



## “Star Ferro and Cement Q3 FY2017 Earnings Conference Call”

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- Moderator:** Ladies and gentlemen, good day and welcome to the Star Ferro & Cement Q3 FY2017 Earnings Conference Call, hosted by Centrum Broking Limited. 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. Rajesh Ravi from Centrum Broking Limited. Thank you and over to you Sir!
- Rajesh Ravi:** Good day everyone. We welcome you all to the conference call of Star Ferro & Cement to discuss the Q3 FY2017 results. We have with us Mr. Sanjay Gupta, CEO of Star Cement with us. I now hand over the call to Mr. Sanjay Gupta for his opening remarks, which will be followed by the Q&A session. Over to you Sir!
- Sanjay Gupta:** Good evening friends. I am Sanjay Gupta, CEO of Star Ferro & Cement Limited. I have with me Senior GM, Mr. Manoj Agarwal who will be taking your queries in respect of the finances of the company. I will request Mr. Manoj Agarwal to give you an overview of quarter three and after that we will open the floor for the interactive session, so that any of you which you have queries on the numbers I will be happy to answer those queries. I am handing over the call now to Mr. Manoj Agarwal.
- Manoj Agarwal:** Hi friends, very good afternoon. On behalf of Star Ferro & Cement Limited, I welcome you all for the interactive session of Star Ferro & Cement Limited for discussing the earning of Q3 and YTD up to December 2016. I would like to clarify that it will be more we are discussing on the historical numbers and there is no invitation to invest. Having said that now, I will just take you through the Q3 number followed by YTD number. Starting from clinker production during this quarter Q3 we have produced 4.73 lakh tonnes of clinker as against 4.83 lakhs last year. In terms of capacity utilization, it is close to more or less flat 74% as compared to last year 75% in the same quarter. So far the cement production is concerned, we have produced 6.33 lakh tonnes of cement as against 6.48 lakh tonnes last year that is more or less flat. Now, I will take you through the sales volume. During the quarter we have sold 6.36 lakh tonnes of cement as against 6.53 lakh tonnes of cement last year, so this is more or less flat. In terms of blend mix, we have sold more or less because this quarter only we have, last year we have not manufactured the PSC cement, so OPC is 28% and 7% is black cement and balance waste is PPC. Now I will take you through the financial. The total revenue figure this quarter is around 393 Crores as against 428 Crores last year and on EBITDA front, this quarter EBITDA is 87 Crores as against 93 Crores last year. PAT after MI is around 21 Crores as against 19 Crores last year. There is some growth in PAT. On per tonne EBITDA front it is 1322 during this quarter as against 1380 that is more or less EBITDA is flat in this quarter. Now coming back to Y-0-Y number for YTD in terms of clinker production, we have produced 15.83 lakhs till December as against 15.17 lakhs last year that is a growth of around 4% on YTD basis. On capacity utilization front, we have utilized around 83% of capacity as against 79% last year, so this is the clinker production in the capacity side. On the cement side, we have produced 19.82 lakh tonnes of cement till December as against

17.58 lakhs last year, there is a 13% growth and on capacity utilization front this year is around 65% as against 68% that is because we have debottlenecking our cement capacity this year. Now coming to sales, we have sold 19.91 lakh tonnes of cement up to December as against 17.40 lakhs that means a growth of 14% of YTD. Now coming to EBITDA, the total EBITDA till December is 238 Crores as against 272 Crores last year for the same period. PAT till December is 45 Crores as against 52 Crores last year, so these are the broad numbers so far Q3 and YTD's number is concerned. Now I would request all of you who has any query you can ask the query and would like Rajesh to moderate the query wherever if queries are coming. Thank you gentlemen.

**Moderator:** Thank you very much. We will now begin the question and answer session. We have the first question from the line of Anshuman Atri from Haitong Securities. Please go ahead.

**Anshuman Atri:** Thank you for the opportunity. My question is regarding the demand environment. How is the demand panning out in this quarter as compared to last quarter what is the expectation for next year?

**Sanjay Gupta:** This quarter the demand in Northeast has been I will say flat to little negative primarily on account of demonetization. We have seen our dispatches going down also in the month of November and December, October was definitely an up month, but we saw our dispatches going down in the month of November to approximately flat and December goes we are almost down by around 30%, so if I take the overall thing even that is also the complete reflection of the entire thing, which is happening in Northeast either degrown by approximately 5% as far as the quarter three is concerned. Till quarter two, the entire Northeast has grown at around 10%, so if I take overall nine month growth, which has come to around 4% to 5%, but in the month of January we have definitely seen an uptake and improvement in the demand again and we expect that by year end I think we should be able to come to a last year kind of growth, which is 7.5%-8%.

As far as the outside Northeast is concerned, which is Bengal, Bihar and Jharkhand, if you say the total demand had always been almost flat, it is flat to negative by approximately 2%. In case of West Bengal, it was negative by around 8%-9%, Bihar has been positive by around 2%, Jharkhand has been a little positive of around 10% and Odisha has been flat to negative of around 1%-2%. Overall it is around flat to negative around 1%-2% as far as the rest of the East is concerned.

**Anshuman Atri:** So, Jharkhand was 10%. In addition, what are the various schemes or government projects, which could pan out in the next one or two years and what kind of growth you expect in the Northeast market and Eastern market?

**Sanjay Gupta:** We have been expecting a growth of around 8%-10% as far as Northeast is concerned. There has been movement and demand from hydel power projects. We have just one tender of around 50,000 tonnes of cement from NHPC, which is a Subansiri that is what we have gained a tender in this quarter itself. There has been some demand from the road projects, but I will say that

everything put through, the growth was already handsome in terms of you look at quarter two, up to second quarter it has grown at 10%, but we expect that may be if this is a blip, which is may be a one quarter blip, which has come as far as the demand is concerned. We expect the market to come back to around 8%-10% as far as the Northeast is concerned and even the East was growing at around 6%-7% including Bengal, Bihar, Jharkhand and Odisha. We still expect that entire East demand to come at around 6%. Once the partial effect of demonetization actually recede we expect this may be in quarter four and quarter one demand should come back to normal.

**Anshuman Atri:** One last question regarding capacity, what is your expansion plans and how much of a competitive capacity you are seeing in the region of operations?

**Sanjay Gupta:** As far as the Northeast is concerned, there is no capacity addition is happening. We are doing a de-bottlenecking exercise in our own plant that will add around 0.4 million tonnes kind of capacity for us, which is primarily a cement capacity. Next year we will definitely be doing around 0.4 million of clinker debottlenecking that is also on the cards. Apart from that Northeast does not have any capacity pipeline and nobody is setting up a new plant. As far as the rest of the East is concerned, there is some capacity, which is coming up I think. As far as our information goes, Emami will be starting its plant near Durgapur. JSW is also looking for I think, but their plant is at least approximately 12 months away from now, but there are some capacities coming up in and around Durgapur and Kolkata region.

**Anshuman Atri:** Thanks a lot and sorry I missed on the quarterly volumes can you share the volumes?

**Sanjay Gupta:** This quarter we have sold around 6,36,000 tonnes of cement as against 6,53,000 tonnes corresponding quarter last year.

**Anshuman Atri:** Thank you and all the best.

**Moderator:** Thank you. We have the next question from the line of Aman Chaploth from Religare Capital. Please go ahead.

**Aman Chaploth:** Thanks for the opportunity. Sir basically what is the current market prices going on in the East region for trade and non-trade segment?

**Sanjay Gupta:** If you take Guwahati on the baseline I am taking Northeast, the prices will be somewhere around Rs.350 to Rs.360 a bag and if you take Bengal and Bihar, average prices will be somewhere around Rs.330 a bag, so these are the prices as of now. Non-trade prices will be around Rs.50 lower than the trade prices. Depending on various reasons may be anything between Rs.50 and Rs.40 depending on the region in which the non-trade supplies are happening.

**Aman Chaploth:** How much was the pet-coke consumption for the quarter?

- Sanjay Gupta:** This quarter we may have consumed some pet-coke we have taken one small rake of pet-coke. Pet-coke is not a fuel for us we do not use pet-coke in normal circumstances we are using Raleigh coal in our plant. Primarily we had just taken one rake of pet-coke just to make a trial. We have already consumed that, which will be around a very small quantity of around 4000 tonnes.
- Aman Chaploth:** That is it from my side.
- Moderator:** Thank you. The next question is from the line of Ronald Siyoni from Sharekhan. Please go ahead.
- Ronald Siyoni:** Sir, what was the clinker sales volume during the quarter, last quarter Y-o-Y I think 21,000 was the sales, right for clinker?
- Sanjay Gupta:** Correct. This quarter also there is almost 20,000 tonnes because 19,944 tonnes to be precise, so even if you look at it in quarter two it was somewhere around 13,000 tonnes, so it is 19,944 tonnes.
- Ronald Siyoni:** And 13,000 tonnes in quarter two and 6 lakh tonnes of cement right or 6 lakhs include the 13,000?
- Sanjay Gupta:** 6,36,000 tonnes is total cement.
- Ronald Siyoni:** No, for Q2?
- Sanjay Gupta:** Q2 was 6 lakh tonnes of cement and the clinker was 13,000 tonnes extra, so it was 6,13,000 tonnes to 6,14,000 tonnes as compared, this quarter it is 6,56,000 tonnes.
- Ronald Siyoni:** Another thing was on per tonne basis the raw material cost has been up, so any particular reason for that?
- Manoj Agarwal:** Yes last time regarding the increase in the government levies on the limestone, so that is basically the reason the raw material cost was a little bit high from compared to the last year, so that is the reason for the raw material.
- Ronald Siyoni:** This would continue going ahead too?
- Sanjay Gupta:** Rs.40 per tonne sales levied by Government of Meghalaya.
- Ronald Siyoni:** How much?
- Sanjay Gupta:** Rs.40 a tonne, so that is a cess which has been levied on limestone and that is going to continue, it was not there in last year, this is only there in this year.

- Ronald Siyoni:** Thank you very much. That is it from my side.
- Moderator:** Thank you. The next question is from the line of Raj Kiran Gandhi from Sundaram Mutual Fund. Please go ahead.
- Raj Kiran Gandhi:** Your other expenditure likes of freight cost and all has come tad lower than your trend it is 73 Crores, which is any particular reason?
- Sanjay Gupta:** I do not have breakup in front of me as far as the other items are concerned. You can send the query we will definitely reply back.
- Raj Kiran Gandhi:** Sure. Any update on the subsidy?
- Sanjay Gupta:** We are having some communication with the government and in March we are expecting a small installment, the installment around 100 Crores to be disbursed by the central government to the state. On next year already the budget there is a provision for almost 900 Crores, 600 is as far as the PC is concerned and then around 294 Crores for the transport, so for next year the budget is already there, but this year we are only expecting may be a small that has not been confirmed, but whatever above discussions are happening, there is a possibility that subsidy may be disbursed.
- Raj Kiran Gandhi:** Thanks a lot Sir!
- Moderator:** Thank you. We have the next question from the line of Nidhi Babaria from Dalal & Broacha. Please go ahead.
- Nidhi Babaria:** Sir, any update about the subsidy?
- Sanjay Gupta:** I was telling the earlier person. This quarter we have not seen any receipt of subsidies. We are expecting something by March, whatever discussions we are having with the central government we are expecting about 100 Crores to be disbursed, but there is no confirmation to say. For next year, there is approximately 900 Crores provision is already there in the budget towards the subsidy, so we expect a good amount of money to come next year.
- Nidhi Babaria:** After the decline of 13% by December, how by March will get 7% growth?
- Sanjay Gupta:** The overall growth this quarter it has gone down by 5%, there is a 5% degrowth in Northeast, but still for nine month period it is still up by 5%, so quarter four looks to be always the best quarter for us, previously if you see the growth at around 14% to 15% that is what has been the trend, so even if it has grown around 14% to 15% we expect that the full year will definitely end at 7.5% to 8%, which has been the case as far as the last year is concerned. We still expect that quarter four will grow at that level. We are seeing the demand coming back in the month of January the dispatches are better, so we are hoping that and that will play out.
- Nidhi Babaria:** Thank you.

- Moderator:** Thank you. The next question is from the line of Shubhankar Ojha from SKS Capital. Please go ahead.
- Shubhankar Ojha:** Thank you. Can you please talk about the price behavior in the month of December and January; is there any improvement in the price in Northeast as well as Bengal and Bihar?
- Sanjay Gupta:** With Northeast, if you look at Y-o-Y basis the prices have almost flat to about Rs.100 a tonne negative, but if you look at Q-o-Q the prices are up by around Rs.150 approximately a tonne, net of all discounts and subsidy schemes, which we pass on, so we have seen some improvement in quarter three, the prices have improved, we expect the same trend to continue in quarter four also being the better demand month coming to us, so we will definitely expect that whatever increase we have got on the last quarter and there may be some addition to that so that is how the price is behaving so. That is also reflected in our EBITDA and the margins also.
- Shubhankar Ojha:** Thank you Sir!
- Moderator:** Thank you. The next question is from the line of Shaurin Shah from Enam Holdings. Please go ahead.(20:00)
- Moderator:** The next question is from the line of Shaurin Shah from Enam Holdings. Please go ahead.
- Shaurin Shah:** Sir could you just give us the subsidy component in operating profit per tonne?
- Sanjay Gupta:** The overall subsidy as far as the transport is concerned this will be somewhere around in this quarter it was somewhere around Rs.290 and excise will be around Rs.400, it is around Rs.690 a tonne.
- Shaurin Shah:** When are these subsidies expiring?
- Sanjay Gupta:** As far as the transport is concerned, this will expire next year January 2018 and as far as the excise is concerned it will last till 2023 for our new plant and it will last up to 2023.
- Shaurin Shah:** How do we report our VAT exemption?
- Sanjay Gupta:** We have only small amount of VAT in one of that so those are all reported under that tax itself so all the taxes are net of whatever VAT exemptions we are getting in any of the states.
- Shaurin Shah:** Could you update us on capex plan?
- Sanjay Gupta:** As I said to be as of now we are working on a debottlenecking exercise at our existing plant including the grinding capacity by around 0.4 million tonnes, this year I think by the March will be able to complete that and next year we envisages at least do debottlenecking in our clinkerisation facility again around by 0.3 and 0.4 million tonnes, so that is the plan. This cement

grinding expansion will cost around 50 Crores, the clinker grinding expansion will cost us somewhere around 90-100 Crores so these are the plans, which are there.

- Shaurin Shah:** Then we are planning some Siliguri grinding of 1 million?
- Sanjay Gupta:** Yes, there is a plan, but we are still stuck up with that land issue, we have still not been able to resolve that.
- Shaurin Shah:** Could you just guide us on volume terms for FY2018?
- Sanjay Gupta:** We have been targeting 20% kind of a volume growth, before that quarter-on-quarter we have been delivering that kind of growth, but I think the last quarter was really I will say a bolt from blue so it is not, so what we are expecting that okay may be on full year basis we will still end up doing some around 12%-15% kind of growth on full year.
- Shaurin Shah:** One more thing so what is the current debt?
- Sanjay Gupta:** Presently long-term debt will be 475 Crores.
- Shaurin Shah:** And working capital?
- Sanjay Gupta:** It will be around 270 Crores.
- Shaurin Shah:** And outstanding subsidy?
- Sanjay Gupta:** Subsidies will be somewhere around 700 Crores.
- Shaurin Shah:** Sir any timelines for restructuring the reverse module that we are planning?
- Sanjay Gupta:** We are already there at NCLT I think we are hoping to get an order immediately so maybe in a week's time we will get the order for final approval from NCLT. So we hope to complete it by this month end.
- Shaurin Shah:** Great Sir. Thank you.
- Moderator:** Thank you. The next question is from the line of Bhavin Chheda from Enam Holdings. Please go ahead.
- Bhavin Chheda:** Sir just one question the transport subsidy in the excise number, which you mentioned on 280 and 600, this is on entire volumes or?
- Sanjay Gupta:** No, this I am talking to you about this is on global basis.
- Bhavin Chheda:** Total basis?

- Sanjay Gupta:** Correct.
- Bhavin Chheda:** So roughly around Rs.800 odd a tonne?
- Sanjay Gupta:** Rs.700, it is 290 and 400 around.
- Bhavin Chheda:** 290 and 400. Thanks a lot.
- Moderator:** Thank you. The next question is from the line of Rajesh Ravi from Centrum Broking Limited. Please go ahead.
- Rajesh Ravi:** This two capex, which you announced this grinding unit expansion and clinker debottlenecking, could you again discuss on the timelines and what sort of incentive benefits would these units have?
- Sanjay Gupta:** This cement grinding expansion, which we were talking is once we expand this capacity the excise exemption for the core plant, which was the original plant of around 0.8 million tonne of cement that will get extended up to 2027, so that will get extended.
- Rajesh Ravi:** This is 0.4 million tonne expansion?
- Sanjay Gupta:** Yes it is 0.4 million tonne expansion.
- Rajesh Ravi:** This will be done by when?
- Sanjay Gupta:** This will be completed by March this year.
- Rajesh Ravi:** March of 2017 and this would cost you 50 Crores?
- Sanjay Gupta:** This will cost me 50 Crores.
- Rajesh Ravi:** And the clinker unit?
- Sanjay Gupta:** The clinkerisation is the next year actually so that will not have any financial because excise exemption for clinkerisation already up to 2023. Clinker debottlenecking whatever will be doing and debottlenecking is just to support the expansion in the cement grinding.
- Rajesh Ravi:** And by December or March by when you are expecting this to come through?
- Sanjay Gupta:** Clinkerisation I think we will be taking at least 12-18 months time from April.
- Rajesh Ravi:** So in FY2019 we will have this capacity in place?
- Sanjay Gupta:** Correct.

- Rajesh Ravi:** How much capex you are targeting for this?
- Sanjay Gupta:** Somewhere around 100 Crores.
- Rajesh Ravi:** 100 Crores, any other capex, maintenance will be how much Sir annual basis?
- Sanjay Gupta:** I do not have number exactly in front of me, but I will say the number with you.
- Rajesh Ravi:** Sure no issues Sir and this nine months a bit incur anything in any other capex?
- Sanjay Gupta:** We have done this, the cement grinding we are spending some capex out of it. Around 20-25 Crores we must have spend by this time.
- Rajesh Ravi:** For this grinding expansion, which you talked about?
- Sanjay Gupta:** Yes correct.
- Rajesh Ravi:** I think that is all from my side Sir. Thank you.
- Moderator:** Thank you. The next question is from the line of Devang Bhatt from ICICI Direct. Please go ahead.
- Devang Bhatt:** Thank you for taking my question Sir. I just wanted that what is your previous year sales volume including clinker?
- Sanjay Gupta:** See the FY2016 sales volume..
- Devang Bhatt:** Q3 FY2016.
- Sanjay Gupta:** The Q3 FY2016 was 6,74,000 tonnes.
- Devang Bhatt:** Sir one of your competitors in Northeast has reported robust growth in their volumes so is it that you are losing market share to your competitors or is it purely because of this demonetization impact?
- Sanjay Gupta:** It is purely because of demonetization I think we would not have lost any market share to any of our competitors. We are still having market share of around 26%-27% so it continue to help their dominant position in Northeast so whatever before we have faced we have only faced in this quarter and that is purely due to demonetization.
- Devang Bhatt:** And this clinker expansion what is the capacity Sir?
- Sanjay Gupta:** Approximately 0.3-0.4 million tonne.
- Devang Bhatt:** Thank you Sir.

- Moderator:** Thank you. We have a followup question from the line of Mr. Rajesh Ravi from Centrum Broking. Please go ahead.
- Rajesh Ravi:** Sir could you give breakup of sales how has been in Northeast and outside Northeast this quarter and also this subsidy budget outlay, which you talked about 900 Crores so this would be for the entire Northeast right?
- Sanjay Gupta:** Yes that is for entire Northeast.
- Rajesh Ravi:** So out of that what would be your expectations I assume that Star Cement would be the biggest corporation benefitting out of the subsidies in that market?
- Sanjay Gupta:** We normally expect of, see whatever say there is a queue already in the buildup right, our expectation is almost 1600-1700 Crores of queue is already there, out of which we have this queue of around 700 Crores so we are expecting somewhere around 40%-50% out of this entire money and as far as your question goes in terms of what is the Northeast and outside Northeast sales is concerned we have done around 63% within the Northeast and outside Northeast is 37%, so it is in line with whatever all we have been doing around 65% in Northeast and 35% outside Northeast.
- Rajesh Ravi:** Great Sir. Thanks Sir I will come back in queue.
- Moderator:** Thank you. The next question is from the line of Raj Kiran Gandhi from Sundaram Mutual Fund. Please go ahead.
- Raj Kiran Gandhi:** Sir just where would currently the prices be versus Q3 average?
- Sanjay Gupta:** Q3 averages as I said in January we have seen some improvement in prices, but they are largely in line with whatever we have seen in Q3 and December and January we have seen some improvement in the month of January, but after that it will be almost flat.
- Raj Kiran Gandhi:** Possible to highlight to what extent have you seen?
- Sanjay Gupta:** I think that was difficult to highlight at this point of time.
- Raj Kiran Gandhi:** Sure. Thanks a lot.
- Moderator:** Thank you. The next question is from the line of Hemant Nahata from IIFL Wealth. Please go ahead.
- Hemant Nahata:** Hello Sir good evening. Sir just one question now what is the correction that we are seeing in pucca houses and/or affordable houses in Northeast Sir?

- Sanjay Gupta:** In Northeast normally if you look at it mostly Assam being the largest state out of Northeast, there has been a trend that traditionally they have been building only the Assam type houses so there are mostly you can say semi-kutchha kind of a thing because they use normally the wood and the DI sheet that in normally so that is there, has been the traditional way of making houses, so we are and the demand, which is getting initially in the Northeast is it is also the contribution of this segment of individual our builders is significant in that and we have been seeing that kutchha houses are getting converted into pucca houses.
- Hemant Nahata:** Sir any government related or thing that is working out in Northeast sir because government is focusing on affordable housing a lot and some of the states have already mentioned that there has been an increase in activity especially in Telangana or Andhra Pradesh or something like that, Sir have you seen any kind of government-related activity coming up in affordable housing over there?
- Sanjay Gupta:** I think that the affordable housing scheme has just now commenced so we have not heard anything as of now, but definitely this kind of a scheme, which comes up where the government is expecting to give houses at Rs.9 lakh and Rs.12 lakh, I think definitely that will add to the growth definitely the housing sect will definitely grow in that respect, but we are yet to hear anything from government side in this.
- Hemant Nahata:** Anything special specifically on railways or roadways Sir?
- Sanjay Gupta:** As I said we have been seeing a demand coming up from the non-trade segments in terms of railways and roadways, road-rail and we are also seeing there has been certain gate conversion, which is happening, we have seen that the nearest railhead, which we had near to the plant and up to the Agartala the connectivity has been converted into a broad gauge from a meter gauge line and there are at least 10-12 project of gate conversions are already going on in entire Northeast, so that is bringing some demand. The hydel power projects are actually started picking cement, which they had issued in terms of involvement and the local management I think those issues have already been resolved, we have seen some demand coming from that side also.
- Hemant Nahata:** Thank you so much.
- Moderator:** Thank you. The next question is from the line of Prashant Shah from Antique Stock Broking. Please go ahead.
- Prateek Kumar:** Sir this is Prateek from Antique. Sir my question is regarding prices in last year there was some news flow on chief minister of state I mean getting into the discussion when the cement manufacturers in the region on the price hikes, so has that issue been settled or I mean the concern over the price rise has been settled now or?
- Sanjay Gupta:** We have not seen anything after that I think the prices have been more or less stable they have not.

- Prateek Kumar:** Sir at that time prices are around Rs.310-320 and at that time it was Rs.40 hike after that there was some CM intervention, which came after that there was some rollback of Rs.20 and then it came back to Rs.310-320 and I think now as you mentioned it is 350-360.
- Sanjay Gupta:** No, I think during this time yes there was a discussion with the government, government was worried about whatever upward movement the prices have seen at that point of time, but I think after that see whatever price increase we have seen by Rs.10-15 in last quarter that is primarily because of that these months have always bitter months for cement industry as normally so that is one of the reason, your overall demand picks up the arrivals from the rest of the country to Northeast also actually reduces you see that lot of arrival from the bigger player like Ambuja Lafarge which goes to Northeast and during the off-season time, in season time they actually come down, so that also always have an impact on the prices, so this is just a seasonal uptake in the prices, which we have seen in quarter.
- Prateek Kumar:** That is my only question. Thank you.
- Moderator:** Thank you. As there are no further questions, I would like to hand the conference back to Mr. Rajesh Ravi from Centrum Broking for closing comments.
- Rajesh Ravi:** Yes. Thanks everyone for participating in this call. Sir do you want to make any closing remarks Sanjay Sir?
- Sanjay Gupta:** No, I think the quarter has for us it has been a stable quarter for us even if whatever we have seen, there is an impact on the topline I think this is the first quarter after last six seven quarters where we have not been able to maintain our topline growth, but I think overall we hope that the demand will come back in the quarter four and we will be able to see improve numbers in coming quarter.
- Rajesh Ravi:** Great Sir. So with this we conclude the call. Thank you everyone for participating in this call. Over to you Mr. Raymond.
- Moderator:** Thank you very much. On behalf of Centrum Broking Limited that concludes this conference. Thank you for joining us Ladies and gentleman. You may now disconnect your lines.