"Man Industries (India) Limited

Q4 FY '24 Results Conference Call"

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MANAGEMENT:	**DR. RAMESH MANSUKHANI – CHAIRMAN – MAN INDUSTRIES (INDIA) LIMITED** **MR. NIKHIL MANSUKHANI – MANAGING DIRECTOR – MAN INDUSTRIES (INDIA) LIMITED** **MR. SANJAY AGRAWAL – CHIEF FINANCIAL OFFICER – MAN INDUSTRIES (INDIA) LIMITED** **MR. RAHUL RAWAT – COMPANY SECRETARY – MAN INDUSTRIES (INDIA) LIMITED** **MR. KAMAL KANT SAHOO - STRATEGY HEAD – MAN INDUSTRIES (INDIA) LIMITED**
MODERATOR:	**MR. AMIT LAHOTI - EMKAY GLOBAL FINANCIAL SERVICES**

Moderator; Ladies and gentlemen, good day, and welcome to Q4 FY '24 Results Conference Call of Man Industries India Limited hosted Emkay Global Financial Services. As a reminder all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star, then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Amit Lahoti from Emkay Global Financial Services. Thank you, and over to you, sir.

Amit Lahoti: Thanks, Muskan. Good evening, everyone. I'm glad to welcome the management and thank them for this opportunity. We have with us today, Dr. Ramesh Chandra Mansukhani, Chairman; Mr. Nikhil Mansukhani, Managing Director; Mr. Sanjay Agrawal, CFO; Mr. Rahul Rawat, Company Secretary; and Mr. Kamal Kant Sahoo, Strategy Head.

I shall now hand over the call to the management for opening remarks. Over to you, Mr. Mansukhani.

Management: Yes. Hi. Good afternoon to -- good evening and afternoon to all the shareholders and the investors. For the full year of 2024, the company has reported a consolidated revenue of INR3,142 crores versus INR2,231 crores in FY '23, which is a 40% year-on-year increase with an EBITDA of INR292 crores versus INR176.8 crores in FY '23, which is around 65% increase.

The PAT level stood at INR105 crores versus INR68 crores, which is again a 54% year-on-year increase. The reported PBT and PAT are quite strong on a year-over-year basis, still we are expecting further strong and more sustainable PBT and PAT going forward. During FY '24, we witnessed a higher depreciation and interest costs that were on account of ERW mill capex, whose production was delayed due to certification and approval process.

The current unexecuted order book as on today stands at around INR2,100 crores, which is to be executed in the next 6 to 8 months. And the company has sound financial health with net cash position of INR174 crores. As of now, the company recently announced and settled benchmark in the industry for successful testing of hydrogen transportation pipe by one of the prestigious international testing agencies.

Going forward, we are confident enough to take the first mover advantage and which will enhance our order book significantly as all the lines -- new lines will be laid down for hydrogen. So also we are happy to announce a strong and sustainable quarter and year, a promising performance in the last financial year and securing new order wins are emphasizing a commitment towards excellence.

On operation front, recently, we have announced additional orders worth INR505 crores to be concluded in the next 6 months. From the beginning of the year '24, we have secured an order approximately INR1,500 crores. We envisage a strong order book for the coming quarters and are hopeful for strong performance going forward. Having said that, our ERW mill has successfully received the API certificate. These pipes are usually required for oil and gas industry and -- which has a higher margin. Although we have started our ERW mill in the late financial year and we are quite hopeful that the current financial year will be sustainable year for our ERW segment.

Your company is aggressively heading towards its expansion plans for both soft and stainless steel tubes, which are very much on track. And we believe we can fulfil our commitment towards all our stakeholders. Thank you.

Moderator: Thank you very much. The first question is from the line of Pinky Mahato from Emkay Global Financial Services.

Pinky Mahato: My first question is how much capex you have spent on Jammu expansion so far? And there's also a follow-up question. Could you break down capex that will be spent in financial year '25 and '26?

Sanjay Agrawal: Yes. So the capex, which is already being done is close to around INR130 crores to INR140 crores, which has already been done. And going forward, in '25 and '26, it will be approximately -- total of capex would be around INR800 crores further.

Pinky Mahato: Okay. And the second question that I had is, could you provide an update on Merino in terms of timing of transaction closure and expected amount?

Management: Yes. So we have finalized the developer and all the documentations are also now in place. And we should be announcing it very soon. So it is in the final leg with the lawyers. And I think probably this quarter, hopefully, fingers crossed, we should be announcing it.

Moderator: The next question is from the line of Vikas Singh from PhillipCapital.

Vikas Singh: Sir, my first question pertains to our revenue potential, given that we have ended the year with almost 2,100 order booked

Moderator: Yes, you are audible.

Vikas Singh: Sir, my first question pertains to our revenue potential, given that we have ended the year with almost 2,100 order book and our past history. Can we safely assume that the next year revenue could be in the line of INR3,500 crores to INR4,000 crores levels?

Sanjay Agrawal: Yes, that would be more or less accurate.

Vikas Singh: Understood sir. Sir, my second question pertains to our margins. Given our more -- given the fact that we're still export heavy our EBITDA margins somewhat looks lower at 7% to 8% range. So just wanted to understand the -- effectively because the notion is that the export margins are usually on a higher side versus domestic. If you could give us some explanation there. It's going be really helpful?

Sanjay Agrawal: So this year the EBITDA margin is around 10%. So going forward we would be between the same levels. The 10% is mixture of -- also when we take a lot of water orders the EBITDA margins are lower in that. So it's the average EBITDA which comes at the end of the year, but we are very confident that to push those EBITDA margins up once our expansion plans which are already going in place. Once that is completed the EBITDA portion would be pushed up.

Vikas Singh: So what kind of EBITDA margins we are looking at let's say 1 year down the -- next year of FY '26?

Sanjay Agrawal: So '24, '25 would be around the similar range because the projects would complete only and start by '25-26. '25-'26 onwards it would be upwards of 13% and so. And we are targeting around the next 3 years to be around 15% [inaudible 09:01] EBITDA for console level.

Vikas Singh: Sir, just one question on this quarterly sequentially if you see that the numbers have been slightly lower side EBITDA as well as the revenues. So just wanted to understand usually 4Q has a notion that it's the strongest quarter. So what has happened and if you give us the volume details as well how much of tonnage we have executed in 4Q?

Sanjay Agrawal: No, it is -- see it's not related to the Q4 is always the strongest quarter. It is where we have or which orders are ongoing. And a lot of our export orders were completed in Q2 and Q3 and majority of execution which was happening in Q4 was mostly water. So that's why the EBITDA is slightly weaker compared to the other two quarters.

Vikas Singh: Understood. And the volumes for 4Q or for full year whatever you are comfortable with?

Sanjay Agrawal: So the volumes approximately we are at around 3.5 lakh tons.

Vikas Singh: Understood. Sir, just one last question. In our outstanding INR2,100 crores order book what is the oil and gas and water mix as well as the export versus domestic?

Sanjay Agrawal: So oil and gas water currently is I think, a mix of 80-20 and export is approximately 80-20 as well.

Vikas Singh: Understood sir. Sir just one for 350,000 tons given 9 months we have done 2 lakhs. Basically, the last quarter numbers come out somewhere around 140,000 plus. So looks -- so given that higher volume, but lesser EBITDA looks on a slightly distorted side. So am I calculating correctly or there is some error here?

Sanjay Agrawal: No. There might be some error, but nonetheless this quarter was -- if you see tonnage obviously if you do more tonnage also, but you're doing more water your EBITDA is going to be lower. Like I said this quarter was a lot of water work as well and that's why the EBITDA is low comparatively.

Vikas Singh; Understood. That’s all from my side. All the best for future.

Moderator: Thank you. The next question is from the line of Dhavan Shah from Alfaccurate Advisors. Please go ahead.

Dhavan Shah: My question is also on the mix of execution during this quarter. So I think last quarter also you mentioned that the execution was more towards the water side. And this quarter also, we are seeing the execution is more towards water even though 80% of the order book is from the oil and gas?

Sanjay Agrawal: Last quarter was not water mainly, last quarter was majorly exports.

Dhavan Shah: Okay. So in exports the margins are better or lower than the domestic?

Sanjay Agrawal: Export margins are better. Q3 margins and obviously if you see it was better. Q4 is slightly weaker is because a lot of the domestic water book was going on at that time and that's why. And this keeps changing. Our business is not a quarterly based business it is a consolidated yearly business.

Every quarter has some businesses which we take quickly then the oil and gas businesses goes on for 6 months to 12 months. So it's not everything, every time in our hand to estimate what is the oil and gas ratio, but we tend to take less water, but last year since we want to push up our turnover, we want to push up everything we are going more aggressive in water also. That's why.

Dhavan Shah: And the EBITDA per ton wise can you share what is the EBITDA per ton mix between domestic export, oil and gas and the water business because the competitor which has reported the numbers recently I think they are showing a good EBITDA per ton, but it is not reflecting our numbers. So if you can share thoughts on that?

Sanjay Agrawal: Some of our competitors might have got an order which may be if you get sometimes you get EBITDA which is USD200, USD250 also and sometimes you get EBITDA of USD150 also per ton and then if you do water also then you'd get probably USD60 also in India. So that's why it's difficult to give, but oil and gas tentatively between USD150 to USD250 depends on how many competitors, which region, how tough is the project and water is between approximately between INR5 to INR7.

Dhavan Shah: Okay. INR5,000 to INR7,000 a ton. Okay you are saying that on an average we should do roughly INR9,000 to INR10,000 EBITDA per ton on a blended basis for full year?

Sanjay Agrawal: Absolutely.

Dhavan Shah: And how much tonnage are we expecting in the next year? This year, we ended up with 3.5 lakh tons.

Management: We are looking at around 25% increase in the tonnage as well. The difference is that this year, the tonnage was - even though it is high and next year also, the tonnage will be higher, probably, but the prices of steel came down steeply in the middle. So the direct proportion also varies because 6 months if the price is down and 6 months price is up, then again, it varies.

Dhavan Shah: Okay. And in the INR2,100 crores of order book, is there any orders from ERW?

Management: Now yes. We've got around INR150-odd crores worth of orders of ERW.

Dhavan Shah: Okay. And in the press release, I think we mentioned that this INR2,100 crores order book would be executed in the next 6 months. So maybe by October end, we are targeting this INR2,100 crores kind of the revenue?

Management: So between October to December, 6-8 months is the generic time. Sometimes your delivery date is longer in the - as per the contract of this, but your FG gets ready and you don't want to block the mail because if you have some other orders to take. But 6-8 months is the more accurate base. So probably by November, December, yes.

Dhavan Shah: And by when can we expect the Jammu and maybe - I think we were planning to expand in Saudi also, right? So when can we expect the capex to be commissioned for both of these?

Management: We're announcing Saudi, hopefully, like I said, next time, and it's already under progress, but it should be - the tentative time line for operations is March '25 and that is SS is March '25 for the first phase and the second phase because the mother pipe and pilgering is there, that would be probably second - between second and third quarter of '25.

Dhavan Shah: This for Jammu you are saying second and third phase?

Management: Sorry?

Dhavan Shah: Second and third phase - first phase, March '25 is for Jammu you are saying?

Management: This is for Jammu, yes, as well as for Saudi and for Jammu, second and third phase in the sense of there is mother pipe and pilgering and everything. So that would take another 3 months to 6 months to stabilize.

Dhavan Shah: And capacity-wise, can you share, how much capacity will come on board because of Jammu and Saudi by March '25? And maybe by 2Q, 3Q, '25, what kind of capacity increment numbers can come?

Management: So approximately capacity in Saudi would be around 400,000-500,000 tons. And in Jammu would be around 20,000-25,000 tons of stainless steel.

Dhavan Shah: Okay. So by March '25, how much will come on board?

Management: March '25 will be the first - is the operation. So then the first year of operations will be probably 30% or 20% of production for 20% to 30% for SS. And for Saudi will be probably around 40%-50%.

Dhavan Shah: Got it. And how is the order inquiries right now from the export market in domestic?

Management: Very good. The domestic market is still competitively very strong on water, slightly weaker on oil and gas, but export market overall is quite bullish.

Dhavan Shah: Got it. Thank you. That's all from my side.

Moderator: Thank you. The next question is from the line of Kalpesh Gothi from Valentis Advisors Private Limited. Please go ahead.

Kalpesh Gothi: My question is to ERW projects. What kind of revenue we're targeting for next year? And what kind of utilization we are targeting?

Management: We are targeting around volume of around 4 lakh tons. And approximately, utilization would be around 50%-60%. But the utilization is quite subjective, depends on the size of order, the thickness and everything. Sometimes you get an order which is ongoing and a good size, then your utilization percentage suddenly jumps up to 70%, 75% also of that. That's the approximate guidance, which I can give you.

Kalpesh Gothi: In the previous question you answered, you said margin expected to be remained flat in '25 and in '26, 13%. And you said for over the period of 3 years, I missed the margin you are expecting?

Sanjay K Agrawal: Yes. So like I said, that the margin from the operations of the stainless steel and the Saudi would obviously drive up the EBITDA portion in the '25, '26. And looking at the next 3-year horizon, we were looking at an EBITDA of between 14%-15% comfortably for the group.

Kalpesh Gothi: Right. Sir my last question is related to the company, we got demerge [Man Infraprojects 19:17] in 2019 we recorded, but the shares are probably given to the shareholders, what the status is there?

Management: So basically, whatever Man Industries had to do, we have done and we have done the needful and giving it to the court. But per se, everything is spending from the other side and so we are -- I can't comment more than that. I don't know when it will happen. But whatever we had to do as a company, it's already been done.

Kalpesh Gothi: So it is stuck in the court, right?

Management: Yes, it's still in court, and we don't know. I can't give an answer to that when it will happen.

Kalpesh Gothi: So is it better - just cancel the recorded because of recorded other entities there, but the share is not being delivered, at least we can do that right, I guess?

Management: No, that's what I said that, see, there was an obligation of our company, Man Industries, which has already been completed and filed in court. The other side is not doing needful, and it's not moving. So we can't do anything. So I really cannot comment any further, it is in court, and I don't know when it will happen.

Kalpesh Gothi: Okay. Thank you.

Moderator: The next question is from the line of Pradeep Rawat from Yogya Capital. Please go ahead.

Pradeep Rawat: Good Evening everyone and thank you for the opportunity, my first question is related to our capex. Sir, all the capex that we have completed till now, ERW pipe and stainless seamless pipe and that steel band and connector capex. So what are the asset turns that we can expect from these capex separately?

Sanjay Agrawal: So basically, ERW can generate a top line of approximately INR700 crores to INR800 crores and bands is, give or take, approximately INR100 crores to INR150 crores with a good bottom line bands would give approximately a 20% plus bottom line. And SS, we could achieve on a 70% to 80% utilization of SS, would be around INR800 crores to INR1,000 crores of top line and a comfortable EBITDA between 18% to 20%.

Pradeep Rawat: Okay. And with respect to stainless seamless pipes, so as we can see in the industry that there are some distressed companies that are turning around right now and their utilization is ramping up. So do you foresee any kind of supply glut in the foreseeable future?

Sanjay Agrawal: If the companies which are shut are continuing and giving -- and there is more demand, then I don't think there will be a glut and also our competitors of what the kind of mill we are putting, it is only mainly Ratnamani and that's what we are aiming at. So I think we -- I don't -- currently, whatever the market research, what we see and what it shows and the growth pattern, we don't see any issues in any glut or excessive material in that particular market.

Moderator: The next question is from the line of Saket Kapoor from Kapoor & Company.

Saket Kapoor: When we look at your year-end numbers and that we see there is an increase in the change in inventory to -- at a consolidated level to the tune of INR128 crores.

Sanjay Agrawal: Good afternoon, this side Sanjay Agrawal. The inventory we need to carry basically because of the project-based orders we need to execute. Then sometimes in order to execute the orders, we need to procure the inventory well in advance so that the delivery can be done well as per the scheduled time. So that's the reason in the month of March, we have certain additional inventory that is going to be executed in the current quarter as well as in the coming days.

Saket Kapoor: Sir, in the earlier reply also, you mentioned about the current capex at INR140 crores and going ahead, INR800 crores capex. So can you just confirm the figure and what kind of capacity augmentation are we looking from a capex of INR800 crores?

Management: Yes. Sorry, INR140 crores was the capex done by the company itself. That means the company's contribution which is about INR350 crores, INR400 crores, out of which the company has already made INR170 or INR140 crores. The total capex outlay is around INR900 crores to INR1,000 crores, in which the company's contribution is 30%, 30% to 33%. And the rest is already with the financial closure is done, and the LCs of major equipment's and everything is already opened.

Saket Kapoor: Sir, when you say company's contribution, could you elaborate what are you trying to explain, means equity contribution and the remaining is the debt.

Management: The equity debt contribution by the company and the rest is through the financial.

Saket Kapoor: Okay. And what kind of capacity augmentation will it happen when this goes through?

Management: So Saudi would be approximately 400,000 tons and the Jammu would be approximately 25,000 tons of stainless steel extrusion pipes.

Saket Kapoor: Saudi will be 400,000 tons and current capacity is?

Management: Current capacity in India?

Saket Kapoor: For Saudi where you are contemplating increase?

Management: No, no. So this is our first plant over there. The current capacity is of greenfield, 400,000 tons.

Sanjay Agrawal: We do not have any existing units in Saudi.

Saket Kapoor: So current capacity of 350 is in India and we are setting up a new capacity for 400 at Saudi.

Management: Yes, we are setting up a new capacity of 400,000. The India capacity is larger than that. India capacity is approximately 600,000 plus.

Saket Kapoor: Okay. And sir, if you take the entire basket today, can you provide the mix between the larger Dia pipe and the seamless and also now the ERW.

Management: ERW has just started and the API has just come in February. So now it will be picking up. So it could be revenue approximately contributing to between 15% to 20% of the revenue and the rest of the revenue is majorly coming from your LSAW and spiral both.

Saket Kapoor: Correct, sir. And on the other income part, sir, if you could explain what led to the increase in other income and other expenses also. Q-on-Q, there is a reduction of INR20 crores, whereas...

Management: So the other expenses is basically the logistic cost for the exports, which has gone up. So that is why the other cost has gone up. And when you are related to -- the first question was related to income. The income is principally related to your forex gain. So whenever we do exports, there is sometimes we get a forex gain. So this year has been quite good and we've got a forex gain. That's why it is reflecting. But it is generated through this business solely, it is part of the revenue.

Saket Kapoor: Okay. So they are unhedged again. It may fluctuate on both sides.

Management: No, no, hedged do leave, but natural hedging because you're importing and exporting. But sometimes you get the advantage of the dollar and everything whenever you get a business, so you get the benefit of that. So this year has been quite good because there has been a stability.

Sanjay Agrawal: There are certain is the reason -- in the form of -- with the bankers as well as the marketers

Saket Kapoor: Okay. And last question is on the debt number, sir. What is our current -- I think the current long-term borrowing is around INR140 crores and where it will peak, what would be this -- the number for this year?

Management: The long-term borrowing this year?

Saket Kapoor: Yes.

Management: So that would approximately increase.

Sanjay Agrawal: For the company, this will remain long-term moving.

Management: So it will be approximately going up. This year, it won't affect that much because the COD of the projects is coming from next year. So it will increase from next year onwards in the subsidiary.

Saket Kapoor: Yes, sir. I'm talking about the consolidated numbers only. Consolidated numbers, we find the long-term borrowing at INR136 crores.

Management: Correct.

Sanjay Agrawal: That will be the consolidated, there will be INR400 crores sanctioned by the banks, which we partly already committed by the bank and then the new projects over, where the loan is generated. So out of INR1,000 crores expansion program the company is putting around INR400 crores, INR600 crores will be the total burden, mix and match.

Saket Kapoor: Sir can you come again closer to the mic? Closing numbers, breakup?

Sanjay Agrawal: Sorry?

Saket Kapoor: Can you repeat your statement once again, closer to the mic.

Management: Debt of INR136 crores, this year as even consolidated will not go up because '25, '26 is the date for COD. Till that all the costs, which is capex out is capitalized. So, your debt levels don't go up as such, maybe INR10 crores, INR15 crores, INR20 crores. Next year onwards the consolidated statement will the debt will go up.

Sanjay Agrawal: Debt number will go up, finance cost will not.

Management: Why don't you also put an e-mail to us and if you want, we will do that.

Saket Kapoor: Yes. I will do that.

Moderator: Thank you. The next question is from the line of Ankur Agarwal from RC Wealth Solutions Private Limited. Please go ahead.

Ankur Agarwal: Your expansion of INR900 crores, which will be completed in the financial year of '25 or '26 according to you. After that in financial year '26, '27 what volume are you expecting in the top line INR700 crores or INR1000 crores or something like that?

Management: So, by '25, '26 and '26, '27 -- '25, '26 we will be around INR5,000-plus crores.

Ankur Agarwal: And '26, '27?

Management: '27 would be between INR6,000 crores to INR6,500 crores.

Ankur Agarwal: And the margin about 15%?

Management: Margin 3 years down the line would be that. It would gradually increase from 10% to 12% to 14% and then so on.

Ankur Agarwal: Any plan to increase the promoter or holding in the company? I saw in an interview that you guys are planning to increase the holding.

Management: Always. We do it. We will do it this year as well.

Moderator: Thank you. The next question is from the line of Pradeep Rawat from Yogya Capital. Please go ahead.

Pradeep Rawat: Sir, my question was regarding our current capacity on all the pipes at ELSO and other. And what would be the capacity after the capex that we have announced INR1,000 crores kind of capex. So can you please tell that?

Management: So current capacity is between around 700,000 tons and including ERW. So, 600,000 tons is approximately ELSO and 125,000 is for ERW. And with Saudi, we'll be at approximately 1 million plus tons, 1.1 million.

Pradeep Rawat: Okay. And what is the current utilization?

Management: Sorry?

Pradeep Rawat: What is the current utilization rate?

Management: Utilization is between 45% to 50% existing currently.

Moderator: Thank you. The next question is from the line of Akhilesh B an individual investor. Please go ahead.

Akhilesh B: Sir, I'm trying to understand why our capacity utilization is not moving up. And as you mentioned, it's a very bullish time for the sector and also export inquiries et cetera, very good. So why are we are not able to increase the capacity utilization at such a time?

Management: I will reply. In this industry, the capacity utilization depends on the nature of the product and product mix basis. The product mix basis, if you see our catalogue is showing 1 million tons capacity. The product mix does not come as per the [Inaudible 33:48] industries. So sometimes you get the low thickness of the business, sometimes very higher wall thickness of the business, which changes very fast.

This time, we were trying to put to around 0.5 million tons subject to what market conditions and what kind of order flow will be there depends on design et cetera velocity, design, pressure, everything. So this industry is actually the rated capacity separate and the practical capacity sometimes we are very busy, suppose this time, we are very busy.

Then our capacity is almost 100% utilized. And if we get the very higher wall thickness by business, higher walls [Inaudible 34:30], then there will be a different combination, different chemistry. So, try to understand the problem of the industry this is everywhere the same problem not with our company. So we are a reasonably booked -- reasonably very busy and some pockets always available with the industries where we can utilize much more. So that's why we are not increasing any capacity in India whatever we are increasing the capacity out of country. In Saudia, we are putting up the new plant, which will be the separate -- so this capacity does not mean -- and is not related to any Saudi capacity, both are different.

As regards to our Jammu plant, which is the assets, which is the different products and the different kind of value addition, etc. Over there, our capacity will be 25,000 metric tonnage of seamless pipe. Apart from seamless, some welded and other pipes will be done separately, which is being worked out. But both the projects going -- progress very well, etc., so this excess capacity does not arise -- question here, sir. I hope I try to clarify the position.

Akhilesh: Sir, I appreciate the answer, some follow-up on this. Are you saying this year FY '25, we are targeting 0.5 million tons of volume?

Management: Our target -- yes, sir, you are right. Our business budget and target is 0.5 million tons and likely to achieve it, considering the order flow and our bid portion worldwide and as well as to new contribution from our ERW, we are likely to achieve it, sir.

Akhilesh: Okay. And sir, one more question is on the order book. Usually, our order book is completely executable within six months. So basically, we have six month visibility of orders at any time of production. So -- but our bigger peers, they seem to have a longer duration order book. So do you think after you commissioned the Saudi capacity, some change will happen in the structure of order book also, we will have order book for one year and longer or it will continue like this?

Management: Sir, in our business, normally, we always hedge steel and other raw materials also. We do not take any risk of the big shipping charges on steel etc., because we are mostly export 70%, 80%. So our visibility of the business between six to nine months. So we always try to get the business to six to nine months, then there are other bidding and tender also. Accordingly, we decide what tender we should take, where we should be more serious to get the business considering market conditions, no risk taking about the -- suppose the contractor can book for the books two, three years, the road construction, etc.

But in our -- because of the steel our raw material and shipping, you cannot book more than one year, more than eight months. So whatever this condition controlling and keeping in the mind we book our business to safeguard our shareholders and company.

Akhilesh: It would be similar even after the Saudi plant comes offline?

Management: Saudi plant, also the same formula because we have to book the raw material also back-to-back. I think you – I think we understand this thing.

Akhilesh: Right. And sir, one last question. You mentioned, Mr. Nikhil mentioned that this Merino Shelter chapter may come to conclusion in this quarter. So any ballpark idea of how much cash it will give to the company on a net basis?

Management: I think this Nikhil already announced. And our documentation is going on over there. In this moment to disclose the figure is not the right thing. First, we have to disclose with Bombay Stock Exchange, where as per the requirement, legal requirement. But very soon, the documents will be completed, and then you will get this news. But this, I can say this at this moment only, it's a very comfortable position.

Akhilesh: We hope it will be done before the next quarter.

Management: Yes. Sure. Before we meet next time, I think we'll be done before.

Akhilesh: Thank you very much.

Management: Thank you, sir. Thank you.

Moderator: Thank you. Ladies and gentlemen, as there are no further questions from the participants, I now hand the conference over to the management for closing comments. Over to you, sir.

Management: We thank you, everyone, for participating in our Q4 2024.

Moderator: Thank you. On behalf of Emkay Global Financial Services, that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you.