



“Mahindra EPC Irrigation Limited Q2 FY-21 Earnings Conference Call”

October 23, 2020



**MANAGEMENT: MR. ASHOK SHARMA – MANAGING DIRECTOR,
MAHINDRA EPC IRRIGATION LIMITED**

Moderator: Ladies and gentlemen. Good day and welcome to the Mahindra EPC Irrigation Limited Investor Conference Call for Q2 FY21 Financial Results. As a reminder, all participants' 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. Ashok Sharma – Managing director. Thank you and over to you.

Ashok Sharma: Thank you very much Steven. A very good evening to all of you, ladies and gentlemen and welcome to fourth investor call for Mahindra EPC Irrigation Limited. at the outset let me thank each one of you for coming for this call and despite all the challenges around I am happy to address you today and I'm sure all of you are keeping safe and taking good care of yourself. So last we had the analyst call in the month of may, so I'm very happy to update you on the progress of Mahindra EPC and also talk about little bit about the Agri sector, also the impact of COVID on Agri sector and a lot of action is happening in terms of the Farm Act, I will touch upon that.

So let me first start with the basics. I mean those of you who are regularly attending my call I would like to repeat and once again emphasize that water is the key part of our human survival and water conservation and water management is so much critical for our planet and as you know in India 90% of the water is consumed for agriculture. So clearly over the last 15-20 years we are seeing the kind of priority which the government is giving to manage water effectively through macro and micro irrigation and the fact that micro-irrigation is being promoted sothat water can be saved because almost 30% to 40% of the water can be saved by using micro-irrigation and in terms of productivity, the productivity can cross anything from 20% to 40% depending on the crop. So clearly, it is technology of precision farming of using right amount of water at the right time at the right place actually helps the farmer a lot. If you look at India now we have almost 70 million hectare potential for micro-irrigation and around 11% of that is already under micro-irrigation and the farmers who have used the micro-irrigation clearly have got the benefits, they have been able to get better yields, savings on labor cost and one can easily imagine that going forward there is enough headroom for growth for this industry.

So this is the background which is very common which I have always been sharing and this is what we really believe in and we believe Mahindra EPC is uniquely poised to serve the farmers, help them to get prosperous, improve their income generation through better productivity, lower cost and also contribute to the planet in terms of conserving water. In EPC we always tried to see how we can leverage this technology to work towards doubling farmer's income and for that we over the years have extensive demo plots all over the country and every year we adopt new plots in new locations where we actually demonstrate the benefits of micro-irrigation to farmers and we encourage them to adopt this technology. And over the years first EPC and now Mahindra EPC are known for its good quality, very customized design of the

system for farmers and they go extra-mile in terms of ensuring proper installation, robust advisory services for the farmers and ensure they get maximum benefit of this technology. This is about EPC.

Now let me kind of talk about the last 5-6 months on what is happening in the Agri sector and how this is impacting Mahindra EPC business and then in Q&A we can talk more about that. Now all of you are aware that despite the challenges in the last 6 months, the Agri sector has stood out as a unique sector which has had fantastic performance across various businesses and to make things better, one is of course given the essential nature of Agri and Food, there was lot of cooperation by various state and government central authorities to allow movement of food products and also activities for agri-produce companies like ours and to support this we had excellent monsoons this year. As we know rains have been around 9% better than last year and this year there has been almost 5% increase in Kharif's acreage which should result into a very high level of production and given the increase in MSPs, it is expected that the farmers would have much better income this season and overall buoyancy in the rural and Agri sector should continue given the good monsoons. But yes in the last 15-20 days certain states had excess monsoons which has also resulted in lost to certain farmers, specially the cotton farmers and in some areas soybean farmers who have had excess rains coming in. But overall clearly the farmer sentiment is pretty high, government's focus on providing excessive support be it through MSP, be it through announcement of various programs like the infrastructure fund and support to FPOs. So those inputs are clearly going to give good support for that industry and to the farmers.

Now coming to micro-irrigation; clearly it is a positive for the micro-irrigation industry that the farmers are going to see more income and to the extent will be open to absorb new technologies. Now as far as micro-irrigation is concerned, last 6 months as I had mentioned in the previous call that because of COVID in the first quarter there was some disturbance in terms of manufacturing etc. but now that's behind us. Things have started becoming quite routine on supply chain front and also the government has started increasing the focus in this area and we are seeing now a steady growth in the business in the last few months. However it is still that industry is not in line with the industry of last year. There has been degrowth in industry in H1 and to that extent our H1 also has been impacted obviously on the revenue front.

Going forward we see that more and more states are now showing their interest to promote micro-irrigation so that should be quite interesting for us and specially states like Tamil Nadu and Gujarat, they have been very aggressive and they really supported the farmers by timely processing by timely payments. So these are some good examples of how states are driving micro-irrigation.

Now coming to our performance; you have seen the performance. It's already been shared with you and but more than the performance I am very happy to share with you that despite all the challenges all the employees in Mahindra EPC are safe, they are managing themselves very

well while the production continues, sales continues, our employees have been following all the safety norms or the protocols and all our workers also have been safe so that our company's business is going smoothly from sourcing, production and sales point of view.

Now coming to financials; so as I mentioned that because of the disturbance as in the last 6 months, the industry has been a bit slow in many of the key states. Now as a result of that our topline has degrown by around 13% over previous year but what is interesting note that despite the drop in topline we have been able to increase our net earnings, profit after tax in H1 by almost 26% compared to the previous year.

Coming to Q2 specifically; again we had a subdued topline, around 15% drop in the top line. But again compared to last year quarter-on-quarter we have been able to increase our PAT by 13%. And also what is more heartening is that overall working capital situation has improved while yes, the receivables have increased due to delay of payment in one or two states but we have been able to manage our inventory, our payables more effectively and as a result we could generate around 10 crores cash from operations and overall we have been able to manage our working capital better than previous year. Clearly this is the buildup of many years and our whole strategy has by and large been to focus on . select markets and ensure that in those markets we have a high market share. We focus a lot on cost reduction and that's one of the reasons why we have been able to manage reasonable earnings in the last two quarters of this year.

Our strategy of distributed manufacturing has given us lots of benefits as a result we have been able to reduce our distribution and logistics cost which also supports the bottom line. In view of the situation we've also now started focusing on the non ISI products, so that this is also where we are now giving more thrust so that we are able to off-set the minor issues which we are facing in the market because of certain states.

So overall if you see that in H1, as you can see the results our bottom line we could do much better than last year despite a shortfall in the revenue. When I look at H2 clearly at the backdrop of good monsoons, good support from the government on MSPs and higher thrust by the policy makers to drive agricultural growth, we see a good overall demand in agriculture in H2 and we are expecting that the state governments which have not been very active in H1 will also get active in H2. And H2 historically is a bigger half for this industry, typically 60% business happens in H2 and around 40% happens in H1. This year H1 was a bit subdued so we would like to see how H2 pans out but in terms of the early signals, given the whole environment, we would expect that H2 should be definitely much better than H1 as an industry.

So with this brief overview of Mahindra EPC about the agri-environment and overall the Agri sector I will now take a pause and I will be happy to listen to your comments, your questions and to the best of my knowledge I will try to answer your questions. So over to you Steven.

Moderator: Thank you very much. We will now begin the question and answer session. The first question is from the line of Sreemant Dudhoria from Unifi Capital.

Sreemant Dudhoria: First question is on the industry situation, you highlighted some states are slowing the subsidy release except for Tamil Nadu and Gujarat. So for the full-year do we see a growth in the overall industry in micro-irrigation space?

Ashok Sharma: So Sreemant that's the one question or you have more questions?

Sreemant Dudhoria: I have few more questions.

Ashok Sharma: So go ahead, why don't you ask few questions and then I will answer together.

Sreemant Dudhoria: Second is on our margins front, the gross margin (**Inaudible**) 13.19 a risk in that margin, could you please also comment on that? The third one is our overall return on equity has improved in the last 3 years from 4% to 14% in FY20, now I think the parent company has disclosed that it wants all businesses to reach 18% return on equity. What are our thoughts given our business model, is it in achievable number and if so what kind of timelines we are looking for the same? These are the three main questions.

Ashok Sharma: Thank you Sreemant. I'm glad that you are always there on the analyst calls and your questions always are interesting and sometimes it is difficult to answer. So I will start with a difficult one first. So if you look at industry H1 clearly was the drop over last year, our estimates could vary from 20%-25% drop over last year as an industry. H2 if you ask me given where we are today and given the positives and the risks, I would imagine that H2 industry would be around same as last year or a bit more. Now that bit more could be 5%-7%-8% depending on how the situation pans out and if the states like Andhra Pradesh which are big contributor to the micro-irrigation industry, if Andhra Pradesh is active and Karnataka is active then H2 could grow by maybe 15%-20% because for states like Andhra in the past, we have seen that first few months or one or two quarters they have not met their targets, but in last two quarters they are very aggressive in terms of achieving their goals. So if you look at H2, I would say it could be a range of same as last year to maybe 10% to 15% growth now. That's a very ballpark estimate I can tell you, so now you can calculate overall how the year will be. That's on point number one. Now coming to point number two, so last year as I mentioned in the May call also that last year we had good margins on the back of reduced raw material cost and that was more I would say better-than-expected margins for last year. Half 1 has been similar to last year as you can see but we are seeing some early signs of increase in raw material. So my expectation is that margins will not be same as Half 1, we will see some increase in raw material cost. But now we need to see the full impact, by Quarter 3 we will get a good sense. Currently if you see H1, it's been quite similar to last year but there are some early signs of increase, so it might increase a bit but one has to see how it goes.

Now coming to ROE, so clearly that's a Group's direction strategy and philosophy that we need to cross ROE of it in percent for all our businesses and that's the strategy all of us are

working on. And as you yourself said that last 2-3 years ROE has been increasing, so clearly we are on the path of increasing and step-by-step all our strategies are aligned towards that. So while I may not be able to give you the exact date of 18% but directionally they are moving in that direction and we don't see much concerns in achieving that milestone.

Moderator: The next question is from the line of Rajan Shah, an Individual Investor.

Rajan Shah: Ashok ji I had few questions. My first question was, based on the first half and the 23 days of October how confident would you be that this year would be better than last year in terms of revenue and profits and also I had couple of questions on Greenhouse, how that business doing? Thirdly are we in solar pumps and the other question would be approximately every year based on what you said in your opening remarks about 8 lakh hectares of land come into micro-irrigation every year. So just wanted to know in the next 5 years can we see this industry growing to 20 lakh hectares every year? So these are my few questions.

Ashok Sharma: Very good Rajan, thank you very much. See your question is difficult to answer. We are not able to comment on the revenue profits as a policy that you are very well aware Rajan. What I can tell you is that last 3 years approximately 0.4% to 0.5% market share we are increasing year on year. So that's a very positive trend for our company is where our market share is going up, obviously we are growing faster than the industry. Now I have explained to Sreemant that H2, there are very lot of positives and there are risks also in terms of state governments related to funds, especially these two states in Andhra and Karnataka and depending on how active they are the H2 industry will slow or remain flat. So that is what we will have to see and obviously we will make attempt as to always try to grow faster than the industry because on the back for strong distribution, our brand is very well accepted by farmers, our quality is very much appreciated, so all those things are very strong for us. And the way we managed our working capital, the way we manage our growth as you all old investors know that we are ensuring that our working capital management is tight enough to ensure that we don't have any issues on managing our cash flows. So that has been one of our key focus areas. So as the industry will grow, we will see the results Rajan bhai. That is not an issue. And coming to greenhouse, actually Greenhouse is a very interesting and a very important factor (Inaudible) 19.47 with climate change clearly there is lot of issues on managing a crop. Now Greenhouse as an industry is slated to grow in India because today the penetration is (Inaudible) 20.00 and I am also quite hopeful that now with this farmer act coming in where farmers will get into long-term contracts with corporates for giving them supplies of assured quality across the year and technology the greenhouse will actually will enable them anywhere micro-irrigation. So farmers would be happy to adopt Greenhouse, micro-irrigation because they have a firm buyer and that is one of the positive things for farmers. The moment they have a firm buyer they are morewilling to invest and grow the crop to the desired quality. So that will be a positive. As far as H1 is concerned, H1 for us because of this difficulty in doing installation now, because of lack of people availability and lack of access to the market, H1 has been rather muted but going forward I think we are very optimistic on the future of greenhouse and the good thing for our company is that we have a

good partner. We have Israeli partner, **TOP** Greenhouse who are specialist and they can give solutions throughout, they can give solutions with hydroponics, aeroponics, for nurseries, for advanced greenhouse for seed firms for seed production and low-cost greenhouse is for farmers. So that's a fairly good range we have.

Coming to solar pump, we have exited that and in the past also we were not doing ourselves, we were in this segment, partnering with people who are having solar pumps but we are not focusing on that segment now. The last question is very interesting. Actually just you must have heard our honorable Prime Minister and also the Agriculture Minister, they have made statements that today in India we have almost let's say 11% we say around 8 to 9 million hectares we have under micro-irrigation and the government has announced that in the next 5 years they want to have 10 million more. So what has happened in the last 20 years as per the announcements made, the next 5 years same we would like to have in terms of 10 million hectare available for micro-irrigation. And one can see year-on-year that PMKSY or a Central Government has been providing lot of funds. Even this year almost 3500 crores is provided by Central Government for micro-irrigation and if you add the State Government part then the industry can be very high. So now unlocking as a state is what is important and the progressive states already started doing that and as I had mentioned last time also now states like UP, Bihar, MP which were actually very-very negligible in the industry have now started showing more interest and they could be the big growth drivers and this vision of achieving 10 million in next 5 years would largely come from these states because penetration in Gujarat, Andhra and Maharashtra is quite high. Last 3-4 years Tamil Nadu has moved a lot in terms of penetration. So the new wave of growth will come from these states and clearly there is enough push from the Central Government to move this. So I would tend to agree with you that next 5 years the **(Inaudible)** 23.23 per year is pretty high.

Moderator: The next question is from the line of Shashank Kanodia from ICICI Securities.

Shashank Kanodia: I have three main questions. First and foremost, at the industry level and for EPC what is the proportion of sales which is non-subsidized in nature or largely the retail sales, first. Secondly you said given that the state machineries are paralyzed in terms of the funds that they have amidst their fight for COVID19 and micro-irrigation is a highly subsidized product. Can there be the similar de-growth in H2 or probably there can be a degrowth of some quantum in H2 again on a YOY basis? And thirdly, there were some talks about mandatory converting of sugarcane into drip irrigation for Maharashtra and for rest of the state. How has there been a progress on that front?

Ashok Sharma: So Shashank thanks for your coming and asking this question. Now the way to think about this for industry is the focus of the government through subsidies. So the majority of the business is actually subsidy, non-subsidy business is; I would say if I look at the non-subsidy which is the segment called Thin Wall segment. There the industry is very-very fragmented, highly unorganized but pretty large but if I look at the percentages, the non-subsidy percentage could go as high as 25% to 30% in the, considering the non-ISI kind of segment.

Shashank Kanodia: But we are not present in that part, right?

Ashok Sharma: So up till now we were not present but now we are trying to get into that segment because we are seeing that given this COVID situation it's important that we need to have some strategy to deal with this. So one of the strategy we have got is to now focus on that segment also but obviously we will be focusing at the higher margin segment in terms of quality and pricing. So, we will not be in a mass because we don't want to compete in that segment. We would compete in the quality segment. So that's going to be important. so it's also been a good driver for us. So that's on the non-subsidy part.

Now the question which you asked is a million-dollar question Shashank that will the government not have the funds for micro-irrigation? Will the funds go for COVID, health infrastructure? I think it's a very valid, very important question and you are right, if the funds don't come to micro-irrigation yes it will industry will degrow that is also possible and it will be difficult for me to really tell you, with 100% confidence whether they will put for COVID or they will put for micro-irrigation that's difficult to say. But having said that the indications which we have on the ground, the last as I mentioned, last 3-4 months we are seeing higher movement from the states compared to April-May-June, July-August-September we are seeing that the more interest by the states, they are paying up faster, they are engaging with the industry. Some states like Karnataka who were totally absent in H1 are now ready to get active, same way for Andhra there is some discussion happening and the thing to keep in mind is that for each State Government farmer agenda is very important as we all know and states like Andhra who have done such a good work in micro-irrigation, they need to maintain that momentum otherwise they will get lot of pushback from the farming community and also there is lot of pressure already building up on these governments. And they also understand that for the long term this value is must because micro-irrigation is no more a pilot or a contract basis. The State Government understands the importance of this. So I would be putting very low probability on the government is not putting enough focus on these areas but yes, it's difficult to predict but the seemingly cost is less.

Now coming to your question about sugarcane; yes, this is a mandate and this is also being implemented fairly well and actually that is driving a lot of the Maharashtra kind of industry and lot of that is going into the non-subsidy part which is the low-cost part where the farmer uses it for maybe 1 or 2 seasons then (Inaudible) 28.33 the product and also it is helping in the subsidy part. So that is a good sign and the good thing about that policy is that we are saving so much water for the country because of this policy and we expect other states also to implement it better and better like Maharashtra. So that's the positive step for the industry. So, Shashank I hope it answers your question to the extent possible.

Shashank Kanodia: So, one last thing. Are we gaining any market share because of weak competition because one of the key competitors has bloated balance sheet and might have some issues?

Ashok Sharma: Definitely that is obviously good for large players like us and I think H1 anyway was not very typical market because of overall slowdown of COVID impact in Q1 but definitely we are

benefiting, other large players are benefiting so that's part of the market dynamics and we continue to focus on our markets and we continue to focus on ensuring that we manage our working capital right, we manage our quality and design right. So there is definitely benefit.

Moderator: The next question is a follow-up from the line of Sreemant Dudhoria from Unifi Capital.

Sreemant Dudhoria: Few more questions. As you highlighted that the new wave of growth should come from the newer states MP, UP, Bihar, Odisha. In the past like when we had seen the opportunity in Tamil Nadu we had set up the Coimbatore plant. So what steps are we taking now to capture the opportunity in these newer states because logistically they are quite far from our manufacturing locations?

Ashok Sharma: You are absolutely bang on Sreemant. Clearly these are long distance locations and we need have the agility to be there and as you have already seen in the last 3-4 years almost now 40% of production is happening outside Nasik. 3-4 years ago, it was 1% in Nasik before distributed manufacturing strategy; something which has worked for us and we have also developed the DNA and the capability to manage such units ensuring quality. Even during current situation, we are able to manage our Coimbatore and Baroda facility very well. So, coming to your specific question about these district markets like UP, Bihar so in the first step in the last 2-3 years we have been developing our channel over there. We have put our people, we have distributors, we have our own people, that part we have done and the moment there is enough scale where we feel that it is required to put up a unit we will definitely do that and it is not a very as something difficult for us, we can do it in a short lead time. So, it's a matter of time and we are so happy that we did this in Tamil Nadu which has actually helped us to be in the top 1 or 2 players last year in the Tamil Nadu market. So, we will look at these kind of strategies quite closely as the industry progresses.

Sreemant Dudhoria: At present what would be the contribution from these newer states in our overall revenue mix?

Ashok Sharma: So, if you say for the industry market like UP, Bihar, MP, Odisha which we call as the new states; the contribution is still very less. It is not more than 10% today still big ones are there but when I was talking about future these 10 million new hectares which are going to come in next 5 years, are largely going to come from these newer markets. So UP is huge, Bihar is huge and even the MP is huge. These are going to be the big growth drivers for the future. Currently, they are small but we are preparing ourselves to see how we can grow these markets and contribute in the growth of the states.

Sreemant Dudhoria: So related question is the dealer count, distributor count. What has that increased what, increased the last 2 years what has been a number, 2 years back and what is right now?

Ashok Sharma: So it's a bit of a dynamic number because these are sometimes depending on the market situation, we have to increase in some places we have to reduce but clearly for markets like UP, Bihar and Odisha and MP we are on a big expansion drive and we plan to continuously increase our network. So, to give you a sense that in a year like this we would be adding close

to 150 to 200 new channel partners in different locations to build onto our current distribution strength.

Sreemant Dudhoria: What was the contribution from Coimbatore and Vadodara in the first half in our revenue mix?

Ashok Sharma: So exact number off-hand I will not know but as I mentioned that around 40% of our production is happening in Nasik but that is for the longer-term basis or the 3-4 months, exact number I don't know, I can give you afterwards.

Sreemant Dudhoria: One question which I had on FY20 this annual report. There was an increase in the provision for doubtful receivables as a percentage of sales in last year about from 0.5% in FY19 to 2% in FY20. What has led to these doubtful receivables and should this percentage, this number as a percentage of sales continue going forward?

Ashok Sharma: See what we do Sreemant is that we have a very scientific basis that based on the performance from each state or a track record, we always try to provide on a conservative basis. So, looking at the past performance and the past behavior of these markets, we keep this provisions but the good thing about this business that this money is due from State Governments so we have seen that over time the money does come back. Of course, there are some cases where the documentation is not proper or there are some cases where, data is not fully meet in the government's requirement. So, we provide for that and we also get our write back many times as we go forward and this again is a function of the states where we sell the business, so it is not one steady state. So, for example, let's say if we do more business in state A and state B compared to state C and state D, now states A and state B are may be better in terms of their track record of payments. So, there the provision ratio will change but in the next year state C and D might become a higher contributor. So, it's a dynamic but the good thing for you to note is that we are always I think on the side of conservatism to ensure that we are providing adequately for any such matter.

Sreemant Dudhoria: Given the current weak situation in the market, is that the reason why our receivable days increased in the first half, it's about 320 days which is higher than our historical past. Is that the reason and should one expect this to normalize to our long-term average?

Ashok Sharma: See 320 days a bit of a misnomer, I don't know which, what is the denominator you are taking but if you look at the 2 months average basis it is not so high, it is much lower and these last 4-5 months actual increase to my mind is around 10 crores and that is largely coming from 1 or 2 states and that also has been offset with our increase in payables and reduction in inventory. So overall, working capital actually has come down for us in the Half 1 and...

Sreemant Dudhoria: I see that number, overall working capital is like it's the same as the historical trend but the receivables increase and also the payables, yeah.

Ashok Sharma: So that's right, but that is more of a timing issue and a state issue. I don't see any major change in trends and our receivables, we have been able to manage on rather consistent basis but this

year, last 4-5 months maybe if you just take 5-6 months period since the revenue is lower so number of days might look higher but on a long-term basis, it's by and large steady.

Moderator: The next question is from the line of Jigar Shroff from Financial Research.

Jigar Shroff: I think last call you did mention that you are evaluating export opportunity. Any update on that or any whether we have been able to achieve any pay through of...?

Ashok Sharma: Frankly Jigar last 4-5 months we have not focused more in that area given the current situation and the current challenges and even in the export business, they have their own challenges that industry has been quite slow. So, we have not done more work but I think in the last time I mentioned that these are very early explorations, we are not expecting from big business from exports in the near future but we want to explore and there are some markets which are for interest, we want to just see how best we can meet their requirement.

Jigar Shroff: Which markets would this be?

Ashok Sharma: Probably from Africa we are getting lot of queries about micro-irrigation.

Moderator: The next question is a follow-up from the line of Rajen Shah, an Individual Investor.

Rajen Shah: I had one more question on this farm bill, just farm act which the government has recently passed, I mean the Parliament has passed. This farm bill, because of this Farm Bill can corporates like Mahindra Agri enter into a contract with any farmer holding from 1 hectare to may be 50 hectares of land telling the farmer that we will take care of your farm field, we will do the micro-irrigation, we will give you the seeds, we will give you the agro-chemicals, the fertilizers, the pesticides and whatever is the crop produced by that particular farmer will be sold to us that is Mahindra Agri at a fixed price and is that possible now?

Ashok Sharma: Sure, it is possible and also before this bill just to give an idea, In Mahindra Agri we have been working with farmers for many years for grape exports where we assist the farmers, we help them, we give them advisory services and we support them to grow the grapes which will meet international quality and then we buy the grapes from them but of course we don't sell them the agri-chemicals but we recommend certain agri-chemicals to them. But what you are saying in the new bill it is actually, it is possible and it will make it more tighter for both the parties so it's a new format which is going to actually help in these matters and what we are very positive about that as and when corporates start having such contracts with farmers, farmers will require better technology like micro-irrigation, better quality seeds and that's the time they will like to absorb this technology faster than before. That **(Inaudible)** 40.39 demand generation because of such activities in future.

Rajen Shah: So, in that case will it not be that Mahindra Agri will indirectly start helping it's I mean giving more business to Mahindra EPC? Is it possible that way?

Ashok Sharma: Actually, it is already happening now. For example, we work with grapes grower, we work with seed potato-farmers who are growing our potatoes. So definitely our team recommends our product to them and there are many farmers who are using our Mahindra EPC in Nasik area, Sangli area so that definitely is there and also, we have now looking at Banana exports. So, there also we will see some benefit of micro-irrigation business there.

Moderator: Over to you for closing comments.

Ashok Sharma: Thank you very much all of you for coming and sparing your valuable time and it's always a pleasure to interact with all of you and I look forward to the similar call in the month of May and in the meantime our team is always available if there is something which we can help you all with, we are always there for you and we look forward to your continued support. So thanks a lot and please be safe, take care of yourself and your families. Thank you very much.

Moderator: Thank you. Ladies and gentlemen on behalf of Mahindra EPC Irrigation Limited that concludes this conference. Thank you all for joining us and you may now disconnect your lines.