports from India with China Plus One or Europe Plus One strategy, how is it like and, how are we playing this?

Jairam Varadaraj: Like I said our capacity today if I have to grow 30%, I don't need anything significant. Our entire investment, if we are talking about investing 50, 60 crores a year in machinery that will more than adequately take care of the growth in that percentage, but if you want to double and triple our revenue then we are talking about creating fundamental infrastructure like space, which is what we will do as part of our larger project plan, which I will talk about sometime in the future when it is ready. So, I don't see any huge cash demand to sustain the kind of trajectory that we want to do at the current trajectory that we are talking about. As far as we are not a China Plus One participant, because we are not supplying to anyone. We don't want to supply compressors to some other brands. So, the China Plus One strategy is more about sourcing, we are not a source for anyone, we are the final product. So, the opportunity of a China Plus One thinking for our product in Europe or America or for that matter anywhere does not exist, because the Chinese players are not significant players in these markets. The large players in all these markets are well established strong multinational companies or local European American Company. So, our distributor is not looking for a China Plus One option. And therefore picking our product, we are looking to say can we be an option for the established players not for some low cost player from another country.

Moderator: Thank you. The next question is from the line of Raju from Baxi & Company. Please go ahead.

Raju: Sir my question is that we have a strong engineering pedigree and do intend to leverage in the field of defense manufacturing?

Jairam Varadaraj: No, we live, breathe and eat compressors.

Raju: Thank you. The next question is from the line of Govind Raj as an Individual Investor. Please go ahead.

Govind Raj: Sir, the Company what we are supplying where we are fitting our own motors to the compressors or it is outsource sir?

Jairam Varadaraj: Sorry, you have to speak a little slowly because I couldn't understand what your question was.

Govind Raj: Sir do we motor for this compressor, all the compressors supplied by us are fitted with our own manufactured motors or it is outsourced one?

Jairam Varadaraj: The motors that we fit like, if you would remember in my earlier calls our range of products at the moment only up to 45 kilowatts. So, all compressors up to 45 kilowatts go predominantly with motors, because some of the motors required for 60 cycles are in the process of being implemented. So, India up to 45 kilowatt is with our motors, Europe most of it is beginning to become our motors. America will maybe this year will become a motor but that's only up to 45 kilowatt. And I don't want to give you the share of how much is 45 kilowatt and below because that will be too competitive information so up to 45 kilowatt large percentage is our motors.

Govind Raj: And when we can expect that all the compressors are fitted by our own motor sir, any timeline sir what we are expecting?

Jairam Varadaraj: Like I said this year most of compressors up to 45 kilowatt will be with our motors, our compressors 45 kilowatt. Now, we don't have specific plans beyond 45 kilowatt yet and I don't want to share the numbers of what we do beyond 45. So, I can't really answer the question when we will have 100% up because we don't have specific plans yet.

Govind Raj: And one more thing sir, you have informed in the opening speech that 25 crores was the onetime expenses incurred for the ERP, whether all those 25 crores has been incurred during the Q4 or it was done in the earlier three quarters also sir?

Jairam Varadaraj: A large part of it came in Q4 but it was not exclusively.

Govind Raj: Okay. If we had excluded that our bottom line would be a bit closer?

Jairam Varadaraj: Annual bottom line?

Govind Raj: Yes sir.

Jairam Varadaraj: Annual profit would have been higher by the demand.

Govind Raj: Around 25 crore?

Jairam Varadaraj: 23.

Moderator: Thank you. The next question is from Vinodh Sastri from Instanomic Ventures. Please go ahead.

Vinodh Sastri: Actually, most of the questions are answered I have two, three small questions. There is a news on this European expansion for €20 million going forward, is that already done or it is going to take place by in the coming years?

Jairam Varadaraj: The €20 million was an investment thing that we said four years ago. And we said that will be the loss that we will incur as part of our European strategy. And because of COVID we got shifted by a year. So, this is the year when which we will start showing some positive, strong results from Europe but still it will be a loss and we will break even next year.

Vinodh Sastri: But during Hannover the news was that ELGi is planning to invest €20 million that's why this question has come. So, the next question would be on the railway order book are we seeing any significant improvement in the railway order book sir?

Jairam Varadaraj: No railway continues to be as it is there's nothing significant.

Vinodh Sastri: Okay. And the third question would be, is there further or even for this year we have some asset monetization going in the pace what it was during the last financial year?

Jairam Varadaraj: Sorry, what was it asset?

Vinodh Sastri: Asset monetization, the selling of non-core assets?

Jairam Varadaraj: Yes, most of it has been done, so maybe some residual stuff but nothing significant.

Vinodh Sastri: Okay. Then the last part would be last time during the concall we asked for a PPT and you told you will be providing it. Will we be getting that sir, PowerPoint presentation?

Jairam Varadaraj: So, we will work on it, we haven't done it for this year. This thing we will definitely do it for the next one, I apologize.

Moderator: Thank you. The next question is from the line of Manish Goyal from Thinkwise Wealth Managers. Please go ahead.

Manish Goyal: Sir when you mentioned about the coming quarter of some weaknesses, were you primarily referring to the only North European American market or it was overall India and overseas?

Jairam Varadaraj: No, only America because, I'm only giving you a cautious thing because the ERP is going on, business in flow continues to be as strong, it is only our ability to execute because the system is kind of clawing its way to the surface. So, it could happen, nothing may happen, or something may happen, I'm just giving you that caution.

Manish Goyal: And as far as overseas sales are concerned, so most of the compressors which are sold would be sourced from India and assembled over there and sold or how is it sir?

Jairam Varadaraj: No, all the compressors are made here at the moment, 100%.

Manish Goyal: Okay, except maybe some bit of it in Rotair facility?

Jairam Varadaraj: Those are one segment of portable machines that go into a different segment is made there where it is, the emission norms are higher, and engines made in India don't comply with those emissions. So, it's better to buy it there in Europe where they make those engines.

Manish Goyal: And sir so when we see 20% growth on a consolidated basis in top line for FY23, how much would it be price realization increase driven and how much would be say volume drive broadly?

Jairam Varadaraj: Our volumes are about 5%, 6%. Exchange rate was about 4%, 5%, the price is another, I guess 7%, 8%.

Manish Goyal: Okay. And we are able to basically retain our prices, and probably not looking to kind of reduce in terms of it falling commodity prices?

Jairam Varadaraj: Commodity, we just look around you there is a data, and then there is reality. The data, everyone says, commodity prices have come down, but the reality is the other prices are going up. You look at travel, it's crazy 30%, 40% increase in travel cost, you look at hotel prices, ridiculously high. So, when all that is there the cost of doing business may, yes your steel prices may have come back to what they were before that huge escalation that happened just after COVID. But that's only half the story, the rest of the cost are high and they all get baked in somehow into your entire value, into your supply chain, not only your supply chain, but also going forward in the conduct of your business. So, there is really no opportunity for you to go and look at reducing your prices because that would be suicidal to do that.

Moderator: Thank you. The next question is a follow up question from the line of Vinodh Sastri from Instanomic Ventures. Please go ahead.

Vinodh Sastri: During the last quarter, the outlook what it was given us, even if there is a strong headwinds during the FY24 the Company will be able to manage its top line and bottom line that is what was the market outlook during the Q3 of FY23, but this time it is being little bit cautious it is just because of the America or it is a very broad-based approach?

Jairam Varadaraj: Vinodh I am giving you a caution only for Q1 and that too because of an ERP implementation. I told you that business fundamentals continue to remain strong even in America right. The order inflow, the order book everything remains strong with what I will be presenting to you end of Q1 is not the order book but invoicing right, so the invoicing could be a challenge because of ERP that's the caution I am putting on the table.

Vinodh Sastri: Because the last time it was more optimistic, but this time it is less optimistic when it comes to the market outlook that is where we just thought we will get some more clarity from you.

Jairam Varadaraj: It's how you read what I'm saying. I'm saying we are going to grow high double digits, we're going to have good strong margin. Now, I don't know what's pessimistic about what I'm saying.

Vinodh Sastri: No, sir I did not tell pessimistic but less optimistic sir.

Jairam Varadaraj: Okay, less optimistic means more pessimistic than before. It's all semantics, the question really is, I'm saying we're going to have a great year, the 1st Quarter is going to be, could potentially be a challenge of booking revenues and not business. You've got to interpret that the right way. I'm not saying that it is less or more pessimism.

Moderator: Thank you. The next question is from the line of Govind Raj as an Individual Investor. Please go ahead.

Govind Raj: With regard to the automotive segment, we are growing about 5% to 6%, so sir that will be the normal growth or can wish you any improvement and business there sir?

Jairam Varadaraj: Where did you get that, we are growing 5% to 6%?

Govind Raj: I mean year-on-year on sales front.

Jairam Varadaraj: Where did you get that data?

Govind Raj: In the segment wise results sir.

Jairam Varadaraj: Segment wise results we have not, for the quarter you are talking about, right?

Govind Raj: Yes sir.

Jairam Varadaraj: For the quarter we have grown but the question is, it's only one quarter now. You have to look at the annual growth.

Moderator: Thank you. Ladies and gentlemen as there are no further questions from the participants, I would now like to hand the conference back to the management for any closing remarks. Thank you and over to you sir.

Jairam Varadaraj: Thank you so much. Thank you everyone for taking the time off. I really appreciate your involvement, engagement, as always. So, just to if there is any lingering doubts about pessimism and optimism, I want to make sure that I stated very clearly, business looks good. But there could be some transactional challenges of a short term nature in Q1. And that's the only thing that I wanted to say, I don't want to say anything, I don't want anybody to extend it beyond that. So, that's really what I wanted to convey. So, again, thank you and I look forward to our call after we complete our 1st Quarter. Thank you.

Moderator: Thank you very much. Ladies and gentlemen, on behalf of Asian Markets Securities Limited that concludes this conference. Thank you all for joining us and you may now disconnect your lines.

Disclaimer: This transcript has been edited to remove any grammatical inaccuracies or inconsistencies of English language that might have occurred inadvertently while speaking.