4th June, 2021

To,

The Manager (Listing), **The BSE Ltd.** **Mumbai**	The Manager (Listing), **National Stock Exchange of India Ltd.** **Mumbai**
Company's Scrip Code: 505700	**Company's Scrip Code: ELECON**

Sub : Transcript of the Investor Call held on 31st May, 2021

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

Dear Sir,

With reference to the above referred Regulation and in continuation of our letter dated 31st May, 2021, please find attached herewith the transcript of the conference call held on 31st May, 2021 for Q4 for the Financial Year 2020-21.

The same is available on the website of the Company at https://www.elecon.com/investors/financial-reports.

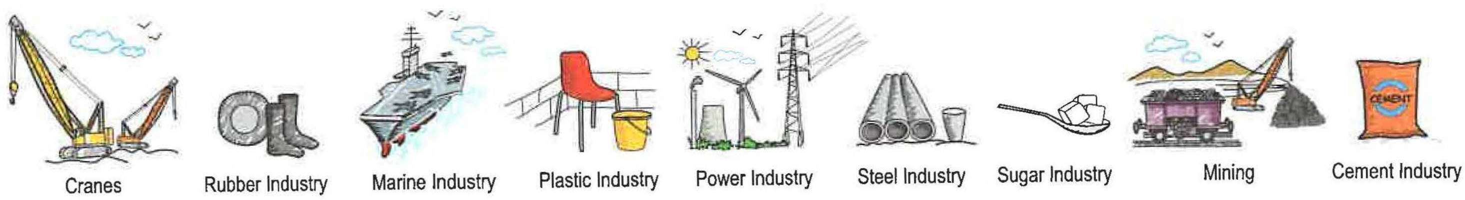
You are requested to take the same on your records.

Thanking you.

Yours faithfully,
For Elecon Engineering Company Limited,

Bharti Isarani
Company Secretary & Compliance Officer

Encl.: As above



Gearing industries. Gearing economies.

ELECON ENGINEERING COMPANY LIMITED, Anand - Sojitra Road, Vallabh Vidyanagar - 388 120, Gujarat, India. **Tel.:** +91-2692-238701, 238702. **Fax:** +91-2692-227484.
CIN L29100GJ1960PLC001082 | **infogear@elecon.com** | **www.elecon.com**

"Elecon Engineering Co. Ltd. Q4 FY21 Earnings Conference Call"

May 31, 2021

MANAGEMENT: MR. PRAYASVIN PATEL – CMD

MR. NARASIMHAN RAGHUNATHAN– CFO

Prayasvin Patel: Good morning everyone. After a tough year people in some parts of the world are beginning to rebuild their lives, businesses and communities but recovery is far from over across the globe as tragic scenes we witness in countries like us and the other countries. Elecon continues to help our employees, our support personnel, people in nearby villages, hospitals, and public health officials. We are focused on doing our part of the help and we have also dedicated substantial allocation of funds for serving the poor and needy in the general hospital and will continue to do so till we overcome this crisis. In India the economy, in few industrial sectors was reviving in last year after going through lockdown conditions. In some parts of the world economy began to rebound which created a rising tide in the last quarter that benefited a number of sectors. Our performance on transmission products, was better in 2021 compared to the year before, both in terms of order intake and invoice. Envisaging that the year is going to be tough, we had taken various performance improvements in the first half of the year. Some of them are profitability of the orders we procure, commercial payment terms, working capital, management of inventory receivables, keen focus on improving spares business and export business. We believe this has yielded the results that we are striving to retain momentum and sustain and improve the measures. In overseas subsidiaries also the gloom, which was prevailing at the beginning of the year due to pandemic certainty in Brexit was overcome in the later part of the year. Material handling business in India is undergoing a tough phase for the past few years. Over the past 3-4 years we have restricted ourselves from taking orders which are trunky order type in considering uncertain timeline of completion of the project. Hence we are also keen and have taken measures in completion of the trunky based orders which were received in earlier years. In some of the contracts we have successfully completed them and in certain contracts, we have planned to complete them this year as we see bill amount of momentum. I suppose we have given you a brief overview of the business and would like to clarify, if there are any more questions.

Binay Sarda: Thank You. Anyone with a question, please type your name and your institution name on the chat board. We will now begin the Q&A session.
First question is from the line of Zaki Nasser. Please go ahead.

Zaki Nasser: Good morning, and I think your hard work over the past few years has really paid off. As you rightly quoted, be wary of the situation our employees are in and people in the surrounding areas, Sir with that said, I would like your opinion on how you see the year going forward, because I think the first quarter again have seen some hiccups and also your opinion on what levels would you be comfortable with the debt in Elecon. Thank you.

Prayasvin Patel: I'm happy that you asked this question because that is in mind of more or less every investor that the year gone by, we have done well. Let me start with a little bit of background. As COVID came in it took every one of us by surprise and we were in a total shock. So, we started making sure that the first thing that we did was to cut down our cost. Right from employment costs because the salaries and wages, we made it 50%. For all the employees and so forth. All the costs were being controlled. Later on, as we improve our performance, we have now given them back all their salaries, apart from in material handling division but the intention was that we cut down our costs to a considerable extent. Apart from that we went to our customers, and we changed our payment terms, our collection criteria were changed, and a whole lot of things were changed positively, so that we are able to encounter the COVID situation successfully. We were able to do that. The economy bounced back apart from that. In the meantime we had reasonable orders on hand which we could execute. I must give credit to the employees of Elecon because even during the COVID times they worked in true spirit and performed well, so that helped. Apart from that the economy was also bouncing back, exports were good, the spare business was good. So, in turn we were able to perform and this is the result of it. There is also a navy order that the gear division has, which is also being executed in a timely fashion and which is also helping the performance of the organisation. Apart from this in the material handling division, we were able to though because of COVID, at a lot of sites we were not able to initially mobilize ourselves, but we were firm and determined to start closure of contracts wherever they were 80-90% over, as well as we saw to it that we tried to collect our outstanding guarantees, as well as payments and so forth. We have also shrunk the organization from major contracting company to a product company. So, size wise infrastructure wise, everything wise to bring down our cost we have taken all these measures and the results would be further seen even during this particular year. The good part is that the inflow of orders is reasonable, and I would compare it with the previous year's performance, that the inflow is steady and continuous in spite of the fact that COVID has shown its peak once again. However, I believe that once it recedes it will go back to normalcy and now the people and the country per se has got the confidence that we can bounce back in tough times. So, I believe if the performance of the nation and the economy remains the same, we would be able to do better or at least equal to what we have done last year.

Narasimhan: To add on further, the current level of debt is around Rs.245 crores and in the upcoming year we are looking to reduce it by around Rs.35 crores and in this regard we are taking all the measures required for working capital management.

Zaki Nasser: This is only long-term debt Rs.245 crores.

Narasimhan: All put together. Short term debt is around Rs.90 crores balances is long term debt.

Zaki Nasser: Okay, so I think you have reduced it by around Rs.100 crores from last year, right Sir.

Narasimhan: Correct.

Zaki Nasser: And you further would want to reduce it by Rs.50 crores this year.

Narasimhan: Rs.35 crores.

Zaki Nasser: That would be fantastic, sir. And one more question sir last, I mean how do you see the company panning out over the next three years? Do you think this hard time has polished up Elecon and made it shine again?

Prayasvin Patel: You are right. I would put it this way, that the measures the company had taken over the last few years have constructively given results this time. I believe that we are poised, now to take up all the challenges that would come our way. What was also bringing us down was the surmountable debt that we had, which is slowly and gradually reducing. We are also trying to restructure our debt to bring down our costs, so all in all it will bring in a lot of positivity going forward plus we are confident of the performance because the measures we have taken are going to be sustained over a period of time.

Zaki Nasser: Can I ask one more question. Do you feel that currently your employee strength has got to near pre COVID levels and past quarter there has been an abnormal price rise, even SS stainless steel is starting to pick up. So, what is your take on these price hikes?

Prayasvin Patel: See our product execution cycle is pretty short. From the receipt of the order to delivery at an average would be close to 3-4 months, so as and when these price increases come from our suppliers, because of our existing stock which is there in the company we are able to sustain the whole prices for which we have received the order and the new orders we take it at increased prices based on the steel prices. So, all in all there would be a very negligible impact on the prices of steel going forward.

Zaki Nasser: Best of luck to the management of Elecon and also the employees. And good year ahead. Thank you.

Binay Sarda: The next question is from Ranjit Shivaram. Please go ahead.

Ranjit Shivaram: I am Ranjit from ICICI Securities. Congrats on good set of numbers given the environment and the challenges that we had faced. Sir, we have seen a good amount of announcement from the steel companies like JSW, JSPL and probably we are expecting announcement from Tata Steel and others. So just wanted your take on that, so our material handling division has been in stressed times for the last 3-4 years. Do you see that, recovering with this announcement? What kind of opportunity do you foresee from steel sector and now that these orders are coming in, will we relook at our strategy on the material handling segment?

Prayasvin Patel: See in material handling, we have decided that we will not take large project order. On the other hand, we have special products which go into the steel industry especially what is known as a barrel reclaimer where I would say that we have the largest reference in the country and probably one of the top 3 largest references in the world. So, those kinds of products have a very good potential going forward because they would require those in the expansion. Apart from that, there are other products that we also have which would find a place. Gears per se would also be required as and when any expansions take place in the steel industry as well as cement industry.

So, while the core industries grow and expand our company has a great future.

Ranjit Shivaram: So, any particular reason to believe that this year or probably by FY23 onwards, we will see this material handling, coming back to black and do you see any inquiry level activity in this material handling segment?

Prayasvin Patel: We have now decided that right now we will do a very limited turnover, where we are looking at profitability more than turnover and you have structured or shaped the organization, what is required considering that we will shrink in size to the level which is bare minimum. Considering all that fact, we can still grow as and when the need arises. However, if we are able to continue with this model, even with this model there will be surpluses that will be churned out.

Ranjit Shivaram: Okay on what is the current utilization levels of our gear factory and our material handling factory, if we had to put a number to it?

Prayasvin Patel: Gear would be to the tune of I would say around about 50-55% and material handling, would be to a very negligible percentage. What we have tried to do, is we have tried to remodel our manufacturing and material handling thereby we are getting a lot of our manufacturing done outside and we have closed our large facilities, because very large facilities and doing very little work does not bring in the right kind of economy. So, we have tried to do all that, so that we are competitive as well as we bring our cost. So, I would say in material handling to scale up, you can even scale up by 100% if the need arises.

Ranjit Shivaram: Okay and any impairment which have been taken because of scale down of operation in our balance sheet.

Prayasvin Patel: No, no impairment has been taken.

Ranjit Shivaram: Okay, so I joined back in queue. Thanks for answering those questions and all the very best.

Binay Sarda: Thank you. The next question is from Abhishek Poddar. Please go ahead. Good morning.

Abhishek Poddar: Good Morning Sir. Congratulations on good quarter. This is Abishek from HDFC mutual fund. So, the first question on the material handling. In the last call, which was done earlier you had highlighted that there are certain legacy orders which has led to the losses. So, what is the status of that and when do we expect that to getting over? And is that the reason that we are having a negative EBIT in material handling?

Prayasvin Patel: Yes, you are right. These orders are expected to be over by September. This is subject to COVID because we have been delayed by almost, I would say 6-8 months further due to COVID. But COVID has brought in improvement in policies of the government where they are supporting contracting companies to some extent which has been helpful plus we have found that the attitude of the customer has gone through a change due to COVID which is all helping us. We are reasonably confident that by September we should come to an end and we are at almost 90-95% completion of the order.

Abhishek Poddar: Understood. So, then that would mean that we probably will return to black in material handling. And given your comments about you know scaling down the material handling and not to take large projects. How should we see the top line and bottom line for this, should we see a much lower scale of top line and also how you're thinking on the profitability in the sector after that?

Prayasvin Patel: Top line will be lower to almost I would say what we did last year or slightly better. And the bottom line would improve to a large extent.

Abhishek Poddar: Understood and in this capex revival, the industry has seen very muted capex for last many years, we probably are seeing some green shoots are emerging. So, could you give colour I think Ranjit ask you this question before, but some more colour on the gear business because we are relatively more into core industries. So, are you more excited now that you start seeing better revenues from the gear division and also a mix on the domestic and export side of the gear division how that is shaping up?

Prayasvin Patel: This year we did one of the highest exports which was to the tune of Rs.100 crores and going forward, the way we have interacted with all of our export offices, we believe that we would be even doing better this year. So, we are reasonably confident that exports would give us good margins and better profitability going forward. Same is the case with our spare business as well as our domestic, because in these COVID times there is a realization among the customers, as well as competitors that one needs to be very careful in how to do business. So, everyone has been cautious and that is helping the entire industry.

Abhishek Poddar: Understood and one last question, our debtors is still at Rs.500 crores compared to our top line of Rs. 1,000 cores. How do you see that movement?

Prayasvin Patel: See we have a continuous program of reducing our debt and the debtors per se and we would be doing that gradually over a period of time. We have been able to do it in the last year and going forward we will continue to do so.

Abhishek Poddar: So any number in terms of number of days where you will be comfortable in terms of debtor days?

Narasimhan: In terms of number of days for the transmission products it would be comfortable in the range of around 90-120 days, and in material handling days we cannot call it because the turnover is not linked to the receivables as of the moment.

Abhishek Poddar: So is there any stock payment that is leading to a high number here.

Narasimhan: These are all mainly the retention money. Once we complete the project which we are looking at in this year, then we start to stake a claim towards receiving of the retention money.

Abhishek Poddar: And what amount is that sir? The retention amount.

Narasimhan: The receivables predominantly represent around a Rs. 200 crores of receivables retention amount.

Abhishek Poddar: Okay understood. Thank you and all the best.

Binay Sarda: Thank you. The next question is from Sunil Kothari from Unique AMC. Please go-ahead sir.

Sunil Kothari: Thank you very much. Congratulations, after so many years your face also smiles; really good to see these numbers and we as old shareholders also becoming much more positive about Elecon. Hopefully things will happen like that.

Prayasvin Patel: I would say Sunil bhai you know we have been working hard but unfortunately the fruits were not being seen of the effort that we were putting in. Now luckily everything has fallen into place and I believe that the bad times are over and we will make sure now we have that confidence that we will see to it that the shareholders tend to gain over a period of time from the Elecon. That has been our endeavour but I think now the fruits have started being realized. So going forward, I believe that we are on a path of recovery and we will show a lot of positive.

Sunil Kothari: So, we have this commendable in job transmission division particularly just adding Rs.50-60 crores of top line we have added more than Rs.70-75 crores EBIT. So, if you could just try to explain as what right things we have done as I think these efforts have been going since last 2-3 years and how sustainable this type of EBIT margin because we have done really more than 20% plus consolidated EBIT margin. So can you throw some light on your efforts.

Prayasvin Patel: See first of all, what we've done is we have looked at the sales which is the invoicing and we have looked at the cost because there are only two ways you can generate profit one is by looking at the inward sales that come in and by looking at your costs. And we have tried to work on both areas, which means the product mix that we had of exports, domestic and spare business the margins that we were getting in all the three, payment terms that we were getting in all the three, and so forth. So, we've worked on that plus on the other hand we worked on the cost aspect, and we have also tried to see to it that there were certain divisions which were working below the breakeven point, because there was less turnover, we made sure that we could get sufficient orders in those areas and get them above the breakeven point to generate the profits and so forth. So, there were a lot of things that we did internally and external to see to it that this all came into place. See the good part was that as people say that COVID means a bad times for us, it has been the other way. I still remember when it came up one of the inspiring factor was Bill Gates because he has always said in his life that whenever the challenges come up and the bad times come in you will look upon it as an unfortunate rather than look upon it as a thing which has come in to bring in negativity. So, this is what we tried to do and our entire management team and the employees I am very proud to say have responded to these challenges in a very positive way so that all everything has come into. So, there was a lot of effort also being put in by the management to see to it that there was cohesiveness. We reached out to people even during these COVID times, we made sure that we took care of them even during COVID and we saw to it that they were all together with us. This has inspired also a lot of the employees to do their very best for the organization.

Sunil Kothari: So, this effort will allow us to maintain this type of a quality that we can hope for.

Prayasvin Patel: Sunil bhai it has also generated a lot of teamwork and enthusiasm and then once you get success you know the success itself keeps gives you the confidence to keep on rolling further.

Sunil Kothari: So, one more thing is since long we're trying very hard and taken very good efforts for developing exports to Western world and develop economy, how do you see the next 3-5 years this opportunity converting into very better result?

Prayasvin Patel: We have put special focus on exports, within the organization and with the marketing arms that we have. And we feel that is the way to go forward because relying too much on the domestic front has its minuses also, no doubt India is a robust country with a good and strong demand, but we want to make sure that the ups and downs are evened out by exposure. So, what we are trying to do is we are trying are trying to focus more on the United States and Europe. And in United States it has now started catching momentum and we are hopeful that over a period of time our sales seen especially in United States would go to a substantial increase.

Sunil Kothari: Last question is we have very big and very resourceful MHE division. So, any thought process on those assets, also plan.

Prayasvin Patel: What we are trying to do is right now we have focused on what do we need to do with it. How do we make sure that we shrink in size and become profitable? Going forward, we are also looking at utilizing these facilities to manufacture other kinds of equipment. There are a few proposals that we are evaluating as we talk of what to do with the existing facilities that we have. So, here also we have two options one is either to sell these facilities or to utilize them to produce something else. I would rather use this to manufacture something else because as you know it takes a lot to develop such kind of facilities and to give it away is the last option that we should consider.

Sunil Kothari: Also wish you best of luck.

Prayasvin Patel: Sunil bhai thank you a lot for having confidence in us and being with us all the time. Thank you.

Binay Sarda: Thank you. We have a next question from Suraj Navandar. Please go ahead.

Suraj Navandar: Good morning. So, what would be our capacity utilization currently.

Prayasvin Patel: As I told you in gear division it would be around about 50-55%. In material handling we are hardly using our manufacturing facilities, the reason is the capacities are very large and if you do negligible amount of manufacturing in it our cost to go up large extent so we have practically stopped utilizing our manufacturing facilities and materials handling and we are getting it done either to our own gear plant or any of our system.

Suraj Navandar: Okay and if demand arises for our gears division so is it possible to manufacture gears in our material landing plant that we have with some modifications or is it not possible.

Prayasvin Patel: It won't be possible because the kind of equipment, machinery, the kind of infrastructure required is way different. We rest assure that since we are operating at 50-55% there is a huge amount of surplus capacities that we have and by doing little bit of subcontracting if required we can scale it up even higher.

Suraj Navandar: Okay. You would be focusing more on margins than the revenue in coming year, so what sort of margin guidance would you give for next one or two years.

Prayasvin Patel: We have seen an upsurge of margins this year and I believe that we would be able to sustain or better going forward.

Suraj Navandar: Okay and the last question is, what would be your percentage of sales that is coming from exports in current year.

Prayasvin Patel: Right now, it is approximately slightly more than 20% from our gear, excluding the Navy business and I believe we will scale it up to 25-30% over the period a period of time. Our ideal mix would be 33-35% coming in from exports.

Suraj Navandar: And is there any difference in margins in export orders as compared to domestic or are they are on the same level.

Prayasvin Patel: No, the export orders are giving us much better margin than domestic business.

Suraj Navandar: Thank you so very much. All the best.

Binay Sarda: Thank you. The next question is from Mayank an individual investor. His question is going forward, what would be the timelines for breakeven at EBITDA level for the MHE division?

Prayasvin Patel: That is a good question, we believe that if things go right the way we have planned. We should be able to break even this year in MHE on an operational level. However, if there are any LDs or any other financial commitments or let's say contractual commitments that we have over the past, after adjusting them there might be a negligible loss. But I can guarantee you one thing, there will be no cash losses, for sure.

Binay Sarda: The next question is, can the March performance be the new base for the transmission division.

Prayasvin Patel: Yes, definitely so. We strongly believe we will be able to sustain the improvements that we have made which will give us the positive and good type of results going forward.

Binay Sarda: Thank You. We have a next question from Joes Panikkar another individual investor. He says that it would be great if the management can throw some light on the company's plan to revoke pledged shares.

Prayasvin Patel: I would put it this way that no management wants to pledge the shares as far as possible. So, there is continuous effort being put in that we would be able to reduce our debt and get the shares back. So, we are exploring all the possibilities and it will happen very soon.

Binay Sarda: Thank You. We have another question from Ajay Upadhyay, he asks please comment on the performance of a subsidiary in US.

Prayasvin Patel: Yes, going back a little bit in the history first of all we have to understand that US is a very large market and there is a great potential. Considering that we had limited resources available with us in the tough times and therefore, we had tried to put in as much as possible in the US as long as resources were concerned. We had employed a large marketing team and had tried to put in a big thrust in exports and sales within the United States. Unfortunately, in spite of getting an experienced team in the gear industry we were not successful. It reached a point where we believe that we would have to restructure and reorganize ourselves, we have done so. And slowly and gradually have started rebuilding which is now giving the positive results. This year have made a small profit and we believe that with further increase in sales this year considering also the outstanding orders that we have on hand, we believe that we will be on not only a path of recovery but we will see to it that we exceed our expectations out of the US.

Binay Sarda: Thank You. We have another question from Ruchit Khare from ICICI Investment. Would you like to go ahead Ruchit?

Ruchit Khare: Yeah, sure. Thanks and Good morning, Mr. Patel and congratulations for a good set of numbers. Pardon my ignorance since I have been used to Elecon but a couple of questions from my side. First is since we have been talking about the exports market, so if you could explain a bit more, what sort of products are we dealing with in exports within our scheme of products and what sort of payment terms to be enjoyed in these products or orders.

Prayasvin Patel: Yes, good morning first of all Thank you for taking interest in Elecon. The products that we sell in the European, the US as well as the rest of the world, the products of our gear division they consist of two types, one is which are catalogue products and the other ones are engineered products which means that the customer has a definite requirement, we evaluate the requirement and based on that we suggest the right type of equipment which is gear, which would suit their application. Now in both the cases there is normally a front end which is credit based on which once we receive the order and the letter of credit we execute the order. There also you have a nominal 10% advance and the balance would be by us.

Ruchit Khare: Thanks that's helpful. So typically, what is the life cycle of these orders, I believe again they would be short cycle order and are they purely backed on through a network or through the efforts of the Salesforce or they're through some reverse tendering like mechanisms or something like that.

Prayasvin Patel: I'm sorry, I didn't understand your question.

Ruchit Khare: I mean, is this something we are participating in some institutional tendering process in overseas and then taking these orders or these are purely you know resultant of our network or the efforts of the sales force that you have with the overseas markets.

Prayasvin Patel: See, it is a network and sales force and normally in your business there are no tenders unless they are domestic and where the government is involved, that is government institutions. But otherwise, there is a definite requirement of the client either in a project or for replacement, which we cater to and it is done by discussion with the client because there is a good amount of application engineering which would have to be done. So, that is being done with the help of the client to suit his needs and then based on that, we would give them a proposal. He normally gets proposals from 2-3 gear companies and then he decides based on the kind of solution that the company has given plus naturally the price.

Ruchit Khare: And what could be the main differentiating factor is it more on the pricing or the prior relationships or the maybe the technological bandwidth.

Prayasvin Patel: First of all, the client relationship matters a lot because almost 70% of our clients are quite often repetitive. So, client relationship matters, his level of comfort with you is also of utmost importance, apart from that the technical solution that you have given also plays a very important role and then pricing.

Ruchit Khare: So, they would also be recurring in nature. So, once we sell the product, so after this a maintenance, you know, revenue stream that also flow to us or it is just selling.

Prayasvin Patel: Both

Ruchit Khare: And lastly, on the Indian markets what sort of competitive landscape that you are seeing. And one of the feedback that is come in is that, there is a great amount of disruption that has happened and you know, some of the unorganized guys who have moved out of business are in rampant, you know, pressure at this point in time. So, is there something on those lines which is helping do when the industry or the organized players.

Prayasvin Patel: No, see, I believe that COVID has brought in opportunities because certain industries are doing better like say, for example pharma. There's a certain upsurge in pharma industry, similarly there are other industries, certain chemical industries, where it has brought in an upsurge. Apart from that also what we see is that we are seeing the requirements even in the likes of construction industry and cement industry, which is going up. Steel naturally is also showing a lot of buoyancy. So all this is helping us in good and robust order.

Ruchit Khare: Understood and thank you Mr. Patel. That's really helpful and probably we'll look for another session in detail sometime. Thanks a lot.

Binay Sarda: The next question is from Shubham Agarwal. So he ask how much of the Navy order is pending and what was the margin for that order and what is the order book as of now in the gear business.

Prayasvin Patel: Shubham Good morning to you. The Navy order we had total of seven ship sets. By the end of this year, we will be finishing all the seven ship sets. Right now, there are two ships sets which are pending which is six and seven the balance are almost on the verge of being delivered. So, the balance two which is going to be delivered between January and March of this coming year. That will complete the entire project. The margins are healthy in that and going forward we would be also looking for further Navy orders with the Indian Navy. Does that answer your question? Did I leave out any part of it?

Binay Sarda: All were answered. So, we have another question from Suraj Nawandar. So he asks about our current order book.

Prayasvin Patel: Narsimhan, would we be able to tell us right now what is the present order booking in material handling as well as in gears?

Narasimhan: Yes Sir I will read it out. During the year in gear business, we have booked orders what is Rs.565 crores and the order backlog as of 31st March is around the Rs.380 crores in the gear business and in material handling business we booked orders worth Rs.135 crores and the pending order is around Rs. 100 Crores.

Binay Sarda: So we have follow up question from Zaki Nasser. Please go ahead.

Zaki Nasser: So last quarter it has shown revenue of material handling versus transmission approximately like 85%:15% mix. So good to see this trend continue during the year.

Prayasvin Patel: Yes

Binay Sarda: Thank you. The next question is from Ankit Gupta. Over the next three to five years what are our thoughts on debt reduction and what debt levels will be comfortable with. This is Ankit Gupta from bamboo capital.

Prayasvin Patel: As you know every company's dream is to become zero debt company. And I will put it this way, that why should we work towards that. So, there are plans. The only thing is the external environment should be conducive plus the inflow for orders and the external environment should be helping us to do so. We have a long term plan to get to zero debt level up however, that goes through a continuous modification in plans as the situation externally keeps on changing. But the fact remains that we want to keep on reducing our debt because we believe that a sizable amount of our earnings are going to the financial institutions from whom we have borrowed the money and that if it is available to the company and to its shareholders, that would be a wonderful situation. So that is what our endeavour will be going froward.

Binay Sarda: Thank you. The next question is from Mayank an individual investor. He asks why not pay out more money as dividends.

Prayasvin Patel: I would put it this way that first of all this time when the dividend was declared it was debated a lot in the board room and the message that we wanted to give to our shareholder is that first of all we have been through the tough times, we've gone out of the tough times and now we are on the path of recovery. This is the beginning, we will be definitely able to sustain these kinds of dividends going forward and try to improve it as much as possible. However, you have to also understand that dividend is not only profits but it also depends on the cash flow of the company. So, the board in its collective wisdom thought that this was the best dividend rate that could have been given. So considering the possibility that we will be able to sustain or improve upon this as well as to give a strong message this is the dividend that was decided.

Binay Sarda: Thank you. The next question is from Jatin. He asks any revenue and margin guidance for FY22.

Prayasvin Patel: I would say stay invested and we will see to it that we try not to disappoint you and we will do our best.

Binay Sarda: Thank you. The next question is from Ajay Upadhyay. He asks, do we have any OEM relationship in the US which could result in repeated transactions.

Prayasvin Patel: We do have OEM relationships in the US. We are continuing to nurture these relationships. However, we believe that is not sufficient enough. We need to establish more of these kinds because it's a very, very large market and couple of relationships alone would not be sufficient considering that the capacity we have with us.

Binay Sarda: The next question is from Ankit Gupta from bamboo capital. He asks, in the past we have faced challenges on receivables from few customers. How is our process of customer selection evolved over the years?

Prayasvin Patel: There are two things that we have done. One is we have become more and more selective and wise over a period of time in selecting the type of customer, the type of jobs, the type of relationships that we get into. On the other hand, we now want to make sure that we take them minimum amount of risk as long as money and payments are concern. So, our payment terms have gone through a sea change over a period of time, whereby we make sure that we get our payment immaterial of weather the relationship has been a long term one or it is a new relationship.

Binay Sarda: Thank you. So that was the last question for the call. So I'd like to hand over the call to Prayasvin Patel sir for his closing comments.

Prayasvin Patel: Thank you. What I would like to say is that a presentation has been uploaded on our website which gives a lot of information, which we have done specially for this investor suite. If time permits, I would request you to please go through it that would be very helpful to you, it will give you a better understanding of the company and its performance. That is number one. Number two is if I were an investor, there were two things I would be interested in. One is how did you manage to turn the company which I have said and I will again repeat that basically, we have looked at all aspects and made incremental improvements in all areas which has helped us to improve the performance apart from that the robust Indian economy and the support which the foreign governments have given to our foreign entities has also helped that sector. The robust domestic economy has bounced back, which has also helped us. Okay, because the inflow of orders has been nice that is helping us. Internal improvements and corrections have helped us and the second question that I would be interested in, if I were an investor was - are we going to be able to sustain this or what is the future of it. Personally, I feel that the future is quite bright because we have tasted blood. We have made these improvements. There are continuous improvements further being planned but whatever improvements that we have made is giving us good results and that will continue to give good result. The inflow of orders, as Mr. Narasimhan mentioned that we have a reasonably healthy amount of orders on hand which is taking care of 50-60% of our capacities this year. So, what we are looking for is another 30-40% over which I am sure over a period of time we will get it. I have no doubt. So considering all that things look very positive. And I am reasonably confident and make sure that we are able to continue with this kind of performance. Talking about what is our future we are on a roll of continue. I believe that if we are able to increase our exports to a large extent, we should be able to give better and better results going forward. And this is what our endeavour has been and will be. So with this I would say thank you very much for showing the support that you have been in the past and showing the confidence in Elecon equity and I am sure that with your support we will be able to even do better. Thank you.

Diwakar Pingle: Before we kind of wind up here was one last message that popped up. I think it is best to kind of address it here Prayasvin. It is that we have heard some rumours within quotes that Elecon is selling stake in the company as they keep sending messages that you have been sold stake to XYZ Company. Maybe you can just give the person what the rumours is.

Prayasvin Patel: This kind of rumours has also come in the past and will keep on coming in future. All I can say is that we are nice and strong, we are the same team and we will continue to be the same team and we have not been approached by anyone as of now.

Diwakar Pingle: I think that kind of closes a call for today. Thank you so much for joining us on this call. In case you need any extra information data points metrics Binay from my team will take care of this and I'm also available along with the entire team from Elecon. Thank you Prayasvinbhai, Narasimhan. Appreciate it and stay safe.