MAN Industries (India) Limited
Q4 FY 2023 Earnings Conference Call
May 19, 2023

Moderator: Ladies and gentlemen, good day, and welcome to the Q4 FY23 Earnings Conference Call of MAN Industries (India) Limited.

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 "*" followed by "0" on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Purvangi Jain from Valorem Advisors. Thank you, and over to you ma'am.

Purvangi Jain: Good evening, everyone and a warm welcome to you all. My name is Purvangi Jain 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 Fourth Quarter and Financial Year Ended 2023.

Before we begin, I would like to mention a short cautionary statement. Some of the statements made in today's concall 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 undue reliance on these forward-looking statements in making any investment decisions. The purpose of today's earnings conference call is purely to educate and bring awareness about the company's fundamental business and financial quarter under review.

Now I would like to introduce you to the management participating in today's Earnings Conference Call and give it over to them for their opening remarks. We have with us Mr. Ramesh Mansukhani - Chairman, Mr. Nikhil Mansukhani - Managing Director and Mr. Ashok Gupta - Chief Financial Officer along with Mr. Rahul Rawat - Company Secretary.

Without any further delay, I now hand over the call to Mr. Nikhil Mansukhani for his opening remarks. Over to you sir.

Nikhil Mansukhani: Thank you. Thank you Purvangi. Good evening everyone, and welcome to the company's earnings conference call for the fourth quarter and financial year ended 2023.

Let me begin by giving you a brief of the consolidated financial performance for the quarter:

Our revenue from operations stood at 598 crores, representing a de-growth of around 2.6% year-on-year. Our EBITDA stood at 41 crores with EBITDA margins reported at 6.86%. Net profit stood at 26 crores while PAT margins were 4.37%.

Coming to a consolidated financial performance for the year ended 2023:

We reported revenue from operations of Rs.2231 crores, which increased by about 4.3% year-on-year. Our EBITDA stood at about 137 crores with EBITDA margins at 6.15%. We reported a net profit of 68 crores with a PAT margin of 3.05%. On the operational front, the unexecuted order book as on date stands at around 2300 crores to be executed in the next six to eight months. We continue to have outstanding base for more than 15,000 crores at various stages of valuation from several oil gas water projects in India and abroad, which sets are expectancy for good order book inflows.

During Q4 23, we successfully ventured into the ERW pipes business as planned. We inaugurated our first plant in Anjar, Gujarat dedicated to manufacturing ERW API grid line pipes to cater to the hydrocarbon and CGD sectors. We are witnessing multiple triggers and good inquiries for our projects and are actively participating in the tendering process. Lastly, to give you a brief on the industry scenario, at present there are about 17,000 kilometer long natural gas pipeline network which is operational in the country. In order to make natural gas available across the country it has been envisaged to develop an additional 15,500 kilometers pipeline to complete the national gas grid and same are at various stages of development. City gas distribution network has taken massive strides to offer convenient and affordable fuel, from just 66 districts in 2014 the CGD network covers 630 districts in 2023. Taking the number of domestic PNG connections from nearly 25.4 lakhs in 2014 to a whopping one crores currently.

The global onshore oil and gas pipeline market size is estimated to around 4.8 billion in 2023. And it's forecast to be readjusted to around 5.4 billion by 2028. During the forecast period 23 to 2028 the global oil and gas market grew from USD 6989 billion in 2022 to 73.3 billion in 2023 at a compound annual growth of CAGR 4.9%.

With that, I conclude my opening statement and we can now open the floor for the question-and-answer sessions.

Moderator: Thank you very much. We will now begin the question-and-answer session. First question is from the line of Niteen Dharmawat from Aurum Capital. Please go ahead.

Niteen Dharmawat: So, can you give me the revenue split between public sector and private sector for our last year's revenue, as well as of order book that we are having which we are likely to execute in six to eight months as you mentioned?

Management: Yes, good evening Mr. Niteen. The exact quantification at this moment is not possible. So, our most of the clients are PSU as well as the export and the separate split this time is not possible. With regard to your second question, what is the order position. The order position is roughly 2300 crore left out to be produced in next six, seven months to complete it and around 15,000 crore bid is pending, which we have good hope to materialize in our favor good quantity to get this year growth will be expecting around 50% top line as well as a great jump will be there in the bottom line in this current year. Most of the orders this time is roughly 80% is export and 20% roughly in the domestic market.

Niteen Dharmawat: So, this 80% export that we are talking about is for INR 2,300 crore or for the bids that we have put in?

Management: Out of the total order book of INR 2300 crores 80% is exports.

Niteen Dharmawat: Got it. And the 50% growth that we are talking about in the top line how much is going to come from export again 80% in the same range or will we have more domestic orders coming in out of that INR 15,000 crore bids that we have put in?

Management: Current year, it is basically is on the exports.

Management: Right now most of the orders are from exports so this combination will work out in the current year approximately 70% to 80% export and 25% to 30% will be domestic composition. This composition may change in future also, but because we have a good bid book position in domestic market as well as in international market, both market will be there. Mostly there will be higher export during this year.

Moderator: Thank you. The next question is from the line of Ankur Kumar from Alpha Capital. Please go ahead.

Ankur Kumar: Sir first question is on this order book of INR 2,300 crore, is it like evenly distributed like we will be doing close to say INR 300 crore per month or like it is some one month maybe very high or how should we look at this?

Management: Order book of INR 2,300 crore is going to be executed in next six to eight months' time.

Management: We said this particular order book which is enhanced should be executed in the next six to eight months.

Ankur Kumar: Sir I was asking will it be monthly around INR 300 crore or will it be different for each month like 700, 800 or will it be evenly distributed.

Management: It is distributed evenly over the next six to eight months but when we import steel the timeline may vary but more or less it should be distributed over the next six to eight months.

Ankur Kumar: So, like in April we had close to the INR 300 crore types?

Management: When we get order I don't start my production from the same day. So, if it takes two months to bring steel from somewhere so then the production starts and then it goes on average for the next six months you will get a pretty much consistent output.

Ankur Kumar: And sir in the balance sheet our inventory has reduced a lot but our order is quite good, so why have inventory reduced so much in the balance sheet?

Management: All the new orders we received in the back end of the financial year. New orders were flowing in the month of March. So, by the time we close our year, we have place the orders for raw material in the current financial year, so that will be reflect in the current financial year.

Moderator: Thank you. The next question is from the line of Kaushik from BK Investments. Please go ahead.

Kaushik: I have couple of questions, first is related to the borrowings, I see there has been a shot up in the short term and the long term could you speak about this, is it related to the stainless steel CAPEX?

Management: No, this long term CAPEX happened for our ERW project which has already been commissioned in the month of March 2023 and short term borrowings basically utilization of working capital limits. As regarding short-term working capital, it is around 170 crores, you can see the corresponding cash balance available now in our books in the form of some cash margin given for utilization.

Kaushik: Okay, so long term capital, long term borrowings we have taken but we have commissioned, so, why have we taken again?

Management: See this loan has been taken for ERW project now, the project has now commissioned once it will be repaid as per the repayment schedule once the project gets start generating revenues.

Kaushik: Okay. And I see there is a sharp reduction in the trade payables which is roughly around INR 300 to 350 odd crores.

Management: If you see the balance sheet is totally, our receivables has reduced our inventory has reduced. Simultaneously on the other side the payables have also reduced.

Kaushik: Okay. But since we have lot of order book, we generally see that it should be short up in payables right?

Management: Come again.

Kaushik: If we have like INR 2300 crores of order book that has to be executed in six to eight months, why there has not been short up in the payables then?

Management: Now, the orders have just been received now and we have not yet started receiving the supplies. So, once the material, we have opened the letter of credit and the materials are in the process of receiving. So, you may see the jump in this first quarter end in the inventory levels.

Moderator: Thank you. The next question is from the line of Bharat from Moneybee Investment Advisors. Please go ahead.

Bharat: So, my first question is, do you have some kind of target in terms of gross margin before you get into some contracts?

Management: These are the export orders and the margin of profit because this time we got some value-added products. So, our EBITDA will be much better than the last year which we closed recently. And the future order book, good EBITDA softening of our raw material which is going to greatly help to the company. So, we expect it to have good growth in the top line as well as the bottom line.

Bharat: So, sir what is the EBITDA per tonne that you get as of now, if you could just give details of that?

Management: I can't say per tonne but EBITDA between around roughly should be between 10% to 11% whatever last year was less because of the foreign action with last year. So, this year, we will get some much better results that is going to impact the bottom line in the positive manner.

Bharat: Okay. What is the current capacity utilization in LSAW, HSAW and ERW, ERW would be less compared to that of LSAW and HSAW?

Management: Right now, around 50% to 60%.

Bharat: And LSAW, HSAW both around 50% to 60%?

Management: Yes, both put together 50% to 60%.

Bharat: So, you would be able to cater to the existing order book with this current capacity utilization or would you have to increase the capacity?

Management: We are capable to do more so we are already bidding for some orders within the existing lines.

Management: With the capacity utilization of 50%, 60% we are aiming our existing order book to complete by December.

Bharat: Okay. So, how much time does it take to ramp up the capacity and adoptive utilization what is the revenue that you see?

Management: We can go up to INR 4500 crores at 70%, 75% efficiency.

Management: In our industry with this 50% to 60% utilization is a very great utilization. Because of the good order book position, we will be having much more to achieve greater achievement as well as more order there will be good capacity utilization in this year as well as in the coming time.

Bharat: Sir one more question, the bid pipeline that you said which is 15,000 crores. So, can you just tell me what is the success ratio or the conversion ratio that you see?

Management: It is between Bharat, so basically the bids we normally tend to get between 15% to 20% conversion.

Bharat: Okay. So, this 15,000 crores bid pipeline is over two to three years or what is the timeline of these bids?

Management: Basically, it's between the next 18 months. If everything goes well, a lot of the bids come but then it gets postponed, postponed, postponed and takes more time. But most of the bids, the genuine and the serious bids get done between 12 to 15 to 16 months maximum.

Moderator: Thank you. We will take the next question from the line of Aman Thadani from Solidarity Investment Managers. Please go ahead.

Aman Thadani: Sir my first question is on Merino shelters. Sir what is the settlement status with Piramal and what is the total amount that is pending from our end?

Management: So, the Merino shelter has already been settled. Piramal has already been paid and we've already released all the charge of the property everything. So, it is now free of charge everything belongs 100% to us.

Aman Thadani: Okay. And sir this amount, was this paid through Merino's book, or was it paid through MAN's standalone books?

Management: From MAN's standalone books.

Aman Thadani: Okay. And sir my follow up question is, what do we plan to do with this land?

Management: We are already in talks to sell it and hopefully we are not going to develop it and we've already got bids for selling it. So, hopefully very soon we will do an agreement and do an outright sale of the land.

Aman Thadani: Okay. Sir my second question is on the SEBI forensic audit. Sir in the last concall, you said that we have filed a settlement with SEBI and they will reach out to us in like two, three months. So, have they gotten back to us?

Management: No, it is still pending we have filed it, it is still pending.

Management: Settlement application has already been filed; we are also waiting for the final outcome of the settlement.

Aman Thadani: Okay. And sir my next question is on the performance, in the fourth quarter of FY23. We saw the other expense increase by 15%. So, what were the key line items, because of which we saw such a drastic increase in the other expenses?

Management: During the quarter basically, we got some order for, job work order we have received and whatever job charges got paid above 20 crores that got debited to the other expenses.

Aman Thadani: Okay. So, sir then how should we look at the EBITDA margins, because the EBITDA in Q4 were around 7%. And when we guide for some 10% to 11% EBITDA margin in the SAW business. So, how should we look at the EBITDA margins going ahead?

Management: So, EBITDA margin.

Management: Anil, Mr. Thadani as I already indicated, last year EBITDA gone down because of the foreign exchange one quarter loss, you are aware. Now, the EBITDA we are anticipating much higher this year 10% to 11% because we got some value-added products other things and all will be done at our campus and the better value addition, better value EBITDA, better top line and bottom line. So, it is going to improve drastically in the next three or four quarter.

Moderator: Thank you. We will take the next question from the line of Ankur Agarwal from RCA Wealth Solutions. Please go ahead.

Ankur Agarwal: Sir, what are your projections for the next two, three years like how much is the sale and profits?

Management: So, we are looking at the top line between growth of at least 20% to 30%. Like our Chairman said this year is exceptionally good we are doing almost 50% growth, but on a consistent rate we are looking at a growth of almost 15% to 20% growth for the next five years.

Ankur Agarwal: And margin will be at 10%, 11% so low like 6%, 7%?

Management: We are targeting a 10%, 11% and actual EBITDA margin depends on when we take the order depends on our availability of the manufacturing facilities, if we have spare capacity then we may go somewhat on a lower margin, but if the plant is already overloaded with the execution of orders, then we may get above aggressive on the pricing front.

Ankur Agarwal: Raw material up and down may cause some margin pressure or it will be hedged by and thing like that?

Management: We generally put, cover our raw material requirement 80% back-to-back once we receive the order we place the order for raw material.

Ankur Agarwal: How much cost of the real estate of Merino Shelter, what you think?

Management: 150 to 170 crores

Moderator: Thank you. The next question is from the line of Mukul Jain, an Individual Investor. Please go ahead.

Mukul Jain: I wanted to know about ERW, so already you have still the plant. So, what order you have received yet from the print order book, is there any order which you have received?

Management: Mr. Mukul, we have just started the ERW, we are still working on the certifications of API and everything which takes a little bit of time. It's already been filed. But we've got some small orders over 2000, 3000 tonnes which we are already doing. And sooner, the certifications will come in the next couple of months. Then the mill, quantity and the business of ERW will pick up.

Mukul Jain: Okay. So, you expect from Q2-FY24 to be completely utilized, what expectation you have put on the utilization going forward?

Management: Q3 and Q4 should be better and will get more and more stabilized because it is just started. So, Q3, Q4, we are not very optimistic, but we are working towards doing the best currently because it's a brand-new plant. And we will keep you all posted every quarter on how it's progressing, but we are very hopeful that from next year there are a lot of orders in pipeline, so we'll be able to get a certain portion of the pie for us.

Mukul Jain: Okay. Just last question any guidance on EBITDA margin from the ERW business?

Management: EBITDA margins will be on the similar levels of 10% to 11% and we are looking at a top line of ERW this year would be between INR 200-300 crores.

Moderator: Thank you. The next question is from the line of Niteen Dharmawat from Aurum Capital. Please go ahead.

Niteen Dharmawat: Sir, what is the raw material trend that we see, is there any pressure on raw material now or has it come down?

Management: It has come down now in the last couple of months, the trend of steel is coming down, it's softening up.

Moderator: Thank you. The next question is from the line of Kaushik from BK Investment. Please go ahead.

Kaushik: Sir, I have question on the ERW business, could you talk about it more because I see there has been fluctuating margin in the ERW pipe. So, what kind of plan do we have? Could you explain how it will be stable margins 10% to 12%, so want to understand more on that.

Management: So, ERW API business normally tends to the business is on the same lines of the pipes. And the margins and the customers are also similar with your GAIL, HPCL, IOCL, BPCL and the CDG clients. The EBITDA margin, with most of the players if we see is between 9% to 11%. There is another line of business, which is other than API which is the highest grade work, which is a little bit lesser margin, but more on the turnover basis. But as we have installed this is as an API line a premium 18-meter API line. So, we will be focusing more on this and exports to get better margins.

Kaushik: Okay. On the stainless-steel pipe that we are incurring next year, and how much CAPEX it would be and it will be commissioning in next year or the work has been started on the CAPEX?

Management: You are talking about stainless steel?

Kaushik: Yes.

Management: The stainless steel the investment is around INR 550 crores, the work is already started and we should be in operational by December 2024.

Kaushik: December 2024, that is this. And the order book how do we bid, we purely get the order for it will be like same ERW that we commission and we wait for the order book to pile up?

Management: Commissioning is by September, October so we should be in a position to start getting orders by December 2024.

Moderator: Thank you. The next question is from the line of Ankur Kumar from Alpha Capital. Please go ahead.

Ankur Kumar: Sir question on the total debt so our total debt, how much is the total amount right now and what will our peak debt be?

Management: See during the current financial for FY22-23 my long-term debt is around INR 135 crore. Short term borrowing is INR 170 crore. And taking into the implementation of our stainless-steel project, the peak long term debt in the book would be around INR 400 crores by 24-25.

Ankur Kumar: Okay. And working capital would increase in similar proportion?

Management: Yes.

Ankur Kumar: Okay. And sir on margin side you are saying 10% to 11%, but have we booked raw material and you are also saying that we generally book 80% of raw material so on this INR 2,300 crore order book have we already booked our raw material that we are confident of this double-digit margins?

Management: Yes, more than 80% of the raw materials has already been booked.

Ankur Kumar: Got it. And sir on depreciation what kind of depreciation number we expect in terms of increasing because we are increasing on new capacity?

Management: This year would be around 60 crore, 60 to 65 and going forward around, and after the assets expansion done would be around 100 crores.

Ankur Kumar: Okay sir and our interest rate would be?

Management: That is a different company we should not, don't get the mixed typically.

Management: And the consolidated depreciation.

Management: No, consolidated is a separate thing.

Management: Mr. Ankur what was your question?

Ankur Kumar: I was asking about the interest rate which we will be paying?

Management: Interest is between 9% to 10%.

Moderator: Thank you. We'll move on to the next question from the line of Bharat from Moneybee Investment Advisors. Please go ahead.

Bharat: So, this 2000 crore order book that you have so can you just tell me how much is it in volume terms?

Management: Around quarter a million tonne.

Bharat: So, my another question is, you import 70% of the raw material. So, how much do you hedge against it, I'm sorry if I'm repeating the question.

Management: Hedge?

Bharat: Yes.

Management: As I told you that we generally book steel back-to-back, we place immediately at least 80% to 90% steel we book on back to back basis.

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

Manish Gupta: I have five questions. My first question is that, in Q3 we had the adverse impact of the FX loss, in Q4 the EBITDA is 6% while we tend to guide for 10% to 11% steady state EBITDA. So, why would the EBITDA margin in Q4 6% and not close to 10%, that's the first question.

Nikhil Mansukhani: So, Manish major of the orders done in Q4 were of oil and gas. And also, one more thing in Q4, the market range of the uncovered steel also of the 10%, 15% the market of steel ran up from January and went to the peak again in March and then it started coming down. So, that also had a certain impact on us on the last quarter. So, that is one of the reasons that our EBITDA was hit in that quarter. And the overall EBITDA also was down, the EBITDA hit in the quarter was around 1% due to all these things and the overall hit in EBITDA from last year was around 2% which we were on track that 2% was because of our FOREX loss.

Manish Gupta: Sorry, just a follow up on this one. I'm saying if we had a 1% impact, because of the un-hedged steel running up, then should the EBITDA have been somewhere in the range of nine, what explains the difference between nine and six, because my understanding is.

Nikhil Mansukhani: This quarter is 7.5%. If you see the EBITDA quarter is 7.5% and we were on track like we said, we had some orders of that particular quarter we were executing for water as well. So, water generally runs into a lower EBITDA. So, that is why but also the impact of the steel suddenly running up, also impacted around a 0.5% to 1%. So, that is why we would not get our 9%, 9.5% which was expected on that quarter. And for the year like we said the reason for the 2%, 2.5% loss was on EBITDA was because of our FOREX loss.

Manish Gupta: Okay, great. My second question is that now for this INR 2,300 crore order book a lot of this is export order. Are you hedging your, you would import steel, but these are export orders. So, what's the decision on, have you decided to hedge the export, how are we preventing the repeat of Q3 because of the FX mismatch?

Nikhil Mansukhani: The repeat of Q3 was because last year we did not have we had only 10% export orders. So, we did not have a natural hedge position. Compared to this year we already had 80% of exports so we have naturally hedged whatever the portion of export, we have already hedged all of it so that what happened last year will definitely not happen this year again.

Manish Gupta: Okay, great. My third question is Nikhil that, you are saying it's a 2300 crore order book, it's export oriented, you have a natural hedge, you're saying six to eight months for execution. So, if we assume I'm just taking a thumb abroad number, if he takes about 2000 crore execution in the next six months, you are guiding for about roughly you said 50% growth. So, broadly 3200 crore for the year do you think we could do, are you therefore saying that we could do almost 320 to 350 crore EBITDA for the full year FY 24?

Nikhil Mansukhani: Yes, so our target is EBITDA of around 300 crore and we should be hitting the target this year. With the current order book, and the bid which we are at L1 positions, our estimation is to hit exactly INR 300 crores of EBITDA this year.

Manish Gupta: Okay. My fourth question was on Merino, you made a very clear statement on the call that you are not going to develop the project you intend to sell it, by when do you target sale in cash in the company?

Nikhil Mansukhani: We've already got couple of offers and the approximately timeline would be 3-6 months because anyone who's coming is the payment terms are within three to six months. But, we will close this transaction in the next three months and the first tranche of payments should be within the next three months as well.

Manish Gupta: So, by June end we should get some money in you are saying?

Nikhil Mansukhani: Not June end, we are in May around July.

Manish Gupta: Okay, great. Two more questions, the second last question is, I thought I heard you say between 15% to 20% CAGR. Now, that's a very, very aggressive guidance that you are giving, can you talk a little bit about it in a bit more granularity about what gives you the confidence for such an aggressive guidance because the company is actually not grown for almost a decade now.

Nikhil Mansukhani: Yes, correct absolutely. So, why that guideline is that because currently we are at around Rs.2100 crores, if we are saying that a 20% growth into five years that mean we should be at a Rs.4200 crore top line in the next five years. Now, I'm confident in saying that is the reason is, that today we are already from the existing lines we are expecting to touch between Rs.2800 crore to Rs.3000 crores of top line which we can think we can consistently do that. Other than that, we are expecting between Rs.700 crore to a Rs.1000 crore top line from ERW which is just, it's at a nascent state of production, but it will pick in from next year actually two quarters down the line it will start really moving and then probably next year it will start picking in more and more into the top line. So, even if I am saying 500 crores top line coming in from ERW suppose next year and then our SS and value-added products which is our bending, our connectors and other businesses. So, we are very confident that we will be able to go to approximately Rs.4200 crore because as such we are assuming December 2024, as the starting of the production full-fledged and getting orders. And that can go up to between Rs.800 crore to Rs.1000 crores of top line as well. So, in the next four years, we should be comfortably at a Rs.4000 crore to Rs.4002 crore top line which is from now, from the current existing year we just finished at 20% CAGR that's why.

Manish Gupta: So, Nikhil, what can go wrong here because the implicit assumption is that we can sell all this capacity?

Nikhil Mansukhani: So, I will tell you Manish the point in this is we are not assuming any of the production at a 100%. Even as a ERW like I said we are only targeting Rs.200 crores for this year, 350 crores for next year whereas It can go up to 1000 crores. So, we are expecting 30%, 30% production as we are 30% sales of the top line what it can achieve is because it's a newer business we are just getting into it, we will slowly develop the business and the same goes for SS. It's a new line of business though we have studied it and we are getting into it but it will take time. But even keeping that in mind and like I said, I am only counting 20%, 30%and 40% ramping up of those new business in the next three years. Still my existing business which is MAN Industries is a good business of Rs.2500 crore to Rs.3000 crores even more on a good year. So, keeping that as a constant and keeping the new businesses which are coming in, I do not see any issues in achieving the 20% growth for the company.

Moderator: Thank you. We will take the next question from the line of Ankur Agarwal from RC Wealth Solutions. Please go ahead.

Ankur Agarwal: Sir my question is like you said this year we will do a top line of Rs.3200 crore top line so going ahead the growth will slow down around 10%. There will be yearly growth because in five years you are saying that you will do Rs.4200 crore sale and this year we will do a sale of Rs.3200 crores?

Nikhil Mansukhani: Yes, sir from this year I am saying that from now onwards from this year we did 2100 crore approximately from there 20% as a growth portion I am saying, this year if we are doing 3000 crore then we are going to take it from there only, I am giving as a conservative number that even if we say only 20% growth from here on. We are going to do around 100% growth return in five years is on the conservative line which we can 100% achieve through all our other businesses which we are expanding in.

Ankur Agarwal: Sir what is the dividend policy of the company?

Nikhil Mansukhani: I can't get you.

Ankur Agarwal: Dividend.

Management: Dividend is a subject, the Board of Directors will take the decision.

Ankur Agarwal: So, this year you will not declare any dividend?

Management: Sir, I cannot say anything right now but we are saying we are very bullish and you will get some news let the time come, the next Board of Director will take the decision about the dividend distribution. We are not saying no.

Ankur Agarwal: Any fix policy of companies where they share an x percentage of their dividend.

Management: Yes, we do have such policy but we are in the expansion. You will get some good news, the expansion CAPEX and other programs is going on and the dividend is also one of the agenda we will put in the next board meeting and let them take the decision then we will inform you sir.

Moderator: Thank you. As there are no further questions from the participants, I now hand the conference over to the management for closing comments.

Management: Thank you for all the participants in this earning call I hope we were able to answer your questions satisfactorily. If you have any further questions or would like to know more about the company, please reach out either our Company Secretary, or our Investor Relations Manager at Valorem Advisors. Thank you. Stay safe and stay healthy. Thank a lot for your presence and your patience.

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