

MAN Industries (India) Limited
Q2 FY23 Earnings Conference Call”
November 15, 2022

Moderator: Good day, ladies and gentlemen, and welcome to the Q2 FY23 Earnings Conference Call of MAN Industries (India) Limited hosted by Valorem Advisors.

As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing * then 0 on your touch tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Anuj Sonpal from Valorem Advisors. Thank you and over to you, Mr. Sonpal.

Mr. Anuj Sonpal: Thank you. Good evening everyone and a very warm welcome to you all. My name is Anuj Sonpal from Valorem Advisors. We represent the Investor Relations of MAN Industries (India) Limited. On behalf of the company, I would like to thank you all for participating in the Company's Earnings Call for the second quarter and first half of financial year 2023.

Before we begin, let me mention a short cautionary statement. Some of the statements made in today's Earnings Call may be forward-looking in nature. Such forward-looking statements are subject to risks and uncertainties, which could cause actual results to differ from those anticipated. Such statements are based on management's beliefs as well as assumptions made by and information currently available to management. Audiences are cautioned not to place any undue reliance on these forward-looking statements in making any investment decisions.

The purpose of today's earnings call is literally to educate and bring awareness about the company's fundamental business and financial quarter under review.

Now, let me hand over the call to the management participating with us in today's call. We have with us Mr. Ramesh C. Mansukhani, Chairman and Management Director. All over to you, sir. Thank you.

Ramesh C. Mansukhani: Good evening, everyone and welcome to the Company's Q2 Financial '23 Earnings Conference Call.

Let me begin by giving you a brief of the consolidated financial performance for the quarter. We reported revenue from operation of Rs. 465 crore, which declined by about 5% year-on-year. Our EBITDA stood at Rs. 15 crore with EBITDA margins at 3.29%.

We reported a net loss of Rs. 5 crore in quarter two financial '23 which was mainly due to abnormal fluctuations in foreign exchange and the sudden depreciation of the rupee.

On the operation front, our decline in revenue was primarily due to delay on the arrival of the imported raw material which resulted in a delay in the project start date of IOCL project. The vessel was delayed around more than one month because of some technical snag. That's why we lost the production of around 40 days as well as the top line as well as the bottom line. This was the first time in the company's history of 30 years that it has made a loss in a quarter which we believe will be recovered in the coming quarters. Maybe in this quarter we will recover whatever we lost last quarter as the order book of the company remains strong.

Additionally, we have participated for the new project in domestic and overseas market, and we expect to receive incremental orders in next few weeks. The unexecuted order book is around 800 crore, which will be executed in next five to six months. The company also has a bid book of approximately Rs 15,000 crore. This will help us to perform even better in the time to come.

Coming to our financial performance for the first half of the '23, our revenue from operations stood at 976 crore representing a growth of 9% compared to the same period of the previous year. Our EBITDA stood at INR 37.5 crore with the EBITDA margin at 3.84 crore, and net profit is INR 2 to 5 croreS.

On the CAPEX front, I am delighted to share that the work on our ERW steel pipes project is also on track, is progressing well as per the revised schedule which we declared last quarter. Along with this our plan to other Stainless-Steel business has also been progressing well, with orders of major critical equipment already been placed, most of the long lead orders which has to be imported from some from Europe and some from Japan.

I would like to thank all our stakeholders for their continued support and faith in our Company, and we remain committed to deliver profitable growth and remain one of the major players in the industry.

Lastly, to give a brief update on the industry, the demand of natural gas and the petroleum products in increasing, which can be seen from the revival of the demand in the auto sector, oil and gas sector is going well, and lot of CAPEX will come in this. Because of the oil prices doing much better compared to the, everyone saying recession in the world market, for oil and gas sector is doing very well. A lot of CAPEX plant coming in for better realization and

completion of the project. To cater to this rising demand, oil and gas, in fact, measures are planning to increase their CAPEX to develop network of the line pipes also.

We also see a strong demand in the water sector due to the push from government policies, which serve well for the pipe industry. With the revival in the demand environment **(inaudible 00:23:22)** also need to diversify our product portfolio. We are confident to scale our business to a new height in the coming year with sustainable and **(inaudible 00:23:31)** profit.

We can now open the call for the question-and-answer session.

Moderator: Thank you very much, sir. We will now begin the question-and-answer session.

Ramesh C. Mansukhani: I want to introduce our Company's Secretary, Mr. Jatin. Mr. Jatin is here, as well as Mr. Nilesh Shah, Accounts and Mr. Mahantesh, our IR.

Moderator: Thank you, sir. We will now begin the question-and-answer session. We have the first question from the line of Navid Virani from Bastion Capital. Please go ahead.

Navid Virani: So my first question, sir, was regarding margins. So, despite following a back-to-back order booking mechanism, sir, we are unable to protect our margins since last few quarters. So, sir, can you please explain what is not going right for us in terms of our efforts to protect margins? And how long in your understanding can this weakness last?

Ramesh C. Mansukhani: Mr. Virani, the most reported we have not taken any hit in EBITDA. The purely reason whatever we imported material, we got and sudden increase in the dollar prices, like, example, we imported the goods at the rate of 77, and we made the payment, for example, 80, 81 up to 82. So that is the loss there. So our raw material purchase gone to 80%, which was actually it was 72%.

So whatever hit we got on the foreign currency which we imported, normally we hedge. Always, we have the natural hedging. But particularly in this quarter, we were supposed to get export order which we got it, but the country where we got the order was not able to arrange the foreign exchange being some government regulation after releasing the order. So that's why we have to buy from the open market the dollar, and we have to make our payment. That's why raw material, it was impacted. So this is the first major reason.

Navid Virani: Sir, my next question is regarding our order book. So, sir, if I see last year in Q2 as well, we had 40, 50 crore worth of order with us which has now come down to 800. But at the same time bid book on both occasion was really strong at around INR 15,000 odd crores. So, sir, just wanted to understand why our order book is not moving in the desired direction despite, you know, having such strong bid book since I think at least a year now?

Ramesh C. Mansukhani: I will reply this thing. The order book right now is INR 800 crore as on today, but our bid book is 15,000 crore. As I already explained, there was some order roughly around US\$100 million, which we negotiated with one of the country. They couldn't open the Letter of Credit. That's why we have not considered that order. Now they downsized the other because of their Central Bank is not allowing to oil and gas companies. There is a government organization. So this order is renegotiated and is coming very soon. So order book 1315 crore or this 800 crore, it will improve in few weeks and months.

So this is a regular nature of the business. We should not worry, and it will be, order book will be comfortable in coming time. Because of the government involvement, evaluation process take long time, then dollar approval worldwide because of dollar got appreciated with all the currencies. So this was a historical problem. That is why we faced last month, but now slowly, slowly, slowly, dollar index also coming down, and now all the countries are still coming back to the market to confirm the order and open the Letter of Credit.

Navid Virani: Sir, next, you mentioned in your opening remarks that there were some delays in importing the raw material. So has that raw material been imported or it's still not at our end?

Ramesh C. Mansukhani: I will give clarity on this issue. The raw material was supposed to reach in three weeks. It was a full vessel. And it reached eight weeks because of some technical **(inaudible 00:29:40)** in between. So we lost five weeks' production for particular project which we got hit around 150 crore on top line. And the top line 150 crore, and the bottom line also you can say EBITDA was 13, 14% that kind of project, so 20%. But now raw material we got it, and we already produced also whatever hit last quarter we faced, we hope and expect that will be recovered itself in this quarter whatever we lost. It is a time management difference which was beyond our control, and now as per the yearly projections, we are still there whatever we projected few months before.

Navid Virani: And sir, what is the expected raw material mix going forward between domestic and exports given the kind of orders we have at hand?

Ramesh C. Mansukhani: Raw material prices, now they are stable after softening. Last few months, it's softening, softening, softening. Now it's stable. All our projects are fully covered raw material.

Navid Virani: Sir, lastly, couple of bookkeeping questions. Sir, firstly, there was a sharp drop in other expenses versus last year same quarter. Sir, what can this be attributed to, if you can share?

Ramesh C. Mansukhani: Depends. Last year same quarter, there was some export. The shipping freight and other things also come in this account. This quarter was a loss. Our export, we couldn't do any export. That's why this is normal expenses.

Navid Virani: And sir, last question I had was on the material element which is steel and this result in the form of stock in trade. So, sir, can you help us understand the nature of this item?

Ramesh C. Mansukhani: We got some opportunity. We were having some excess stock, and we sold out, and we purchased some quantity. That is why the stock in trade, that is only. There was some excess material we have to sell out. Otherwise, will be the excess material will be there in the plant. So we encash the money, that material.

Moderator: Thank you. We have the next question from the line of Nilesh Gandhi from Metadesign. Please go ahead.

Nilesh Gandhi: Thanks for taking my question and thank you for being in the helm of affairs. So if I may ask, what is this particular raw material which we are importing which is so critical for our operations?

Ramesh C. Mansukhani: This is a special steel.

Nilesh Gandhi: And this is, is there no way to hedge this from alternative locations or this is not available or manufactured by none of the steel factories in India?

Ramesh C. Mansukhani: Not in India. All quantity, all grade is not produced in India. So we have to import some quantity, and that liberty, the client, they give us buy the vendor approval list, get vendor approval list from particular grade specification we have to import sometime. And hedging the steel is not a problem. It was not we paid the steel price more. The problem once we visit the goods before hedging, the dollar go back. Normally, we always having the float of the hedging, but this time we were not having. That's why we booked the higher price, not by steel, because of the dollar. That's why our purchase increased. Otherwise, our EBITDA still is the same like last quarter almost.

Nilesh Gandhi: And, sir, hedging not from a price point of view, but from a supplier point of view, so that the client, customer only giving us options to buy steel from, you know, they will be giving us two, three options. So none of those worked, is it?

Ramesh C. Mansukhani: No, they give many. Sometimes three, four. Sometimes five, seven. But that's why it's not a issue. Here the last not because of the steel delay or anything. Steel got delayed because of the vessel. Vessel, some technical problem in vessel. That's why this is 40 days rather than 17, 18 days. So we lost around four, five weeks in this process. Whatever turnover we lost last quarter, it will come in this quarter which is already done, last 1.5 months. Today, 1.5 months is complete which we recovered, and we reached our target whatever we lost in last quarter.

Nilesh Gandhi: We have that and at what percentage capacity utilization are we running our factories currently?

Ramesh C. Mansukhani: Maybe 60, 70%, which is our industry norms. The 60, 70% is a good capacity utilization.

Nilesh Gandhi: So we still have that buffer where we could accommodate the last loss in the current. So after working or adding the last quarter's 40 days of work, also we are at 70% utilization. We still have buffer, is it?

Ramesh C. Mansukhani: Yeah. We have the buffer. This quarter we will do much better, and next quarter also do much better. So whatever we lost will be covered. End of the year everything will be covered.

Nilesh Gandhi: And my last question, sir, on there was this SEBI order. So can you just throw some light if that chapter is closed, and is it behind us, or there is something still pending on that front?

Ramesh C. Mansukhani: Regarding this our Company Secretary will reply on this..

Jatin: Good evening. As informed to me in respect of this forensic audit, the settlement application has already been filed on 26th September, and we are just awaiting the communication from the SEBI side.

Ramesh C. Mansukhani: It is admitted.

Nilesh Gandhi: So the settlement order has been passed.

Ramesh C. Mansukhani: Settlement proposal.

Jatin: No, settlement process, proposal has been filed.

Ramesh C. Mansukhani: Process.

Nilesh Gandhi: And that is a hit to our balance sheet from a number perspective to what quantity amount?

Ramesh C. Mansukhani: It is our proposal that got admitted, and there will be in process, next process they will call us, and we will settle down the issue. Hopefully, it will be resolved.

Moderator: Thank you. We have the next question from the line of Manan Patel from Airavat Capital. Please go ahead.

Manan Patel: Thank you for opportunity, sir. Sir, first question jut to clarify on the previous participant. So you mentioned that around 150 crores of order was delayed and you have executed that already in this quarter. So from my understanding, last year December we did around 600 crore. So if we maintain that, and on top of that 150 crore the top line comes, so do we expect around 750 crores top line in December quarter or is that understanding right?

Ramesh C. Mansukhani: We are aiming for whatever you are saying, and in the 1.5 months we did the good progress because we got the raw material. And we hope to achieve better than last year. And some portion will go to the next quarter also, because the client has given the window for next quarter also. So we still have the time. So some will come in this quarter. Some will come in the next quarter.

Manan Patel: And, sir, in terms of full year, do we expect some growth in terms of top line?

Ramesh C. Mansukhani: Now we are because of this some changes in the planning we are achieving, trying to achieve the same turnover of the last year, and as well as some new orders which are coming which will be the additional. The situation will be clear. We are hopeful to get some good order, and we will try to achieve much more.

Manan Patel: Sir, in the presentation we have mentioned that ERW will be completed in Q4 of FY '24. So I thought it was in Q4 of FY '23, right?

Ramesh C. Mansukhani: This is Q4 because all the equipment is already arrived. The erection commissioning is going on. Next three months erection commissioning will be completed. Then we start the trial production, and the commercial production as we already announced last time from 1st April '23 onwards we are going to start because we have seen this wrongly printed. It's a typo error. Q4 '23. You are right. It's our mistake.

Manan Patel: And, sir, in terms of margin, so we have taken a hit in last few quarters. So do you think we can do more than 10% margins in the coming two quarters and head on with the new ERW production in the next year? So can we reach 12, 13% margins in next two years?

Ramesh C. Mansukhani: This time whatever we are doing is EBITDA 10%, 10% plus except this quarter, which is normally hit because of foreign exchange. Now, whatever we are aiming the higher EBITDA margin business which we have quoted, which we are evaluation and negotiating, as well as the ERW will be the city gas distribution business which is having better margin. So we are trying to get the better margin on those, and the softening of the raw material price is helping the company.

Manan Patel: Sir, my question on Merino Shelters, so even in AGM we have mentioned that the issue will be done by Diwali, but I see no announcement related to that. So any updates on that Merino Shelters part as well as the Karnataka land part?

Ramesh C. Mansukhani: Yeah. Both the issues are developed very well. Regarding this Karnataka land, we already sold and execution of the document in next week. We will get the money next week. We sign the MoU with one of the company, and that is a listed company, and they will also announce, and we also will announce after the execution of the deal which will be in a week time. With regard to Merino Shelters, the problem which was along with the Piramal which we settled

down, and we signed the agreement, and that is under execution. End of the month that execution will be completed.

Manan Patel: So even in Merino Shelters by end of November we should execute the documents and get the money. Is that understanding right?

Ramesh C. Mansukhani: No, sir. The problem, the dispute we settled down with the Piramal in the Court of Law. The execution is going on, and in one month's time, then we will start selling. After this dispute, the sale block is over. Now we sell down, and our intention to bring the money before March, that intention we are working. After the court case was very important to resolve, which we resolve it.

Manan Patel: So the court case is resolved. But you will start selling once the documentation is done, and you should get the money, like you are trying to get the money by the year end.

Ramesh C. Mansukhani: That is our wish and the endeavor to work together, but the court matter and other dispute is over. So now it is very easy path to sell it out and monetize the money. So go back to money in the company.

Manan Patel: And, sir, in terms of the amount last time you indicated around INR 40 crores from Karnataka land and INR 150 crores from Merino Shelters. So does that amount still stand or we have to sort of dial it down a bit?

Ramesh C. Mansukhani: No, sir, regarding Karnataka whatever amount we said is same. We sign the document also, but still in convince. The next week we will get the money. Merino is under discussion to sell and that amount I cannot say at this moment. By the larger interest of the shareholders and company, we are trying to get as much as possible we are trying to fetch.

Manan Patel: Sir, we still have a long-term receivables of around INR 73 crores. So do you feel that there will be any write-offs or provisions on this, this year or next?

Ramesh C. Mansukhani: We are settling the issues with our clients, and some arbitration award we get in our favor, some against, some under appeal. The matter is under sub judice this moment. So I can't say, but there is no immediate program to put on the write-off. There is no program this moment.

Manan Patel: And sir, the last question is given the kind of revenues we do, like we have cash on book and some more cash to be expected from land and all, I understand we have CAPEX, but the valuations at which the company itself is trading, it makes a lot of sense to use the cash on balance sheet to buy back at least 10% of the company, and you will generate cash over a period of time for CAPEX as well. So it would be a great time to do a buy back given the prices that we are trading at. We are trading at almost half of the book value. So it's substantially undervalued and with the kind of confidence you have in the company, it would be great

gesture for even minority shareholders if you do a buy back and show the confidence, because the prior year's current marketplace does not reflect the potential of the company going forward?

Ramesh C. Mansukhani: Mr. Patel, thank you very much for your advice. I should not comment on this issue because the Company Board is going to decide. Whatever is possible, company does. Good suggestions. We will keep in our mind. But you are 100% right, the value is very under quoted, and you shareholders support have renewable price. As you know, this is not the right price which I can say only, because I am abide by lot of regulations which I cannot say much more, but we well note your suggestions.

Moderator: Thank you. We have the next question from the line of Raghav Hunt from an individual investor. Please go ahead.

Raghav: Sir, I just wanted to ask that how much of the CAPEX we have currently incurred for the ERW plus steel benD part, this INR 250 crores, how much have we spent currently?

Ramesh C. Mansukhani: We already spent more than 200 crore. Most of the equipments are arrived. Shares are ready. The few only electricity line etc., etc., work is going on. You can say approximately 80% we have already incurred.

Raghav: And sir, how much of the steel pipes, 470 crore what we have spent till date?

Ramesh C. Mansukhani: This 470 crore for Stainless steel project which will come in the company's subsidiary company where we are the main SS Limited, the Stainless-steel pipe. Most of the equipments we purchase from Europe and Germany, and the other long lead items purchased, and the other works are going on smoothly.

Raghav: And sir, can you quantify how much has been spent still now out of the 470?

Ramesh C. Mansukhani: No, because a lot of LCs and other commitment are there, this moment I do not have the figure, but ERW figure I was having. That is why I told you. This figure I do not have handy. We can provide you subsequently.

Raghav: And sir, one another question is that there is a balance sheet figure where advance for property has been given in non-current assets part which is around 70.26 crore. Sir, what does this pertain to? Actually, which property?

Ramesh C. Mansukhani: This is our property in New Bombay where we purchased the office premises of 56 crore. After loading the entrance is coming to 70 crores, but this property we are as I already answered to one of the Mr. Patel's question, we are selling this property, and this property where we are selling, he will construct the building and handover to us this property for our company corporate office. Part of the deal.

Moderator: Thank you. We have the next question from the line of Chirag from Keynote Capital. Please go ahead.

Chirag: Thank you for the opportunity. Sir, I just want a clarification that the current order book that we have of 800 crores, could you bifurcate this into domestic order and export order?

Ramesh C. Mansukhani: Chirag, this all orders right now is domestic.

Chirag: And could you bifurcate this domestic order into water and oil and gas?

Ramesh C. Mansukhani: No, no. Mostly, out of 800 crore, may be around 700 crore oil and gas with high value added products, and the export we have the lot of bids. Out of 15,000 bid, around 10,000 crore is export bid, and we are likely to get the good chunk in very coming weeks you can say.

Chirag: Wanted to understand in last one quarter timeframe, we are able to see that the peer set of our companies are able to increase their order book some 20, 25%, whereas our order book actually gone down from 1,100 crores to almost 800 crores. So can I understand what is the reason that you aren't able to get the order book growth in this particular quarter?

Ramesh C. Mansukhani: You see, Mr. Chirag, that every industry is having the different locations, and different strategy, different philosophy. The other peers getting their order where we are not there, our presence is not there, and we are getting somewhere order their presence is not there. It is not a very uncommon in the industry. So they are getting the orders. We are not getting for one quarter. It is not a right barometer. You have to see in few days that our order book also will improve. So it is difficult to because some area we are very strong. Some area they are strong, this industry. Some logistic, some other benefit, some approvals, we have, they don't have, they have, we don't have. It is not very uncommon in our industry.

Chirag: Totally makes sense. Could you just bifurcate this last year's order book into water-based order and oil and gas-based order?

Ramesh C. Mansukhani: Right now we 80% roughly is oil and gas, and 10 to 20% water, this combination in our company most of the time.

Chirag: Sir, can you just specificity the areas where you are comparatively stronger as you said that in certain areas might be the peers can be strong and certain areas you are strong. Can you just let us know which are the areas where our projects comes related to this oil and gas or maybe water-based products? There are high chances of probability that we are going to get those orders.

Ramesh C. Mansukhani: Yeah. I will give little hints. I cannot do the full analysis, but like we are strong in Middle East. One of the competitors is having unit in Middle East, and that area he is strong. We are not strong. Other part of the Middle East we are strong. It's a very difficult calculation. Some of

the people are having in North America plant. So they are strong over there. We are not strong because of the logistic pay.

Chirag: Within India we are, which vertical or region if you can specify western, eastern, northern or southern that you are a bit stronger?

Ramesh C. Mansukhani: So in India oil and gas all are equal, I think so, oil and gas. Maybe water was some area, there is a unit, we do not have. That is a different kind. Like we have the Madhya Pradesh unit where we are strong. We do not have Karnataka unit. In Karnataka, they are strong. Maybe sometimes business you get the Madhya Pradesh more, Karnataka less. Some year you see the Karnataka more, Madhya Pradesh less. It's difficult to design as per the market need.

Chirag: And sir, can I expect that the recent active bid book includes the Gujarat bid so that that is coming into place or the Rajasthan based project, is that coming into place?

Ramesh C. Mansukhani: Can you come again, please? Can you repeat please?

Chirag: Yeah. The recent orders, Should I expect that the active bid book would include the prospective orders that is going to come from Gujarat and Rajasthan in India?

Ramesh C. Mansukhani: No, it's specific. I cannot reply, but I can assure you around we had 15,000 bid book. We have orders from Madhya Pradesh, Rajasthan, Karnataka etc. We are from (inaudible 00:53:52). From where will be till date I do not or maybe today we are talking, tomorrow order comes. We don't know. And obviously, the export market, the different, different state, different evaluation, and we cannot guarantee tomorrow what happens. Maybe we are talking tomorrow, day after tomorrow, maybe one week what is going to happen. But the bid process normally in our industry, it takes time.

Chirag: And all the India-based projects are based on reverse bidding. So we won't be having such kind of margin fluctuation in these orders going forward.

Ramesh C. Mansukhani: No, no, the one thing as regard to water pipe segment, margin is still low EBITDA. But oil and gas depend on the project, value added products, what kind of grade, coating, lot of things. So that we almost maintaining all of this kind of margins.

Chirag: Like current order book of ours is 100% domestic and almost out of 800 we are having 700 crores in oil and gas. So I am expecting like in Q3 we are not going to have a gross margin of 20%. It would be at least greater than 22% to 23%. Is it the right sense? Is it the right way to look at it?

Ramesh C. Mansukhani: No, no, as I told EBITDA (inaudible 00:55:26). Gross margin will continue whatever historical except this quarter you forget which will continue this quarter next quarter. And whatever

order is coming which EBITDA, what grade, what kind of value additions, that is a different kind of thing.

Chirag: Sir, generally, what amount of inventory do we keep on ourselves whenever we have a particular project? For example, we are getting an 100 crores of project. By what time do we book an inventory or the raw materials that we buy? And how much do we keep it on our books generally?

Ramesh C. Mansukhani: Can you please clarify what is your question?

Moderator: [Operator Instructions].

Chirag: Sir, I was actually asking, like, we have so much certain amount of inventory as you have said. I just wanted to understand like what, how much inventory or percentage of the order book, how much inventory generally we keep with ourselves so that we can be or we can actually negate all the fluctuations in the raw materials and try to save our margins on gross sales.

Ramesh C. Mansukhani: No, no, I understood your question. First of all, when we get the order, 90%- 95% we immediately book it, and the balance after getting the yield etc., then lot of calculations, the balance 10% we buy later on. So we do not keep the inventory in release order. Once the order is coming, lot of calculations, then we buy the inventory. So no excess inventory etc., etc., is there. I think, is it clear?

Chirag: Got it.

Moderator: Thank you. We have the next question from the line of Manish Gupta from Solidarity. Please go ahead.

Manish Gupta: Sir, could you quantify what is the impact of the Forex loss in rupees crore?

Ramesh C. Mansukhani: Yeah. Manish I can give some figure where the realized loss is roughly in this quarter around INR 25 crore.

Manish Gupta: And sir, should one think of this as a one-off event?

Ramesh C. Mansukhani: Only one-off event in last 14 years. After Lehman Brothers. And normally, Mr. Gupta, normally we have always the export orders. Always. So we naturally is we already covered. This time we got the order from the country where they couldn't establish the Letter of Credit, and we were waiting, waiting, waiting, and the Central Bank has given some downsized the project. That's why we couldn't declare the order as well as so we couldn't get the LC also. It is a onetime loss, and the delay of the vessel was other issue where around 30, 35 days loss was the production INR 100 crores, 150 crores roughly, and that was EBITDA,

better EBITDA margin business. So on the two fronts, we are trailing in this quarter. I think this is very clear my explanation.

Manish Gupta: And my second and last question, sir, is it wasn't very clear to me by when will you be signing the agreement with Piramal for settlement of Merino?

Ramesh C. Mansukhani: Piramal we already signed, sir. Agreement we already signed, and settlement agreement is signed. Some court's formalities may be next 15, 20 days, 3 weeks we have time before 15th December to complete all the convictions.

Manish Gupta: And will you be at liberty to share what is the settlement agreement signed with Piramal in rupees crore?

Ramesh C. Mansukhani: This time it will be the court document very soon, and we signed the NDA. For settlement deed, we sign and it is with the solicitor lying over there. Both the parties standing over there, and the execution process is under advanced stage and you will get good news in few days. The matter is over.

Moderator: Thank you. As that was the last question for today, I would now like to hand the conference over to the management for closing comments.

Ramesh C Mansukhani: Thank you all for participating in this Earning ConCall. I hope we are able to answer your questions satisfactorily, and at the same time as per integrity of our business. If you are ready for the session who likes to know more about the company, so please reach us Investor Relations Manager at Valorem Advisors. Thank you. Stay safe. And stay healthy. Thank you.

Ramesh C. Mansukhani: Thanks a lot, sir.

Moderator: Thank you, sir. On behalf of Valorem Advisors, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.