



Enriching Lives

“Kirloskar Oil Engines Limited Q1 FY 2017
Earnings Conference Call”

August 10, 2016



Enriching Lives



ANALYST: MR. BHAVIN VITHLANI — AXIS CAPITAL LIMITED

**MANAGEMENT: MR. R. R. DESHPANDE – JOINT MANAGING DIRECTOR-
KIRLOSKAR OIL ENGINES LIMITED
MR. T VINOD KUMAR - CHIEF FINANCIAL OFFICER –
KIRLOSKAR OIL ENGINES LIMITED**



Enriching Lives

Kirloskar Oil Engines Limited
August 10, 2016

Moderator: Ladies and gentlemen, good day and welcome to the Kirloskar Oil Engines Q1 FY17 Earnings Conference Call, hosted by Axis Capital Limited. As a reminder, all participant lines will be in the listen-only mode. 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 “*” and then “0” on your touchtone telephone. Please note that this conference is being recorded. I now hand the conference over to Mr. Bhavin Vithlani from Axis Capital Limited. Thank you and over to you Sir!

Bhavin Vithlani: Thank you. Good Morning everyone and welcome to the first quarter FY17 earnings conference call of Kirloskar Oil Engines Limited. From the management today, we have Mr. R. R. Deshpande, Joint Managing Director, and Mr. T. Vinod Kumar – Chief Financial Officer. I would request everyone to refer to the presentation, which is there on the Company’s website, which the management would be referring to, during their opening remarks. Now I would like to hand over the call to the management for their opening remarks, post which we will open the floor for Q&A. Over to you, Mr. Deshpande and Vinod!

T. Vinod Kumar: Thank you Bhavin. Good morning ladies and gentlemen. We are pleased to present to you and discuss the results of the first quarter of the new fiscal for Kirloskar Oil Engines Limited.

As you know, for most part of 2015-16, we were battling with strong headwind including unfavourable monsoon conditions and an overall lower than expected economic revival. Global markets also remained volatile. This undoubtedly took its toll on all our business segments. We saw some early signs of tailwind in the fourth quarter of the previous fiscal i.e. 2015-16 and this seemed to continue in Q1 of the current fiscal 2016-17. Government initiatives on road construction and infra projects seem to be stepping up and applications like backhoe, compactors, transit mixers etc., have witnessed positive growth. Expectations of good monsoon have also had a positive sentiment and we see the tractor industry reviving too.

While these are all positive from an external standpoint, as I have always been mentioning, it is important to be prepared at the back-end for spurt in demand. And I believe, KOEL has done a tremendous job on two specific fronts, the first being rejigging the entire supply chain and making it leaner, more adaptive and quicker to



Enriching Lives

*Kirloskar Oil Engines Limited
August 10, 2016*

respond to market needs. In the process, inventory levels across the value chain have been optimised. Secondly, our R&D and application engineering teams have done a commendable job in ensuring that our pipeline of new products and variants of existing products not only remains full but also meets customer needs and surpasses the expectations.

In June 2016, the much-awaited 1010 kVA DG was launched. It was indeed a proud moment for all of us at KOEL. We expect commercial production to take off by September this year.

In the meanwhile, market feedback on our 750 kVA has been extremely encouraging and our order book is good. We also have the entire range of Kirloskar Chota Chilli (KCC), , both petrol and diesel variants in place. With this we now have a formidable and complete range from 2 kVA to 1010 kVA.

Little on the agri side, Mega T volumes have begun to pickup and we sold close to 1000 numbers in Q1. The response in states like Orissa and Assam has been particularly encouraging on the back of subsidy and paddy season. Here too, we have launched a 12HP sugarcane series of deluxe version with a self-start feature.

With this background, let me take you through some of the financial highlights. Sales for the quarter at Rs. 651 crores, was 13% higher than the same quarter in the previous fiscal which was Rs 575 crores. Except for exports, we witnessed growth across business segments. Exports were primarily affected because of zero offtake from Saudi Arabia and also low offtake in industrial engines in countries like Egypt. On a sequential basis, sales were marginally lower than the previous quarter which was Rs 666 Crores.

EBIDTA @ Rs 82 Crores, was 28% higher than the previous year's figure of Rs 64 crores. Our profit before tax at Rs 82 Crores was substantially higher than the previous year figure of Rs 52 Crores and last quarter figure of Rs 68 Crores. I presume many of you would have had a chance to see our published results of the last quarter, where we have also given a profit reconciliation of the PBT between I-GAAP and IND-AS, which is anyways mandatory. If you have gone through that reconciliation, you will notice that substantial portion of the difference is on account of Kagal subsidy which is about 9 Crores, which has been accounted as revenue vis-à-vis being treated as a capital



Enriching Lives

*Kirloskar Oil Engines Limited
August 10, 2016*

receipt in the earlier years. Needless to say, results of the different quarters are now comparable and we have taken it on like-to-like basis.

Also like to add that we have accounted in the quarter Rs.11 Crores of interest from income tax on past refund, which is shown in other income. At the operating level, several of our profit improvement projects have begun to kick-in and helping us sustain and wherever possible, improve on overall margins.

On the balance sheet side, our working capital management continues to be excellent and as you would have seen from the numbers in the presentation. So with that, we will now open up to questions. Thank you.

Moderator: Thank you. We will now begin with the question and answer session. We take the first question from the line of Gaurav Sanghavi from Bajaj Alliance. Please go ahead.

Gaurav Sanghavi: Good morning Sir. I just want to understand if you can share the volume number of 750 KVA in Q1?

R. R. Deshpande: Numbers? Around 25.

Gaurav Sanghavi: And DV series numbers?

T. Vinod Kumar: About 230.

Gaurav Sanghavi: Versus last year Sir, first quarter?

T. Vinod Kumar: About 190.

Gaurav Sanghavi: You mentioned weakness in the international market. What is your outlook on the international market given the situation currently?

R. R. Deshpande: Last year, we had seen growth in international market. But from Q4 of last year and this year from the beginning itself the situation in Middle East especially Saudi Arabia, where our market share is around 10%, the new ruler has stopped lot of payments to the contractors. Due to which, new projects are stalled and so requirement is not actually coming in. In some other countries like South Africa, Nigeria there is slow down in sales due to devaluation of the currency to the extent of 40 to 50%. So, overall I can see in the Middle East and African countries, there is a typical issue. In Egypt, there is a problem of currency, you cannot buy more than 50,000 dollars in one



Enriching Lives

*Kirloskar Oil Engines Limited
August 10, 2016*

go and for that again, people have to work for the LC, Government doesn't clear those LCs. . So payment becomes an issue. With all this, international market has slowed down a little bit. We are however hopeful that since sanctions has been removed, in Iran we could expect some offtake increase there. The third and fourth quarter, should be better as far as international market is concerned. We are also working onto fire-fighting engines. FMUL approved engines, which are expected to boost sales. This is a new product which we had launched last year and for which we are getting good orders from Middle East.

Gaurav Sanghavi: Sir, in domestic market, we have shown healthy growth in all the segments. So you expect momentum to continue going forward?

T. Vinod Kumar: That is what I mentioned. While we are seeing some tailwinds, I think, we should wait and watch. Industrial segment has been doing reasonably well and even in Agri, like I said, the monsoons have played out well and there is a demand. So I think, certainly, from our expectation point of view here that is what we have been saying, that these two quarters are expected to be better than what we have seen in the whole of last year.

Gaurav Sanghavi: And Sir, any update on the large Engine side, any order from NPCL or any other parties?

R. R. Deshpande: NPCL projects are still in the pipeline.. Government has not yet cleared those projects, and hence we haven't seen any movement on NPCL. Discussions are going on for 2 to 3 projects and we expect to see some traction before the end of the year. Further the gensets which we have supplied to the government previously are yet to be installed and commissioned. NPCL is working on commissioning of those gensets. That's why the new projects are not coming up.

Gaurav Sanghavi: Thank You.

Moderator: Thank You. We take the next question from the line of Renu Baid from IIFL. Please go ahead.

Renu Baid: Good Morning Sir. In the presentation you have clearly highlighted that the off highway engines on the industrial side has grown reasonably well, road construction being the key driver. So what is the outlook in this segment or how do we expect the various sub-segments from the industrial to grow in the next 12 to 18 months and can



Enriching Lives

Kirloskar Oil Engines Limited
August 10, 2016

we see the industrial segment for us scaling up sizably in the next couple of years to offset the slower growth in the powergen segment?

R. R. Deshpande: Yes. The industrial market -earth moving and construction segment, has grown approximately 60% in last 4 to 5 months. This typically comprises backhoe, excavator, transit mixer, pavers, concrete pumps, etc. our growth has been in line with market growth. The Government has been working hard to increase to step up the per day road construction and that figure has been increasing every month, which is a good sign. That is why this particular market has been growing. The peak of this market we saw in 2011-12. Hopefully by the end of this year, we touch those levels again. Tractor again is up 13 to 14% up. So overall the industrial market is coming up very fast and as the government policies are in place, we can see that we will continue to grow by the end of this financial year also.

Renu Baid: Sir, so for us industrials largely only road construction, tractors or does it include marine and mining segment, as well railways?

R. R. Deshpande: No, for us marine is a different segment. We do not work in this particular segment and mining segment, we are not there as such. But no doubt, since you have talked about this, in future, we want to work in the mining segment also, because our products are now ready for the mining sector.

Renu Baid: By when would we be expecting launch or getting the qualification for customers for the new product lines in the mining segment?

R. R. Deshpande: May be early next year.

Renu Baid: Sir, I will just ask my last question. On the powergen side, the growth still has been on the sideline, just about single digit growth. So what is the outlook from the end markets in the energy segment, telecom market? Are we seeing any activity and do we expect that this business could be back to double-digit growth or it would remain on the sidelines for the rest of the year?

R.R. Deshpande: The first quarter of this financial year, as compared to the last year, there was total 9.2% growth in the market. But it was, because of the season as April, May, June, is the summer time which is normally the season for power generation. While we could see that in the peak time, in the 3rd or 4th quarter, it will not cross to double digits definitely. It will be around 7% to 8% that is what we could see for the power



Enriching Lives

*Kirloskar Oil Engines Limited
August 10, 2016*

generation segment. as far as telecom segment, yes there I can say, because of the 4G there are orders coming up for Reliance and Bharti Infratel. This year we want to enter into this segment again actively.

- Renu Baid:** I will get back in the queue for further questions, Thank you so much Sir.
- Moderator:** Thank You. We take the next question from the line of Manish Goel from Enam Holdings. Please go ahead.
- Manish Goel:** Very good morning Sir. Congratulations for good set of numbers. Coming back to DV series this 230 numbers you mentioned it includes 25 numbers of 750 KVA as well?
- T. Vinod Kumar:** Yes, it would. DV is the total number.
- Manish Goel:** Sir, can you please give us the value number sales for DV series, value number for current quarter and comparable last quarter?
- T. Vinod Kumar:** About 32 Crores for the current quarter and about 27 Crores for the previous quarter.
- Manish Goel:** Just to clarify the previous year first quarter were 119 or 190?
- T. Vinod Kumar:** 190.
- Manish Goel:** Sir, can you just give us sense as to the 750 kVA series and 1000 kVA series. What could be the annual market size in terms of number of units which are ideally sold, say over a period of last 3 years average, what is the market size in terms of volume and value, Sir?
- R. R. Deshpande:** I think 750 kVA annual volumes may be, on an average around 600 numbers and for 1010 it will be around 800 to 900 numbers.
- Manish Goel:** And value-wise Sir?
- T. Vinod Kumar:** I do not have that readily with me now. **Manish Goel:** 1010 kVA you said 800 to 900?
- T. Vinod Kumar:** 800 to 900.



Enriching Lives

*Kirloskar Oil Engines Limited
August 10, 2016*

- Manish Goel:** And in current year, in the opening remarks, Mr. Vinod mentioned that we have a healthy order book. So what is the outlook in terms of say, current year, what is the sales target we have on 750 kVA Sir?
- RR Deshpande:** 750 we are targeting around 100 numbers.
- Manish Goel:** Sir, in your presentation, you have mentioned that in powergen, we have focused on bulk and institutional orders. Is it referring to telecom or can you please highlight on that?
- R. R. Deshpande:** See, this is typically on the corporate segment. No doubt, telecom comes up, but point is, we are now focussing more on to the corporate and institution on a pan India basis.
- T. Vinod Kumar:** So, basically, not typical retail orders. We are looking at, whenever bulk number is coming; we have a separate channel which focuses on that.
- R. R. Deshpande:** Recently, Punjab government orders we got. It is big in number and that again comes into the institutional, because that numbers are more than thousand numbers. That comes in the C&I category.
- Manish Goel:** In power tiller, you have mentioned that we have sold 1000 numbers in Q1 and how is that ramp-up going up, going forward what are the numbers we should expect for FY2017 Sir?
- T. Vinod Kumar:** We were looking at 5000-6000 as the number. Unfortunately we cannot wish away the subsidy issue which is there. While we are okay in most states, Karnataka still is not cleared. Our numbers are expected to be large in that state also. We are working on that. It is more to do with State policy and less to do with our certified product and approval etc. So the government has different take on this whole subsidy and they are probably feeling that actually subsidizing in terms of leasing or equipment is probably the right route. I think they will come up to some type of a conclusion we are also meeting up with them. Let us see how it goes. We will continue to look at 500-600 per month.
- Manish Goel:** 500 to 600 per month?
- T. Vinod Kumar:** Yes, that is the number we should constantly be looking at.



Enriching Lives

*Kirloskar Oil Engines Limited
August 10, 2016*

Manish Goel: Sir, in Agri, have we seen demand for diesel pumps also picking up because for second quarter consecutively, we have seen a very strong number, 125 Crores sales in the agri segment. So, is it diesel pumps, which is driving?

T. Vinod Kumar: Our penetration is the driver and we have been working hard on this. As I mentioned before also, diesel pump set is a de-growing market segment, electric pumps is the one which is growing, which means we have to run to stay on the same spot. I think we have been running pretty hard and through our channel, we are able to get through new markets and hence increase the volume. No doubt, good monsoon has had a positive sentiment.

Manish Goel: Last question on the aftermarket, the annual report gives the number of say for FY2016, 579 Crores as aftermarket, which also includes services and oil sales plus tax. So would it be possible to give a broad sense as to on the segment wise, on the powergen would be how much, industrial would be how much, Agri and large engines?

T. Vinod Kumar: I do not have that off hand.

Manish Goel: Thank you so much Sir. I will come back in that.

Moderator: Thank you. We take the next question from the line of Sandeep Tulsian from GM Financials. Please go ahead.

Sandeep Tulsian: Good morning Sir. My first question is on this 750 kVA and 1010 kVA genset we are selling in the market. If you could give us some more information on the channel partnering, as to, is it sold through dealers or it is sold directly, which regions have we already established in, in terms of penetration and how is the pricing as compared to the other brands?

R. R. Deshpande: 750 kVA typically, the product features are definitely better than the competition, the size, the fuel consumption and other things, and we sell through our GOEM, Genset OEM and their dealership network. The price, if you ask me, we are at par with our competition. All across, our GOEMs are there and all the regions, we got the orders. Even I can say the nearby Nepal, Bangladesh also, we got the orders for 750 kVA.

Sandeep Tulsian: So there are no regions where you are still?



Enriching Lives

*Kirloskar Oil Engines Limited
August 10, 2016*

- R.R. Deshpande:** No, no. I can say all regions. the enquiry level is also very good. Normally for higher kVA from enquiry to commissioning, it takes a lot of time because to get ready for their site. But for infrastructure there are very good enquiries, I can say more than 200 numbers.
- Sandeep Tulsian:** Sir, if you could also share some data for FY2016 full year in terms of market share? How it has been in domestic powergen?
- R.R. Deshpande:** You want for 2015-16?
- Sandeep Tulsian:** Yes, for 2015-16 full Year Sir.
- R.R. Deshpande:** 2015-16 Full year, KOEL was at around 28%. Mahindra was around 24% and Cummins was around 18%.
- Sandeep Tulsian:** This is volume market share?
- R.R. Deshpande:** Yes, volume market based on the Frost & Sullivan report of the quarter.
- Sandeep Tulsian:** And sir if you could also share KOEL market share in different HP segments broadly if you could in three or four segments if you could give us the breakup?
- T. Vinod Kumar:** We do not have it off-hand.
- Sandeep Tulsian:** Last question is on the domestic genset sales growth, the powergen segment has grown 7% YOY, but of course there is a decline in the exports, so of course domestic would have been much better than this 7% what we can see in the segmental breakup, what is that number?
- T. Vinod Kumar:** I did not understand, what is that you are looking for?
- Sandeep Tulsian:** Powergen segment growth is 7% in Q1, so of course exports have seen a 29% decline?
- T. Vinod Kumar:** Our numbers?
- Sandeep Tulsian:** Yes your numbers, so if exclude the decline in exports domestic growth would have been better than 7%?



Enriching Lives

*Kirloskar Oil Engines Limited
August 10, 2016*

T. Vinod Kumar: But my exports are given separately and my powergen is given separately, these are not inclusive figures, when I said powergen the number which you got including the export.

Sandeep Tulsian: Okay because the presentation states exports is included?

T. Vinod Kumar: Can I come back?

Sandeep Tulsian: Yes, Sir that was my last question, if you can give that later on. Thank you.

Moderator: Thank you. We will take the next question from the line of Charandeep Singh from B&K Securities. Please go ahead.

Charandeep Singh: Sir you have highlighted that may be in Q3 and Q4 we will again see a single digit kind of a growth in the domestic powergen, which are the segments still you are seeing the demand coming for the domestic powergen and Sir this 750 kVA especially we will be seeing around be through direct or OEM channel going forward?

R. R. Deshpande: Yes we will be selling through this our own channel that is GOEM and dealers channel for Kirloskar and I think the segment what you are talking about typically on the lower segment it goes majorly on to the retail and on the 750 kVA it is infrastructure, some big projects, some real estate projects also and colleges, education institutes, you can take different segments, when I look at the enquiries it is almost all segments are covered in the 750 kVA.

Charandeep Singh: So there is no particular segment, which you are seeing as a larger?

R. R. Deshpande: No segments, which is coming up very fast. It is a steady growth I can see.

Charandeep Singh: Sir the other question is now in the export market since there are certain portions of the Middle East market which are weaker, so are we also exploring some of the newer markets and what is the kind of target we expect for the exports revenues going forward in next maybe two to three years?

R.R. Deshpande: Yes no doubt since last year we grew in export by almost 12% to 13%. This year also we are expecting similar target but the point is Since power generation in Middle East is not picking up, we are exploring export market through the other product i.e. engine for firefighting and engines for industrial pump set. In Egypt they want engines for



Enriching Lives

*Kirloskar Oil Engines Limited
August 10, 2016*

pump set, I think with these different areas which we are exploring would help us to achieve at least 10% to 12% growth in the exports segment as against the last year.

Charandeep Singh: Sir last thing on the 750 kVA, if you can help us compare ours v/s competition in terms of the footprint and efficiencies, you mentioned a little bit in the earlier remark, but how is efficiency is better versus competition?

R. R. Deshpande: When we look at the figures, in terms of footprint our genset is better than the competition, at the same time in terms of the specific fuel consumption our gensets are more efficient than the competition.

Charandeep Singh: Thank you Sir, that is all from my side.

Moderator: Thank you. We will take the next question from the line of Ravi Swaminathan from Spark Capital. Please go ahead.

Ravi Swaminathan: Congrats for good set of numbers. Can you just touch up on the lower kVA segment that is below sub 250 segment, how the market has panned out over the past two, three quarters, has there been growth in this segment and how the pricing environment has been there?

R.R. Deshpande: The lower segment when you say and you talk about below 250 kVA actually the growth is 4% to 5% not beyond that because the major growth of say 8% to 9% is on the higher kVA side and into this 4% to 5% retail is the major one. Spurts actually comes from telecom because telecom is a big order for the 3 to 4 months, but it again goes down.

T. Vinodkumar: But that is the reason you will find spurts and blips in the market share data in the last financial year because whenever there has been a large telecom order and depending on who it has gone to you will certainly find a spurt in that market share.

Ravi Swaminathan: And in terms of the industrial business, are we developing any products for the railway segment in the sense that we are very strong in railway sidings and all those kind of applications for this thing, but for core railways are we developing any new product Sir?

R. R. Deshpande: Yes we are exploring, but right now I cannot comment on to this, but definitely we are exploring railway as a segment for the power generation and industrial market.



Enriching Lives

Kirloskar Oil Engines Limited
August 10, 2016

Ravi Swaminathan: Okay and in terms of exports in US we are looking at opportunities in those markets can you give a broad sense of what is the size of market that we are looking at and any revenue targets and have you got the EPA approvals for our products?

T. Vinodkumar: EPA approvals are under process and that is something, which we are working on. US market is the largest genset market in the world and so using this opportunity one is to ensure that awareness of product, who we want to sell to, what markets we are looking at, what kind of partner you wanted to, what channel we want to use, all like I said when our product does get EPA certified we are ready to go and take on further, it is a huge market and strategy is being developed.

Ravi Swaminathan: One bookkeeping question, our employee cost during the quarter it was around 50 Crores whereas in the previous quarter previous of the VRS etc., it was around 37 Crores, what would be the steady state employee cost that we can assume going forward Sir?

T. Vinod Kumar: The steady state is around 48 Crores. In the last quarter there was about 10 Crores drop on account of actuarial valuation and also some reversals after Performance based Variable Pay got finalized.

Ravi Swaminathan: That is all. Thanks for taking my questions.

Moderator: Thank you. We will take the next question from the line of Bhavin Vithlani. Please go ahead.

Bhavin Vithlani: I have a couple of question from few investors who could not joined in, so first is your focus on the tiller market, which is a subsidy driven market and focus that your company has to driven to reduce the working capital to a negative cycle how would that impact your working capital cycle?

T. Vinod Kumar: Bhavin it really does not, only to the extent that this is the seasonal product and obviously I cannot build capacities and keep capacities idle. So we produce evenly throughout the year, so there will be blips in the finished good stocks, but from the receivable front there is absolutely no issue, nothing has changed, we are still selling on same basis as we used to sell irrespective of the subsidy. The terms of business has not changed at all and what we have also done is try to do as much tie up for retail finance for the end customers and that is without a recourse to us, so we are really not affected.



Enriching Lives

*Kirloskar Oil Engines Limited
August 10, 2016*

- Bhavin Vithlani:** Just to clarify the headache of subsidies with the dealer distributor network and not with...
- T. Vinod Kumar:** No I would not say that, it is not that, yes finally getting it yes, it is, what I am saying that what matters to them is that have you got approved and there is always a time lag between the approval and the final disbursement that is something which they have to take an advantage that is the trade practice, so nothing specific to us.
- Bhavin Vithlani:** Fair enough. Next question is in the powergen you have launched 750 kVA if you could outline because earlier we have spoken about 1250 to, 1500 so over the next one to three years how do we see the range expansion at the top of the powergen market?
- R R DEshpande:** Bhavin we definitely have started working onto the next nodes i.e. up to 2000 kVA and in another two years' time this product should be there. If you see the total market as such, there are some typical requirements coming from data centre and some big projects where up to 2000 kVA are required, so from 1010 to 2000 that is the node only I think which is, there is a potential which we have not addressed and another two to two-and-a-half years' time we should be in the market.
- Bhavin Vithlani:** Earlier we talked about 1250 to 1500 all that is also in the pipeline?
- R R Deshpande:** When I say up to 2000 the popular nodes are 1250, 1500 and 2000.
- Bhavin Vithlani:** So that we will see, but any color that you could give, when do we expect 1250, 1500?
- R.R. Deshpande:** See Bhavin, this is homegrown product. We work on our own, with our own strength of R&D maybe it takes a little bit more time, but then we do have a confidence in our product and from that point of view there is a complete DV range. now which we have started working on the 1010 product is the last product into that range, now the platform gets changed up to 2000 kVA bore stroke, that gets changed, so it takes a little bit more time to develop this product and that is why two-and-a-half years I think is a little bit I can say a fast project.
- Bhavin Vithlani:** The other question that I have got was we were earlier in the conference call speaking about the higher-end DV series for industrial applications as well because currently is largely for the power generation application, so if you could give us some color on when do we see the higher-end of the engine range going for industrial application?



Enriching Lives

Kirloskar Oil Engines Limited
August 10, 2016

R.R. Deshpande: I think one of the question was onto the mining sector, so since we now have the whole range of DV, we are exploring the possibilities of DV going into the industrial segment, the farm applications or for the mining application and I think another year and a half it should take to really come with first OEM for this particular segment.

Bhavin Vithlani: Okay, it is a long drawn process to get?

R.R. Deshpande: Yes because it is a completely customized product, we do have a product range, but the point is for the industrial application you have to develop a product, you have to customize the product as per the requirement of the customer i.e. end customer.

Bhavin Vithlani: That was my question. I think what I understand we do not have any further question so I would like now to hand over the call to the management for the final remarks before we close on.

T. Vinod Kumar: Nothing really much more to add Bhavin, thank you.

Bhavin Vithlani: Moderator do we have any questions in the queue?

Moderator: Sir there are no further questions.

Bhavin Vithlani: On behalf of Axis Capital we would like to thank the management of Kirloskar Oil Engines for giving us the opportunity to host the call and we would like to wish them the best for the future.

T. Vinod Kumar: Thank you.

R.R. Deshpande: Thank you very much Bhavin.

Moderator: Thank you. On behalf of Axis Capital Limited that concludes this conference. Thank you for joining us. You may now disconnect your lines.