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National Stock Exchange of India Limited
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BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai-400001

Company Symbol: SIS

Company Code: 540673

Dear Sir/Madam,

Sub: Transcript of the Earnings Call – Q1 FY24

Ref: Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Please find attached the transcript of the earnings call for Q1 FY24 held on July 27, 2023. The transcript is also available on the Company's website at <https://sisindia.com/financial-results-presentations/>.

Kindly take note of the same.

Thanking you

For **SIS Limited**

Pushpalatha K
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“SIS Limited
Q1 FY24 Earnings Conference Call Transcript”
July 27, 2023

**MANAGEMENT: MR. RITURAJ SINHA – GROUP MANAGING DIRECTOR –
SIS LIMITED
MR. DEVESH DESAI – GROUP CHIEF FINANCIAL
OFFICER – SIS LIMITED
MR. BHARAT BAKHSHI – PRESIDENT M&A, INVESTOR
RELATIONS AND VENTURES – SIS LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to the SIS Limited Q1 FY24 earnings conference call. As a reminder, all participant lines will be in the listen-only mode. And there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Bharat Bakhshi, President M&A, Investor Relations and Ventures from SIS Limited. Thank you, and over to you, Mr. Bharat Bakhshi.

Bharat Bakhshi: Thank you. Good afternoon, everyone, and welcome to our Q1 FY24 earnings call. Along with me, I have our Group Managing Director, Rituraj Sinha; and our Group CFO, Devesh Desai. I hope everyone had a chance to look at our results and the earnings note, which has been uploaded on the stock exchanges and the company's website.

We are very happy to report that FY24 has started on a very positive note. As you would have seen, revenue is up 11% over the same quarter last year.

And importantly, EBITDA is even higher at 15% over the same quarter last year.

As you would know from the last several calls, internally, there has been a tremendous focus on margins for us. And clearly, the results are now showing. Our India Security business has seen EBITDA margins increase significantly over the same quarter last year where it was 4% to now 5.4% this quarter. So that's an improvement of 1.4%, which obviously is significant in our business.

And this EBITDA margin improvement in India Security came even with a solid revenue growth of 16% for the business. Revenue growth has also been very solid in the other businesses with facility management growing at 21%. Cash also has continued the strong growth at 24% -- with EBITDA margin now increasing to 15.7% in the Cash business. So again, while Security, of course, has been our main business, but FM and Cash also now are becoming very significant and continue to show tremendous growth potential over the coming years.

Overall, we are I would I think it's safe to say we are very happy with the business momentum. With this, I will turn it back over for Q&A.

Moderator: Thank you very much. We will now begin the question-and-answer session. We have the first question from the line of Vidit Shah from IIFL Securities.

Vidit Shah: Thanks for taking my question. My first question was in the International business I see that there's been another wage hike that is going to be effective 1st of July of 5-odd percent. Does that mean that in the near term, margins will again fall in this business? And will it get covered only once these are passed on to customer contracts with a little bit of a lag?

Rituraj Sinha: Hi, Vidit. This is Rituraj. I think it would be prudent to remember that wage hike has to be passed through first and the price hike follows thereafter. There is a time lag effect. Having said that, we have already started negotiating with clients, and these are not exceptional developments,

price / wages hikes like these come through each year. So, I believe that pass-through will happen seamlessly, but there will be a time lag effect, which I think you should bear in mind.

Vidit Shah: Okay, thanks. That's helpful. And my second question was on the FM business. So, we've grown very handsomely ever since we've gotten out of COVID, but from 2Q onwards the base becomes significantly large. So, do we expect like this greater than 20-odd percent growth rate to continue for the rest of the quarters as well? Or can we see some moderation in growth given the larger base?

Rituraj Sinha: I think as the base increases, there is always going to be moderation in percentage terms, but in absolute value, I think FM will continue to grow greater than the previous year.

Vidit Shah: Got it. And any sense of margins that you could give in the FM business, they've improved from the absolute lows, but they're still way off what they used to be pre-COVID? Any timelines that you could share or when we can expect getting to 5.5%, 6-odd percent.?

Rituraj Sinha: Well, I don't think it's fair to share a specific timeline because these things are constantly evolving. But as you can see, trend-wise, whether it is the Security business in India, which was at an all-time low margin a few quarters back and has now moved up from like 3.8% to 5.5% odd. Similar actions are underway in FM as well, and we are hopeful that FM will follow suit the way Security numbers have shown, but it'd be hard to give you a specific timeline or time frame.

Vidit Shah: Okay. Fair enough. Just one last question for me if I can squeeze that in. I wanted to understand, we've had some dent on our OCF this quarter because of the increase in DSO days. So, do we expect the DSOs to normalize by the end of the year? Or is this now the nature of business or the industry going forward that we must work with certain higher level of the DSO days?

Rituraj Sinha: No, no. I think this is transitional. As you all know that year-end, 31st March, there's a big push for collections and customers also sort of respect that year-end timeline. Generally, we see slackness in April and May, which should be picked up in June, but hasn't been done in this quarter. I think this will level out in the coming quarters. This is not a permanent change.

Moderator: We have the next question from the line of Amit Chandra from HDFC Securities. Please go ahead.

Amit Chandra: Hi and thank to the opportunity. So, my first question is on the Security Solutions business. So, in this, we have seen significant improvement in our margins. So, is this margin because of the change in the business mix that we're having, so higher demand for like technological solutions and ManTech -- or is it because of the pricing negotiations that we had, or pricing increases we had with the customers? And in terms of the margin levers, are we seeing still some kind of margin expansion or in terms of the levers? If you can tell us what levers are exhausted and what levers are remaining?

Rituraj Sinha: This is an outcome of various initiatives. And they range from review of our contract portfolio where we execute some low-margin contracts for the customer who is not looking to uprate. So there's shuffle in the contract portfolio, there's also price renegotiations with clients, which has

resulted in margin uptake. There are also new contracts at better margin levels, which has helped. There is the solution business, less manpower, more technology revenue that has come through, which is showing impact, especially on the alarm monitoring side. And lastly, there is also SG&A actions. So, what you see the movement from 3.8% to 5.5% or 5.4% this quarter is the result of multiple actions. And we cannot attribute this to any single driver per se.

Amit Chandra: Okay. And sir, on the Australia business, as you mentioned, that there is a wage hike that is coming in. But in terms of the new order wins that we had and mentioned in the PPT on \$86 million of monthly revenue. So, if I calculate, this is around 8% of the total revenue on an annualized basis. Have these numbers started to come in, in this quarter? Or this is the net new win from a net new customer or from existing customers?

Rituraj Sinha: Well, again, like I said, it's a blend of various developments, but I mean, the more important thing is that first quarter all the International business reflects the steady-state operation of the various SBUs that are in this segment, whether it's in Singapore, Australia, New Zealand. And some of the segments are clearly showing uptrend with the labour supply situation easing. And if that continues, then hopefully, that will auger well for the general performance.

Amit Chandra: Okay. And sir, my last question is on the change in working capital or the OCF impact. So, like most of the working capital increase that has happened, has happened in the India Security and the International Security business. So, is it -- there is some kind of seasonality involved in this? Or are we expanding, or the margin expansion is related to some kind of working capital exposure or increasing working capital exposure having higher influence?

Rituraj Sinha: I think I strongly advise against reading too much into the DSOs of this quarter. There is no correlation between margin uptake and us conceding greater working capital to customers. Our terms of engagement remains the same. This is simply a slip-up in collections in this quarter, which also is attributable to an extent to Q4 year ending where we had bumper collections. I think this will level out in the coming quarters, like I said earlier.

Moderator: We have the next question from the line of Chirag from Keynote Capitals, please go ahead.

Chirag: Thank you for the opportunity. Sir, just one basic question I wanted to understand first was, what is the reason behind having a lower operating margin in International business compared to India business?

Rituraj Sinha: That is largely attributable to the labour cost situation in that market. Our labour cost ratio in the Australian operations is upwards of 85%, which is the structure of the market. So, all the mature markets, if you see globally, which are highly regulated labour markets whether the U.S., U.K. or Australia, if you see the results of G4S or ISS or Prosegur for that matter, which are basically operating in mature markets. You will see that because of higher labour cost ratio, most of them will be operating at 5%, 5.5% EBITDA margin range. Our business in the international markets like Australia has traditionally operated at 4.5%, 5%, broadly in that range, and we expect that, that will be the continuing trend.

- Chirag:** Okay. Sir, second question I wanted to understand, is there any one-off expense in last year same quarter related to other expenses? Because I'm just able to see that we are able to significantly lower down our cost, but our sales have shot up. So is there any one-off...
- Rituraj Sinha:** Devesh would you like to take that?
- Devesh Desai:** Yes, I don't think there was any one-off expense in the last quarter same year. But if you want, I can just check that and get back to you separately.
- Chirag:** Sure.
- Chirag:** And some colour or any guidance that you would like to give for the year FY24, like we have been laser sharp on improving our margins at this moment. Any particular guidance that you might be able to target for this particular year in terms of sales growth and margin...
- Devesh Desai:** Can you repeat the question? It wasn't very clear.
- Chirag:** Yes. I'm asking that is there any guidance from your end related to sales growth for FY24 compared to FY23. Secondly, we have been laser sharp on margins that we will continuously be focusing on improving the margin category compared to last year, and we have already started seeing in the first quarter itself. So, do you have any kind of guidance for FY24?
- Rituraj Sinha:** Like I said in the past repeatedly, we have demonstrated in the first year post COVID, first full year post-COVID there was no effect of any lockdown or COVID impact, which was FY23 in that first year post the COVID impact, we have demonstrated Security business growing at over 20% and FM and Cash going at more than 30%, 35% year-on-year organically in India. So clearly, the capability to grow rapidly has been demonstrated in the market scenario and strong organic growth is also evident.
- Our focus this year is clearly on improving our margin profile. I believe that does not necessarily mean that revenue growth is no longer a priority, but we are overweight on margin improvement this year. And obviously, you will see, hopefully, the trend playing out. As regards to any specific guidance for revenue growth and margin number for the year we refrain from guidance generally.
- Chirag:** Fair enough. Thank you for answering this. And sir, last one question I wanted to understand. Last year same quarter, our employee expense as a percentage of sales were about 80% -- and this year, Q1 FY24, it is about 81.7%.
- And still, we have been able to improve our margins. So can I expect that the newer contract that you are about to start with is further going to improve this percentage cost of employees and leading to about 30, 40 bps improvement in EBITDA margin. Can I expect that?
- Rituraj Sinha:** You are free to assume anything, you feel like, my friend.
- Chirag:** So, I'm just trying to understand, is that the case that is going to take place?

Rituraj Sinha: Like I said... I've already given you a long list of all the actions that are under play to fix the margin profile of the Company. I have repeatedly commented that there are no structural changes in the industry that have resulted in lower margin profile. We maintained the same gross margin level in the business, that we were maintaining pre-COVID. All the trouble happened at the SG&A level and also some contract decisions that were not ideal in FY22 and FY23.

We are correcting that. And because of all these blended actions, you'll see us going back hopefully to pre-COVID level of margins. So, if you see Security, pre-COVID level of margin was 6% ballpark, same for FM. So that's our endeavour to go back in that direction.

Moderator: The next question is from the line of Mohit Mehra from Guardian Capital.

Mohit Mehra: Thank you for giving this opportunity. I wanted to understand what caused this revenue decline in the Australian security. So was it the focus on margin? Or are there some other factors at play?

Rituraj Sinha: I don't think there's a case of revenue decline in international business, even as the numbers -- sorry?

Mohit Mehra: Quarter-on-quarter, not year-on-year.

Rituraj Sinha: I don't think there is any significant change. There is maybe some temp businesses that have gone off. There aren't any permanent contracts that have moved out majorly. Yes, the new contract starts have been delayed. And hopefully, that will correct in Q2.

Mohit Mehra: Okay. To one of the previous participants, you had mentioned that problem that occurred in FY22 and '23 were elevated SG&A cost which impacted the margin. So, what were the elevated costs and how are we keeping them under control?

Rituraj Sinha: So in FY22, obviously, the key focus was to bring growth back. And the first thing that happened is that -- we topped up sales force and our branch costs because we wanted to push growth. At the same time, a lot of other expenses related to travel, increment backlogs, etc., which were subdued during COVID years also came back very drastically.

All of these things put together bloated the SG&A line. As FY23 demonstrated growth, some of that higher cost on SG&A side, obviously got justified because the revenue moved up correspondingly. And some places where we had made excesses, we had trimmed down subsequently. So that's why you see the overall percentage margin coming back in the recent quarters.

Mohit Mehra: Got it. And one final question from my end. So, if we look at our projections, what tax rate should we bake in?

Devesh Desai: So, this is Devesh here. If you want to look at the tax rate, I think you should take guidance from the full year last year and use that as guidance rather than using a quarter-to-quarter rate, which gets distorted a bit due to the impact of 80JAA accounting and benefit. It's a typical accounting and benefit computation which takes place. If you look at it on an annual basis, I think you'll get a better of idea of the effective tax rate.

- Mohit Mehra:** Okay. So around 22% is fair, right?
- Devesh Desai:** 22% is not the effective tax rate.
- Mohit Mehra:** Okay? So, this was the last year, right?
- Devesh Desai:** So, if you look -- if you look on a stand-alone basis, on a stand-alone basis, if you look at the table in the earnings note, it's zero. And if you discount the deferred tax impact, it's a 22% increase over the previous quarter and a 44% increase over the previous year. But I am happy to take you through it separately and help you figure out how to look at the effective tax rate.
- Moderator:** We have the next question from the line of Rahul Yadav an Individual Investor. Please go ahead.
- Rahul Yadav:** Thank you so much for taking question. First, congratulations on great set of numbers. As per the earning release Q1 FY24, what we can see is the rapid ramp-up happening in VProtect business, and probably that involves some capex, as mentioned in the capex note. I just wanted to understand what kind of margins and return profile are we seeing on that business.
- Rituraj Sinha:** The VProtect alarm monitoring business has demonstrated capability to deliver double digit EBITDA margin. And most of the contracts that they've secured are in double-digit EBITDA margin.
- Moderator:** We have the next question from the line of Keval Shah from Banyan Tree Advisor. Please go ahead.
- Keval Shah:** Thanks for taking question. My first question is on the Facility Management margin. First, the margin trajectory, like we have been growing at 20% plus, but if you see the margins, they have been close to flat. So, what is causing the delay in reverting to pre-COVID levels as we saw in the Security Services in India? But we are not seeing in the FM segment. So, like... Any colour on what is happening to the FM segments?
- Rituraj Sinha:** I think -- so first thing that you must recognize is that in our line of business, basically revenue is nothing about the basket of contracts, right? So, there may be 5,000 contracts in the security basket, for example. And then you have to go clean that up contract by contract, which contracts you need to loose, which contracts you need to uprate, which contracts you need to reprice, which contracts you need to -- and then you also need to top up some 100, 200, 500 contracts in that basket of 5,000 contracts as new additional contracts, which are improving the margin profile.
- This is not a one month or a one quarter exercise. This becomes an extremely protracted exercise because we are bound by contracts. We cannot go back to customer and exit contracts at will, repricing discussions or solutioning discussions where we replace manpower with more automation or technology. These are also not instant decisions. So, actions that are showing results in Security, very similar actions are being taken in FM as well. Just as in Security, it took a few quarters for the numbers to start showing up.

In FM also, it will take a bit of time. But what I wanted to outline clearly is that it is the same set of actions that happened in Security that yielded results that are being undertaken in FM also. It is a long-protracted exercise. And I guess we'll have to be a little patient with it.

Keval Shah: Okay, thanks. And on the International margin, apart from the discontinuation of COVID contracts, were there any other impact in the current quarter?

Rituraj Sinha: No.

Moderator: The next question is from the line of Bhumi Shah from Kantilal Chhaganlal Securities.

Bhumi Shah: Thank you for the opportunity. Congratulations on good numbers. I just had one question related to the Cash Logistics segment. It has evolved a lot with the highest quarterly revenue in Q1 FY24. So could you share more details about the new technology solutions offered to customize and the potential for further expansion in this segment?

Rituraj Sinha: Well, our Cash business is clearly an outperformer. If you see the last few years, including COVID years. The Cash business has reported revenue growth of close to 30%. And the margin profile has also changed completely. The Cash business now reports 15% ballpark EBITDA margin and close to 7%, 8% PAT margin. This is largely because our business has transitioned from a traditional Cash Logistics company where a lot of ATM work is done to a bank outsourcing services business.

You would need to recognize that SIS Cash Logistics gets less than 20% of its total revenue from ATM services. 80% of our business comes from other outsourcing services that we do from banks. It could range from doorstep banking services to bullion movement to cash processing for banks and various other such activities that are outsourced by banks currently. So we are a bank outsourcing business.

We used to be a cash outsourcing business maybe 5 years back. But today, we do large part of bank outsourcing work. We are, therefore, seeing a drastic change in our margin profile. And I believe that looking at the order book, I think the Cash business has significant upside ahead of it.

Bhumi Shah: Sir, are there any plans in further expansion to this business?

Rituraj Sinha: Well, we are constantly evaluating all options ranging from not just organic growth boosting but also M&A in this space and in fact, also potential unlocking of value for shareholders. So various actions are constantly at hand and being evaluated. We will talk more about it when things materialize.

Moderator: We have the next question from the line of Yashvardhan Bansal and Individual Investor. Please go ahead.

Yashvardhan Bansal: Hi, good morning, sir. So, I just wanted to add a follow-up question to the Cash business. First things is that, of course, you have a lot of coming from the doorstep banking. I wanted to get an

insight as to what is the management's perspective when it comes to UPI services coming into the picture?

Rituraj Sinha: Sorry, say that again.

Yashvardhan Bansal: So, I wanted to insight from the management of the SIS is that how is SIS planning to tackle the problem of UPI versus cash, which is more or less a very hot topic when it comes to cash logistics companies, particularly?

Rituraj Sinha: Well, I think you are right that digital transactions have picked up drastically in the last few years. But I think if you look at a more composite picture, you will see that the currency in circulation in this country is also going up year-on-year. Last year, I think if my memory serves me right, our currency in circulation went up more than 10%. 13% of GDP is in circulation.

And I think despite demonetization, despite digital transaction growth, the currency is out there to be managed. Usage of ATMs has declined for sure. But if you look at government has pumped more than a few lakh crores through direct benefit transfers to the deprived section of our society. Large part of this money is transacted via ATMs and rural belt and then also increases currency in circulation generally.

So, I believe that, number one, you need to look at the currency in circulation metric to understand the impact of UPI versus cash. Number two, more importantly, what you need to see is that whatever currency is there in the economy, there may be 50 banks or more if you include NBFC and financial services companies, there would be hundreds. But ultimately, currency managing companies are not even five. So clearly, there used to be 10-odd companies doing currency handling in the country.

We are down to like five or less than five now. And I believe that what's happening is that the service providers are consolidating. So even if there is a lesser amount of cash in the economy in the future years, there will also be fewer operators to handle and run that, which basically results in 2, 3 things. Number one, more sensible pricing.

Number two, greater density, and higher productivity on part of operating companies; and number three, greater pricing power in the hands of the service providers because there are only few. So, all these things put together, I think the outlook on cash in the immediate future looks pretty stable, rather encouraging.

Yashvardhan Bansal: All right. I just wanted to ask a couple of more questions. So, the first question was that you have a fleet of approximately 3,000 banks. I just wanted to make sure as to what is your route network coverage, like what kind of locations you're primarily serving? Secondly, what is your expansion into the country?

And my second question was that right now, I think in the previous question, you said that you are mainly a banking service provider -- service provider to the banking outsourcing needs. So, apart from that, what is SIS's aim and agenda in the coming future as to increasing their audience market? So maybe as to how are you planning to include, say, NBFCs or insurance companies forming something like that.

Rituraj Sinha:

So, SIS Cash services operates across the length and breadth of the country. So from Jammu to Kerala and from Gujarat to Arunachal Pradesh our cash operations operates. I think what we did, which is paying dividends today is the fact that we picked certain niche markets where the larger competitors are not very keen to expand.

So, for example, we picked up maybe 10 years back, we decided to focus a lot on Northeast because other competitors were focusing more on Delhi, Mumbai, Bangalore, type metros. We picked up Northeast. We picked up the hinterland in UP, Bihar, Jharkhand, Bengal, Odisha, which is relatively -- at that point in time, I am talking about 2012, 2013 was not the most attractive market.

At the same time, we competed in the metros, focused more a lot. We acquired a company called SDB Cisco in 2014, which is predominantly a South and West India Operator in the cash segment. So that boosted our presence in South and West markets. So all these blended basically meant that we have, on one hand, a pan-India delivery capability. So any part of the country, we have the capacity to take on contracts. But at the same time, we have certain pockets of substantially higher route density.

So, while most cash companies are still counting number of ATMs per route or things like that. We started because our ATM exposure is relatively lower, we started doing what we call mixed roots, where of the same route we do a few ATMs, we do doorstep banking, we do other services all blended into a route usage of a lot of technology that we got from Prosegur, our global partner, tremendously helped. And today, our Cash business may be the only cash business that is accounting route efficiency by stops per route.

It's not number of ATMs per route, but it's number of stops per route and the revenue we make per stop. Today, we have the capability to derive margin per stop. What is the cost of that stoppage of 20, 30 minutes? And what is the margin that we make on that stop? So, the amount of investment in technology and pan India network establishes SIS Prosegur joint venture quite differently. And I think one other important aspect you must weave into your thinking if you are evaluating our cash business.

It is that in the competitive landscape today, there is no strategic operator -- strategic long-term operator is not there. There are other businesses that are largely private equity owned or owned by individuals. But SIS Prosegur offers a very stable long-term view on Cash Logistics and global experience. And I think our customers fully appreciate and recognize that. And that has given us an edge in the bank outsourcing or the new services that we introduced. So sorry for this long answer, but I hope I have given you some colour.

Yashvardhan Bansal:

Yes, sir. I just had the second part of the question, which was what is your outlook for NBFCs including other players or other customers into your portfolio? That will be my final question.

Rituraj Sinha:

Like I said, for us, right from cooperative banks to the regional rural banks, all of them are in our customer portfolio, and we work with a very diverse set of customers. And I think there is a tremendous set of opportunities, not just with the large banks, but also with the smaller banking

operations. In fact, there are some microfinance companies that we have started working with now.

There is opportunities on the CSP side, customer service point side of things, which are actually banking correspondent CSP side. So, there is a whole lot and maybe at some point in time in the future when we are discussing just cash, I can give you far more depth. But I would encourage you to have a look at -- we did SIS Confluence a few months back where we got our business heads to talk about each individual segment. So that would be on the SIS website, a recording of the discussion on Cash. If you look at that, that will address a lot of your queries.

Yashvardhan Bansal: Thank you so much, all the best.

Moderator: The next question is from the line of Granth Khetan from KC Securities. Please go ahead.

Granth Khetan: I wanted to ask; the Cash Logistics segment of the business has grown like the Security Solution segment. So, if the Cash Logistics segment were to grow faster than Security Solution segment would you focus more on the Cash Logistics segment?

Rituraj Sinha: Well, I don't think in SIS Group, we look at the segments one versus the other. If you look at the 10-year history or at least a 5, 6-year listed history of SIS -- all our four segments, whether it is Security in India or International Security, Facility Management or Cash. All these segments have more than doubled in the last 5 years since our listing, profit has grown more than twice. So, it's not an either/or scenario. Having said that, cash has great prospects, as I was just explaining, so does Security, so does FM. And I think we are looking to build all these businesses.

When you look at SIS, you must look at it as a platform because today, there are a lot of peers who are pure play in FM or pure play in Cash Logistics, either they don't do all services or they don't have a meaningful market position in all. Look at SIS as a platform, our endeavor in the last 20 years has been to create a platform. And today, we are proud that we are not just the largest Security company in India by revenue, we are also the largest Facility Management company in India by revenue, and we are the second largest Cash Logistics company in India by revenue. We don't intend to focus on one segment at the cost of the others. These are all independent businesses, there are separate CEOs and CXOs who are running these companies, you must look at SIS as a platform.

Moderator: I would now like to hand the conference over to Mr. Rituraj Sinha for closing comments. Over to you, sir.

Rituraj Sinha: Thank you once again, everyone, for joining this call. It's always a pleasure to talk to you. And I have enjoyed a very diverse set of questions that came through today. I hope we have answered satisfactorily and given you some insights. Having said that, as I conclude, I would like to say that the first quarter of FY24 has signalled a solid start for SIS -- not just on the security side, where there has been reasonable growth and substantial margin improvement. Even on the FM side, there has been growth. Cash side, there has been growth. And I believe that the concerns around margins of Facility Management, particularly and the International business are well

acknowledged. And I believe that there is action underway, and there will be hopefully a substantial uptick in the coming quarters.

Like I have said, our desire and endeavor is to go back to pre-COVID level of margins for all businesses. And I see no reason why we should not be able to get there, along with substantial growth and market share uptick in the post-COVID world. So thank you once again for your time. I wish you all the best and hope to see you sometime soon.

Moderator: Thank you, sir. Thank you, members of the management. Ladies and gentlemen, on behalf of SIS Limited, that concludes this conference. We thank you for joining us, and you may now disconnect your lines. Thank you.

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