"Man Industries (India) Limited

Q2 FY '25 Earnings Conference Call"

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MODERATOR:	**MR. MOHIT LOHIA - ICICI SECURITIES**

Moderator: Ladies and gentlemen, good day, and welcome to the Q2 FY '25 Earnings Conference Call of Man Industries hosted by ICICI Securities. 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 touch-tone phone. Please note that this conference has been recorded.

I now hand the conference over to Mr. Mohit Lohia from ICICI Securities. Thank you, and over to you, sir.

Mohit Lohia: Yes, hi. Thanks, Jacob, and good afternoon, everyone, and thank you for joining us today for Man Industries Q2 FY '25 earnings con-call. First of all, I would like to thank management for providing us this opportunity to host the call. From the management side, we have Dr. Ramesh Chandra Mansukhani, Chairman of the company; Mr. Nikhil Mansukhani, Managing Director of the company; Sanjay Kumar Agrawal, Chief Financial Officer of the company; Rahul Rawat, Company Secretary; and Mr. Kamal Kant Sahoo, Strategy.

So without further delay, I would now hand over the call to the management for opening remarks. Thank you, and over to you, sir.

Nikhil Mansukhani: Yes, hi. Thank you. This is Nikhil Mansukhani. I would like to greet everyone a very good evening. In Q2 FY '25, the company achieved a stand-alone revenue of INR805 crores, reflecting a 10% increase in quarter-over-quarter. Our EBITDA stood at INR77.6 crores, which is approximately 25% up than Q-o-Q, resulting in an EBITDA margin of 9.6%. The PAT levels were at INR35 crores and a significant increase of 45% on Q-o-Q.

Consolidated results show a revenue of INR806 crores, up by 7.7% with an EBITDA of INR74.5 crores, representing a 28.7% Q-on-Q increase and resulting in an EBITDA margin of 9.2% and a PAT of INR31.9 crores, which is up by 67.2% Q-o-Q. On a half yearly basis, the H1 FY '25 stand-alone revenue was INR1,536 crores, a 4.4% year-over-year increase while EBITDA was at INR139.5 crores declined by 4.5% year-on-year.

Resulting in an EBITDA margin of 9.1%. PAT was at INR59.2 crores, a 6.9% year-on-year growth. Consolidated revenue for the same period was INR1,554 crores, a 3.8% increase year-on-year with an EBITDA of INR132.3 crores, decline of 6.5% year-on-year, resulting in an EBITDA margin of 8.5%. PAT stood at INR50.9 crores, a slight increase of 1% year-on-year.

Despite a decline of approximately 15% during the last few quarters in steel prices, our company experienced a 7.7% growth of Q-o-Q due to increased sales volumes. We maintained a positive outlook for the financial year. Operationally, we have a robust order book exceeding INR3,100 crores expected to be completed in the next 6 to 12 months, positioning us for strong future performance.

Our balance sheet improved significantly, moving from a net cash position of INR175 crores on 31st March FY '24 to INR202 crores on September 30, 2024, highlighting our effective financial and liquidity management. Recently, we have announced an additional prestigious order worth INR1,850 crores from Southeast Asia. This is for execution over the next 12 to 18 months.

Our expansion plans include a new plant in Dammam, Saudi Arabia with an estimated cost of approximately INR600 crores to be operational by Q2, Q3 FY '26. This facility will feature line pipe manufacturing and coating plant to meet the Saudi Arabia's growing demand. Additionally, our greenfield facility of stainless steel, seamless tubes and pipes in Jammu is progressing well.

It is anticipated to begin operations again by Q2, Q3 FY '26, allowing us to tap into higher EBITDA margins. We remain committed to delivering value to our stakeholders. Thank you. We will now open the floor for the questions.

Moderator: Thank you very much. We will now begin the question and answer session. The first question is from the line of Viraj Mahadevia from MoneyGrow India.

Viraj Mahadevia: Congratulations on stable results. A quick question regarding your EBITDA margins. I think in the past, you guided towards margins moving higher. However, company is still finding it difficult for a 2-digit margin range. Can you....

Moderator: Sorry to interrupt there. Mr. Mahadevia, your voice is not audible. Could you come into network area, please?

Viraj Mahadevia: Yes, sorry. I was saying that the company has directed towards getting towards double-digit EBITDA margins over a period of time. However, the margins are still in the 8% to 9%. Can you comment a bit about this, please?

Nikhil Mansukhani: Yes. So Viraj, we are continuously trying to also increase our order book and executions. So a lot of times to increase the top line also, we take orders which are much thinner margins, especially in water region in India. And currently, that market is being very, very robust as well. So that is why slight pressure on the margin is there, which is accurately pointed.

But the next 2 quarters, the yearly outlook, which was approximately 10%, we should be able to achieve that because we have orders under execution this quarter and the next quarter, which will be delivering a higher -- much higher EBITDA. So probably the year ended, we should be in double digits.

Viraj Mahadevia: Understood. And in the second half are more export orders versus domestic price-sensitive water order?

Nikhil Mansukhani: Export orders are majority for the second half.

Moderator: The next question is from the line of Varun Mehta from Wealth Link Investment.

Varun Mehta: I just have this query on this order book what we have of INR3,100 crores and that INR1,850 crores order worth is including INR3,100 crores or that INR1,850 crores is separate of that?

Nikhil Mansukhani: No, no, it's including.

Varun Mehta: That's including. So this is the total, but you've been mentioning around 6 to 12 months for INR3,100 crores order book and whereas for INR1,850 crores, you've been mentioning around 12 to 18 months?

Nikhil Mansukhani: Correct.

Varun Mehta: Is it right?

Nikhil Mansukhani: So INR1,850 crores, we got the order. We've ordered the steel and everything. The execution will start from the next quarter. And it will go until approximately Q3, Q4 of next year. That is why -- and certain orders we've got -- that is just one INR1,850 order, which will be executed over the next 12 months from now. The other orders, some of them are already under execution and some are getting executed and some steel is in progress.

So that's why approximate time line for the INR3,100 crores order book is between 12 to 14 months.

Management: This is actually the blended time line and in between, there are some orders are also going to be received, which are also going to be executed. INR3,100 crores is definitely from this stage within a period of 6 to 12 months' time is going to be executed.

Varun Mehta: Okay. And I have 2 more questions basically. One is on Merino Shelters. Any update? Because we've been waiting for the last one year. There's been no update from the management on that.

Nikhil Mansukhani: Yes. Unfortunately, there was a GST issue, which was on the transaction when we were doing a JDA. And the person who was shortlisted and everything, though we got the confirmation and everything was done because the new GST rules applies on allotment of or assignment of a lease was coming to almost INR65 crores and the company was getting some down payments as well.

So now the company has moved forward on a sale model and the company is getting the same amount of revenue and the area. Just the model and structure is changed to a sale model. And very soon, the money is also partly received in the escrow. Once the entire transaction documentation completed, we will announce it.

Varun Mehta: So the work is already in progress now. It's moving ahead?

Nikhil Mansukhani: Yes.

Management: So partly money is received, but we cannot do the needful till the time entire transaction is completed, which should be, I think, completed by December 15th or December 20th.

Varun Mehta: Great. And lastly, I just wanted to have some -- on the Jammu plant or the stainless steel plant, what is the subsidy we would be receiving on that, if you could just explain a little bit on that?

Nikhil Mansukhani: So we get a subsidy of -- suppose the investment is X, so we get 3x of the plant and machinery, and we get a 6% subsidy on the interest.

Varun Mehta: So if I'm not wrong -- sorry, yes?

Nikhil Mansukhani: Sorry, this all is in the form of 18% of the GST.

Varun Mehta: Okay. So basically, we have investments of, say, about INR500 crores, so you mean the subsidy would be INR1,500 crores. Am I right on that?

Nikhil Mansukhani: Not INR1,500 crores. The plant and machinery would be counted. The land and the building share and everything is not counted. So approximately INR300 crores, INR350 crores into 3x, yes.

Varun Mehta: Okay. And this would be spread over for 10 years, if I am right?

Nikhil Mansukhani: Yes, it is over 10 years in the form of GST of 18%, complete 18%.

Moderator: The next question is from the line of Akhilesh B, an Individual Investor.

Akhilesh B: So can you please explain a little bit more on this change of model for Merino Shelters? Are we selling our interest in that parcel completely? Is that the new...

Nikhil Mansukhani: Yes, it is. The company doesn't get affected. It was just, the structure had to be changed because it was incurring a lot of taxation. So unfortunately, we had to change the structure, but now it is done, and it's an outright transaction and the company will still be eligible to get its area and down payment of money as well.

Akhilesh B: And we would be collecting our dues for that sale immediately or it will be over, call it, a few years?

Nikhil Mansukhani: Partly immediately and then partly over the next 5 years.

Akhilesh B: Over the next 5 years. And secondly, we have done around, I think, INR1,500-odd crores of top line so far this year. So what is our target for the full year?

Nikhil Mansukhani: So the target is, from last year, we should be around 10% to 15% up. Last year, we were at around INR3,000 crores of top line. So we should be 15% up from last year.

Moderator: the next question is from the line of Pritesh from Lucky Securities.

Pritesh: Sir, can you share the H1 volumes? And what will be your H1 volume this year and H1 volume last year? And what will be your volume for FY '25 versus FY '24?

Nikhil Mansukhani: So Pritesh, I don't have the volume offhand right now, the exact volumes. But suppose last year volume was around 300,000 tons. This year, will be around 30% or 40% up on volumes. The exact data on volumes, we can share it with you.

Pritesh: Okay. So 30% to 40% means about 400,000 plus?

Nikhil Mansukhani: Yes. But the steel prices are down by almost 15%, 20%. So actually, turnover-wise, though it is seeming lesser, it is much higher growth this year than last year.

Pritesh: And in terms of per ton EBITDA, how will move?

Nikhil Mansukhani: Sorry, in terms of...

Pritesh: Per ton profitability.

Nikhil Mansukhani: Per ton EBITDA, like we said that it varies the oil and gas, we all know the per ton EBITDA is between $150 to $200 and even plus more sometimes. And water EBITDA varies between $60 to $80.

Pritesh: So can you tell us the mix change between last year and this year and eventually? What was water last year and what will be water this year?

Nikhil Mansukhani: So I can tell you an approximate idea of this year, around 75% to 80% is exports and 25% is water and domestic. Last year's exact I don't remember offhand, but it was similar, I think, 70% or 75% was exports last year. And again, 25%, 30% was domestic water works and a little bit of oil and gas of domestic work.

Pritesh: So it seems that there is no large mix change between last year and this year, but then you're still calling out double-digit margin. So...

Nikhil Mansukhani: Your voice is cracking, Pritesh. Can you repeat?

Pritesh: I said there is no major mix change between last year and this year, but you are calling out a double-digit margin. So can you explain that part?

Nikhil Mansukhani: The reason is that certain orders we've got this year, which are now under production are slightly more profitable. And so we -- certain orders which we bid, they have got a value-addition product like CWC. So we get the -- normally CWC projects are very less and you get it very rarely. Normally, you do the pipe as well as just the basic 3 LP coating.

But in this case, we've got certain orders which we have large CWC orders, which gives a further value-added kick to the company. So that's why the profit levels will be -- and the EBITDA levels will be better.

Pritesh: Okay. And any reason why the Jammu plant is pushed up by a couple of quarters in terms of its commencement?

Nikhil Mansukhani: Yes, land acquisition was a real mission. When we went there and we did everything with the government, the only thing government said is that we will not provide you with any land. And it took us almost a year to get the land, which was a difficult task. But now we've -- obviously we've received that. We've received the equipment. We've started the work. So that is the main reason why the delay was there.

Pritesh: And you are putting the hot extrusion or you are going to put up the pilgrim line along with hot extrusion, any changes you have made there to immediately start the project, how it will be?

Nikhil Mansukhani: No, no. So we have the -- we are pushing the Phase 2, which is of our finishing line together because all the equipments are there. And the Phase 1, which is the main extrusion, press is also in process. We are not going for any other method as of now, extrusion with the pilgrim process and downstream to finished goods.

Pritesh: You have the machines already available to you or these are being lined up?

Nikhil Mansukhani: The finishing line machines, majority of them are available, which we are going to start installing from the fourth quarter of this year. The extrusion line will be available coming around, I think it's June, June 2020.

Pritesh: So will you start the paving line immediately by buying the mother hollow pipes or...

Nikhil Mansukhani: Yes, we can. Yes. That is the idea that we will start buying the mother hollow and start getting our approvals in place before the mother hollow we manufacture ourselves so that at least we are already in the market, which will help us. Once the mother hollow comes, we can straight away go to the end users.

Pritesh: Okay. And lastly, this INR3,100 crores backlog, how much is value-added or non-water backlog in this INR3,100 crores?

Nikhil Mansukhani: INR2,000-plus crores.

Pritesh: And this entire Southeast Asia order is an oil and gas order?

Nikhil Mansukhani: Yes.

Pritesh: So let's say, INR2,000 crores is basically oil and gas orders?

Nikhil Mansukhani: Yes.

Pritesh: Okay. How much of this INR2,000 crores will flow in the second half?

Nikhil Mansukhani: Approximately around INR1,000-plus crores.

Pritesh: Okay. And here, we have to assume that it's -- when you say $150 to $200, which means it's closer to 15% type margin number?

Nikhil Mansukhani: Yes.

Moderator: The next question is from the line of Tanish from Omkara Capital.

Tanish: Yes. I'd like to ask if there are any developments on the hydrogen pipe front, like any new bids or orders or anything that you have received or you have gone for?

Nikhil Mansukhani: So there were a couple of projects in Germany we were bidding for. The outcome has not come yet. It's a dual line changeover projects in which you have currently the regular gas, the sour gas flowing in, and then they will switch it over to hydrogen. So we are working on those projects. And though they are smaller projects.

But it just helps us that once we supply a single line of hydrogen, it gives us a first mover's advantage and a past track record, which helps us in bidding for the new orders, which will be coming up in the near future.

Tanish: Okay. I'd also like to know what is the outlook for oil and gas in Saudi Arabia? Like in sort of putting up a plant, if the crude oil remains under the pressure that it is right now, do you think there will be further capex in Saudi Arabia? Or is there -- like what's the outlook in Saudi Arabia at this point?

Nikhil Mansukhani: So Saudi Arabia has 3 critical components. One is Saudi Aramco, which has got oil and gas. Currently, their focus was quite a bit on the crude. And they have a certain amount of lines which are coming for gas because for clean energy, and they are very, very large projects, which is the primary focus now. So we do not see the business coming down. I think even at these levels, the business will be very robust in Saudi Arabia.

Secondly, Saudi Arabia, the East and West, they don't have any rivers. It's 2,200 kilometers between East and West. So they do not have water, and they need to pump in, desalinate and pump in all the waters from the East and West into the country. And there are very, very large water lines, which are already in progress and some of them are coming up.

And what we see is whatever our business model shows that next 7 to 10 years, there is ample amount of business and opportunity. And the margins are slightly better. So we are looking at -- once the factory is up and running and fully stabilized, we would be looking at approximately $500 million worth of top line coming from Saudi Arabia.

Moderator: The next question is from the line of Mehernosh Panthaki from Dhanki Securities.

Mehernosh Panthaki: My question was on the margin front. So if I observe the margins in this quarter, they have improved sequentially and on a Y-o-Y basis also. But if we look at the overall the EBITDA levels and the margins for first half, they are around 8.5%, if I include the other income. And you are giving guidance of around 10%. So ideally speaking, if -- and your revenues have been INR1,500 crores in the first half.

So to achieve revenue guidance of INR3,600 crores at least, you will have to do turnover of INR2,000 crores, INR2,100 crores. And on that, in the second half, you will have to do margins of around 11%. So is it possible to achieve 11% of margins, which we have never done over the past few quarters as well as the revenue run rate, you expect it to improve to around INR1,000 crores, INR1,100 crores from Q3 itself?

Nikhil Mansukhani: So see, we are targeting between INR3,300 crores to INR3,400 crores of top line this year, approximately. And we are pushing our production as well as the steel so that once we get it, we can manufacture and ship it faster. The top line and the bottom line definitely is achievable because the orders which are moving forward right now in Q3 and Q4 are slightly or quite higher in the EBITDA margins because also of the value-added addition to it.

And so we are hopeful that we should be able to achieve a double-digit mark this year. So...

Mehernosh Panthaki: Sir, double-digit mark when you say, it's for the third and the fourth quarter or the overall full year will be double digit?

Nikhil Mansukhani: Overall, full year, the guidance was that, and we are still trying to achieve it. So we should be there. According to our data and everything, whatever we are working on, we should be able to achieve it.

Mehernosh Panthaki: Sir, if I remember, the earlier company had given guidance of INR3,600 crores to INR3,800 crores. And now you are lowering the guidance to INR3,300 crores. So...

Nikhil Mansukhani: The guidance is always between 15% to 20% or 10% to 15% guidance, not on a basic number. So -- and also very important is that the steel prices in the last 3 quarters have dropped almost 15%, 20%. So the volume growth has increased almost 40% plus, but the turnover is not increasing because obviously, our raw material, 75% to 80% cost is steel. So it is -- some things are beyond us also, though we are doing more business, it's not reflecting in the turnover.

Mehernosh Panthaki: Okay. And the Taiwan order, sir, is -- just wanted to clarify, it's the water order, right, of INR1,850 crores?

Nikhil Mansukhani: It's oil and gas.

Mehernosh Panthaki: Okay. And this will get -- the execution will start from Q3, right?

Nikhil Mansukhani: Yes.

Mehernosh Panthaki: Okay, fine. And that is the order which carries higher margins?

Nikhil Mansukhani: It does carry higher margin, yes.

Mehernosh Panthaki: Okay. My other question was on the depreciation part. If I look in Q2 and even in Q1, the previous quarter, there has been a decline in the depreciation from INR15 crores to INR12.5 crores. And then in this quarter, it has been around INR10.8 crores. So why a decline in the depreciation? Has there been any sale of assets or some assets have been fully depreciated?

And what revenue run rate can we take going forward in the next 2 quarters? Can you just throw some light on that?

Nikhil Mansukhani: As far as the depreciation reduction in the overall amount, you rightly mentioned, there is no sale of the assets, but there are certain assets which has been fully depreciated. So that's the reason the amount of depreciation has come down close to INR11 crores on this quarter. And we are now expecting the similar rate of depreciation is going to be there for the next couple of quarters.

Mehernosh Panthaki: A similar rate in the sense, the INR11 crores, which you have shown in this quarter?

Nikhil Mansukhani: Yes. Because in these 2 quarters, there is no major capex is coming into the main company. So a similar rate of depreciation we are expecting, plus/minus whatever it is, similar, we are expecting.

Mehernosh Panthaki: Okay. Okay, sir. And we were also planning for an LSAW plant in Saudi, 3 lakh tons. So what's the status on that? Are we on track to start the operations from Q2, Q3 of next year?

Nikhil Mansukhani: Yes, we are on track for that.

Mehernosh Panthaki: Okay. And any plans to set up the -- this is the HSAW plant, right? So LSAW plant also, the company was planning to start in the second phase. So any decision made on that or it's the early stages?

Nikhil Mansukhani: It's made. It's just we want to first focus on the Phase 1. And once we are at a level of 3 months away from that, then we will start -- simultaneously start the progress for the LSAW.

Mehernosh Panthaki: Okay. And as far as the loan is concerned for Saudi as well as for the SS expansion in Jammu, that loan company was -- it was around INR400 crores the company was going to take for SS plant and for Saudi also around INR400 crores to INR500 crores loan amount the company is going to take. So what's the update on that? Will the loan be taken in this quarter, next quarter as and when the construction progresses or...

Nikhil Mansukhani: As and when the construction is progressing, we already have the financial closure. So we keep taking as and when the construction is happening and the LC is due for the payments of the machines and everything. So progress is going on, on that front.

Mehernosh Panthaki: So by the end of the year, what kind of loan figure can we -- I mean, total long-term plus short-term borrowings including, what kind of loan finger...

Nikhil Mansukhani: Not much difference because most of the machinery equipments, which are under LC will be delivered post March. Some of it pre-March and most of it post March. So we do not see any much movement in the debt.

Mehernosh Panthaki: Okay. So your long-term borrowings plus short term was around -- is close to around INR200 crores currently. So you're saying that by the end of the year, it should remain at INR200 crores, there will be some increase in the loan amount because of the...

Nikhil Mansukhani: Maybe around 10% to 15% increase, that's it.

Mehernosh Panthaki: Okay. And the major bulk of it will be in the next year?

Nikhil Mansukhani: Yes, because the LCs are open. So once the equipment starts coming in, then the payments will be directly made.

Mehernosh Panthaki: Okay. And regarding Merino, you said -- just last question. Regarding Merino, you stated that there had been some delay because of the GST issue and all. But now that it has been resolved and you're expecting the closure of the transaction and some announcement related to JDA in mid-December. So are we expecting the INR40 crores to INR50 crores what you were targeting you would be receiving in this year as the first tranche?

Nikhil Mansukhani: Yes, we will.

Moderator: The next question is from the line of Akhilesh B, an Individual Investor.

Akhilesh B: I wanted to understand more on how you manage the price volatility in steel. So right now, steel prices have been falling in Q2. So any orders that you might have won in that period would have been based on the steel price of that time? And if so, then how will you manage the raw material? You will book it immediately around receipt of the order? How do you do it?

Nikhil Mansukhani: So Akhilesh, what we do is normally when the final price bid is to be put, we take a letter of confirmation from the steel manufacturers, 1, 2 or 3 people whom we are serious to buy from. Accordingly, we put in our price bid. Once the price is confirmed or the bid is confirmed and once it is culminated into an LOI or a PO, that week itself, we close down the steel.

And we do not keep it any open-ended or we do not keep it for any scope for -- whether increase or decrease. So to protect our margins, it's very straightforward. We don't hedge or we don't play anything in the steel particular portion.

Akhilesh B: But the period between when you would offer in a bid and when it gets confirmed might be a couple of months at least?

Nikhil Mansukhani: No. So whenever we normally take -- you're right, when we take a price, suppose it's a budgetary price or pre-budgetary price, we give them a price. We take an approximate idea of the market of the steel. But whenever it is close to closing the order or when we go or our marketing people have gone and gone to take an order, we take a confirmation from the steel mill of that day, the pricing and everything.

So at any given point of time, we are not open more than 6 to 7 days. And that's also -- most of the time, we don't because we already have a confirmation when we go and pick an order, we place the order the next day as well.

Akhilesh B: Okay. So then is it fair to say the realization per ton for the same kind of product will be now lesser in Q3, Q4 revenues as compared to what we have done in Q2 because now you would start executing the orders which you won in Q2?

Nikhil Mansukhani: Yes. So it's not -- the margins are the same. Obviously, the steel price is reduced by 15%, 20%. So the revenue obviously changes. So yes, that is true. It's...

Akhilesh B: Okay. So we'll just -- to meet our guidance, we'll have to do a lot more volume growth is what I'm trying to ask?

Nikhil Mansukhani: We were on track on our guidance. But because of the price correction, which is beyond us, that's why there is a slight this, but we are still pushing. So we have to do -- like you rightly said, we have to do much more now to achieve what we have to.

Moderator: The next question is from the line of Jagdish Sharma, an Individual Investor.

Jagdish Sharma: Congrats on the numbers. I have 2 questions. The first question is in few of your interviews you have given to the TV channels, you have given a guidance of 100% top line growth in FY '26 and '27. Am I right in my understanding?

Nikhil Mansukhani: Yes, '26, '27, yes, because Saudi will be operational. We should be...

Jagdish Sharma: What is the margin, sir, same 9%, 10% margin?

Nikhil Mansukhani: Saudi is slightly higher, around 12% to 13%.

Jagdish Sharma: So Saudi will be 12% to 13% in this thing. And what is the asset turnover for this stainless steel capex, which we are doing right now, sir?

Nikhil Mansukhani: The asset to turnover is 2x, the investment to turnover is 2x, but the EBITDA -- plus the local government grant and everything makes a difference on the project.

Jagdish Sharma: Sir, if you can explain the first point, because of the Saudi, our top line will grow by 100%. Can you explain or elaborate a little bit, sir, how we will achieve that? And what is the base you are taking it for the doubling of top line, either it is from FY '25 or any other base you are taking? Can you explain that, sir?

Nikhil Mansukhani: So we gave the outlook on '23, '24 when we were putting -- we are planning to put Saudi that we would be at 100% by '26, '27. Saudi, the total capacity would be around 400,000 to 500,000 tons, depending on the size of the order you get and the continuity. And approximately steel pricing we had calculated at that given point of time which would give us an approximately top line of -- if it's at 75%, 80% efficiency.

The Saudi, we've calculated at $0.5 billion worth of top line. That includes your coating, bending, all the value-added products as well. And put that together and put the INR3,000 crores, which we were doing last year from India and plus our ERW now stabilized and the stainless steel coming into the foray as well from next year, '27 outlay was almost 100% growth from '23, '24. So that's where...

Jagdish Sharma: Okay. So it's like FY '23 number will become double in FY '27. And what is our next year 100% double? FY '27 number to FY '28 will it double from there, sir? Is my understanding right?

Nikhil Mansukhani: Sorry, I didn't get it. Your voice was cracking.

Jagdish Sharma: No. You are saying doubling of top end, right, FY '26 or '27. So from -- then consecutive double, right? That is what you told in the channel...

Nikhil Mansukhani: No, no. Not consecutive double. I think there's some confusion. We said that FY '27, once both the plants are stabilized, we should be reaching between INR6,000 crores to INR6,500 crores. That was in '23, '24, and that was what we were talking about FY '27. The guideline is still the same. And probably we might be able to achieve looking at the robust order book as well as certain orders we are pre-anticipating in Saudi.

So we might be able to achieve slightly higher or at least the guidance which we have given by '27.

Moderator: As there are no further questions, I would now like to hand the conference over to the management for closing comments.

Nikhil Mansukhani: So I thank all the participants for attending this conference call, and we welcome all of you for our subsequent next quarter's conference call. Thank you so much.

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