



STEELCAST LIMITED

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Stock Code: 513517	Stock Symbol: STEELCAS

Dear Sir/Madam,

Subject: Transcript of the earnings conference call for the Q1FY24 ended on June 30, 2023

Pursuant to Regulation 30 and 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of the earnings conference call for the **Q1FY24 ended on June 30, 2023** conducted on August 4, 2023 after the meeting of Board of Directors held on August 3, 2023.

The above information is also available on the website of Company at the following link:

https://steelcast.net/pdf/investor/Steelcast_Ltd_Transcript_04Aug-2023.pdf

We request you to take the same on your record.

Thanking you,

For STEELCAST LIMITED,

(Umesh V Bhatt)
COMPANY SECRETARY



“Steelcast Limited Q1 FY24 Earnings Conference Call”

August 04, 2023



MANAGEMENT: MR. CHETAN TAMBOLI – CHAIRMAN AND MANAGING DIRECTOR, STEELCAST LIMITED
MR. SUBHASH SHARMA – EXECUTIVE DIRECTOR & CHIEF FINANCIAL OFFICER, STEELCAST LIMITED
MR. UMESH BHATT – COMPANY SECRETARY, STEELCAST LIMITED

MODERATOR: MR. RONAK JAIN – ORIENT CAPITAL



*Steelcast Limited
August 04, 2023*

Moderator: Ladies and gentlemen, good day and welcome to Q1 FY24 Earnings Conference Call of Steelcast 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 '*' then '0' on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Ronak Jain from Orient Capital, their Investor Relations partner. Thank you and over to you, Mr. Jain.

Ronak Jain: Good afternoon, everyone. Welcome to the Q1 FY24 Earnings Conference Call of Steelcast Limited. Today on this call, we have Mr. Chetan Tamboli - Chairman and Managing Director along with Mr. Subhash Sharma - Executive Director and Chief Financial Officer and Mr. Umesh Bhatt - Company Secretary.

This call may contain forward-looking statements about the company, which are based on beliefs, opinions and expectations as of today. Actual results may differ materially. These statements are not guarantees of future performance and involve unforeseen risks and uncertainties that are difficult to predict. A detailed safe-harbor statement is given on page number 2 of the Investor Presentation of the company, which has been uploaded on Stock Exchange and the company's website as well.

With this, I now hand over the call to Mr. Chetan Tamboli Sir for his opening remarks. Over to you, Sir.

Chetan Tamboli: Thank you very much. A very good evening to everyone on this call and on behalf of Steelcast Limited, a very warm welcome for this Q1 FY24 Earnings call of our company. I hope everybody had an opportunity to go through the investor presentation which has been uploaded on the stock exchanges yesterday. We concluded our annual general meeting yesterday and are pleased to announce the appointment of Rushil Tamboli as the Wholetime Director of the company. Mr. Rushil has a longstanding association since 2011 with the company and has made significant contributions to his role. He will play a crucial role in implementing the succession planning strategy for managing the day-to-day affairs of the company.

In Q1 FY24, due to geopolitical conditions, high interest rates and elevated inflation rates across the globe, our year-on-year revenue growth has been moderate and on a like-to-like basis performance on a quarter-on-quarter basis. Our EBITDA and PAT margins stand at 27% and 17% respectively, making the highest figures in our company's history. These achievements can be attributed to several factors, including cost savings in power expenses, reduced input cost, improved customer pricing and improved operating margin efficiencies. We acknowledged the successful execution of the rationalization plans that were announced 2



*Steelcast Limited
August 04, 2023*

years ago. These plans are now fully in place and are being implemented efficiently to further enhance operating efficiencies. The global environment is currently undergoing a structural shift, with major global economies increasing their infrastructure spending. Additionally, a global manufacturing shift has begun, moving away from China. Steelcast is well positioned to capitalize on these changes leveraging its key strengths such as unique business model, technology and R&D capabilities. Together with this, we also have locational advantages, manufacturing products, global footprint and marquee customers.

Speaking about the financial performance of the first quarter FY24, we achieved a revenue of Rs. 119.5 crores, reflecting a year-on-year increase of 3.3%. Our EBITDA saw substantial growth reaching Rs. 32.3 crores, an impressive increase of 34% year-on-year basis. Notably, we have achieved an all-time high EBITDA margin of 27%, significantly surpassing our targeted EBITDA range of 20%-22%. Likewise, our profit after tax exhibited strong growth, expanding by 43.4% year-on-year basis to reach Rs. 20 crores resulting in a PAT margin of 17%. In Q1 FY24, the domestic revenue experienced significant growth of 32% year-on-year, underscoring robust demand with the local market. Domestic and export share of revenue is 52% and 48% respectively.

Addressing our rationalization plans, as we previously mentioned, we have successfully commissioned a 5 megawatt Solar Power Plant for captive use effective from 30th March 23. The benefits of this implementation have commenced accruing from 1st April 23. Furthermore, we are pleased to announce the commissioning of a Hybrid Power Plant which had experienced delays due to government regulatory issues, it has now been commissioned on July 8th. Both of these plants are projected to yield annual power cost savings in the range of Rs. 10 crores to Rs. 11 crores, which Solar Power Plant is already delivering the benefits.

As you are aware, the company has entered into a long-term supply agreement with the prominent OEM in USA, specializing in the railroad industry. Providing an update on this, the inspection phase was successfully concluded in November 22 while in initial projection and aim to obtain necessary certification by February 23, the company ultimately received the certificate in May 23.

As of October 23, the company is set to commence the supply of products to the railroad industry in North America. A decade back, we were very much focused only on one industry that is mining. Currently, our order book is well diversified across different industry with railways gaining tractions. We visualize softness for coming 2 quarters, which is Q2 and Q3 at this point of time, may be things improve faster little later in the year. However, we also foresee many positives which will further improve our operational performance, like improvement in margins due to savings in power cost, reduction in manufacturing costs, higher productivity and better operating efficiencies. So, with this, I want to thank all of you having attending this call and we can now open the floor for questions and answers. Thank you.



*Steelcast Limited
August 04, 2023*

Moderator: Thank you very much Sir. We will now begin the question-and-answer session. The first question is from the line of Sania Mehta from Moneybee Investment Advisors Private Limited. Please go ahead.

Sania Mehta: So, could you give me insight about the capacity utilization this quarter?

Chetan Tamboli: This quarter, we did 52% utilization.

Sania Mehta: And my second question will be can you give me an insight about the global peers, so as it was mentioned in the last concall that the global market is around 4 lakhs tons per year, so out of that how much percent share does China has and what was the share of other countries?

Chetan Tamboli: I think the dominant share in the railroad industry in North America is being catered by China, I believe it could be anywhere from 75% to 80%. India may be a minuscule number of 1% to 2% I am not very sure and the other countries which may be catering to North America would be Brazil, some East European countries will be catering, but we don't have exact numbers country wise who supplies how much, but obviously the dominant share will be 75%-80% will be China.

Sania Mehta: My next question would be like in the previous concall, it was mentioned that there will be a modular expansion of around 10,000 tons, but currently there is still a lot of scope for utilization on the existing capacity, so why are we aiming for that modular expansion?

Chetan Tamboli: So, this was because of a statement of intent by us that whenever we trigger capacity expansion, we will do it on modular basis in multiples of may be 5,000 tons each, but this is as and when we see an appropriate time to do it obviously, we could be few quarters away from triggering the capacity expansion because if you are operating at about 52%, as we move now, we would need somewhere additional capacities in 2027. The throughput time to create new capacity is about 2 years' time, so may be towards mid-24, may be we would trigger that, so that time to do it on a modular basis is to make sure that we don't have too much of excess capacities going forward. So, that was the reason of doing it in a modular way.

Sania Mehta: And also, my next question would be, as you mentioned about the raw materials that were procured at lower prices, so that we are using as a benefit for the customers or are we looking at improving the gross margins?

Chetan Tamboli: In our business model, we have a sales price mechanism formula, which is implemented every quarter. If input prices go up, we would get a sales price increase with the lag of quarter. If the input prices go down, we would have a benefit of this lower input cost with the lag of 1 quarter. So, we don't have any mechanism where we would pass on the benefit voluntarily to customers, this would be the set formulas and we work on this mechanism every quarter. So, during the first quarter, we saw an input price reduction, so the sales price got corrected effective 1st July.



*Steelcast Limited
August 04, 2023*

Sania Mehta: And my last question would be, any update on the new sectors that we are aiming to enter or any new customers that our company has gained?

Chetan Tamboli: Yes, during the quarter, we did have addition of 2 more customers, but due to confidentiality reasons, we don't want to disclose the names of the customers, but yes, we have added and our focus on the newer industries, which is defense, railways and ground engaging tools. Now obviously the customer we got during the quarter was in the railroad industry I am sorry; I am not able to share the names. Second, the future growth driver will be defense. We have been making track systems for combat vehicles and the first consignment which was shipped some months ago, we got a formal approval yesterday. So, we will have a repeat order of 5 more track systems to be given by March 24, so defense also we are moving forward. Railways as I said earlier, we are moving forward and another area is ground engaging tools. We are in discussions with 2 world majors for doing substantial business in this area, but hopefully, we will know may be in the coming 2 quarters.

Moderator: Thank you. We will take the next question from the line of Rohit from Samatva Investments. Please go ahead.

Rohit: Sir my first question would be on the global competitive landscape, so in the past, you have indicated that compared to European players, we have around 25% lower cost, so currently whatever is happening globally, so are we seeing any benefit that is actually accruing to us compared to our peers globally?

Chetan Tamboli: Are you saying that are we benefiting? I didn't understand your question.

Rohit: Sir cost wise, in the past you had said that compared to the European peers competitors, we have a cost advantage quite around about 20%-25% we are much cheaper than them, if I am not mistaken. So, like considering higher gas cost in Europe, whatever is happening, are we seeing any advantage because of that in terms of increasing our market share or any opportunities on that front?

Chetan Tamboli: See on the cost front, we continue to be competitive, A. B) we are continuously also 20%-25% lower than our global peers. And in terms of gas pricing, now gas pricing worldwide has been consistent. Obviously in the last one quarter the gas prices have softened also, but our apparent advantage of lower cost that continues.

Rohit: Sir my second question would be on the base business, so like in the last 2-3 years you have entered into newer segments, so if you could give me the growth that we are seeing from our existing base business and from the new segment that you have entered in the last 2 years to 3 years, on the growth aspect that you have seen?

Chetan Tamboli: There has been growth in the base segments and also in the newer segments also. As the base of newer segment is quite lower because we just entered 2-3 years ago, the growth looks



*Steelcast Limited
August 04, 2023*

apparently very high in the newer segment, but both put together, we are seeing growth in all the industry segments which we are catering like Mining, Earth Moving, Locomotives, Transport, Construction, Railways, Ground engaging tools, Cement, Steel and Defense. So, it will of course vary from industry-to-industry and customer-to-customer, but if you bunch all this together, we have seen growth over the past 2 years and there will be growth as we move forward in the coming 3 years to 4 years.

Rohit:

Sir my last question would be, in the previous call you had mentioned 3 revenue drivers – one was the defense segment, one was the rail road segment and one was the replacement market, so I just want to know on the replacement market, so how are we, still a very small share, so I remember you saying you want to reach around 10% in the next 3 years to 4 years, so how are we planning to build on that segment going forward? And in terms of margins, are they like much higher than what we are exactly doing right now? Or if you could give me some picture?

Chetan Tamboli:

The replacement market is obviously ground engaging tools industry and I just said the few minutes ago that we have been talking to 2 world leaders on the ground engaging tool markets and hopefully in the next either in Q2 or Q3, we would have some visibility on the ground engaging tools and obviously, the other industry which we are focusing for the future, which is going to be the future drivers of Steelcast will be the North American railroad industry and defense. And as I said erstwhile ago, we will make track systems for combat vehicles for the Indian army and we just got an approval yesterday and we have got a repeat order of 5 more track systems which we are supposed to supply by March 24. So, things are moving in defense also, obviously, but at a slower pace. And the North American railroad industry also is moving as planned. So, may be we will have more visibility in all these areas in the coming 2 quarters, but as of now I can say we are on track. And we will do at least 10% in railroad and at least 6% to 7% in ground engaging tools over the next 2.5 years-3years time.

Rohit:

Sir my last question on the capacity utilization, so for the year, are we projecting around similar level between 50% to 55%? Will that be a fair assumption?

Chetan Tamboli:

Yes, with the global uncertainties and the softness which you have seen in the first quarter and may be further softening in the Q2 and Q3, we should end up around 50% utilization by the end of the current financial year.

Moderator:

Thank you. We will take the next question from the line of Chintan Chedda from Quest Investment Advisors Private Limited. Please go ahead.

Chintan Chedda:

Congrats for excellent set of profitability numbers. Sir my first question is related to our capacity utilization, but now when I look at your capacities, we have 1 old unit of 12,000 tons and 2nd is the new unit of 18,000 tons, so can you just share what would be the utilization levels in this individual units?



*Steelcast Limited
August 04, 2023*

- Chetan Tamboli:** It might be confusing for the investor community to really go into our different plant wise capacity to rather work or evaluate on the basis of not overall utilization, but obviously we do have plant wise utilization.
- Chintan Chedda:** Yes, agreed, but then your newer unit would be more efficient and would throw better margins, will that be correct understanding?
- Chetan Tamboli:** The newer unit is a completely automated loop line and compared to the older plant, which is what we call it is semi-automated, so the productivities are better, but it also depends on where we place products, whether we place in the old plant or the new plant, depending on the volumes of each part we do. So, if the utilization is less in the automated plant, the question generally is that why can't we do more, but then once we try to do more if the parts are not with high volume, then it becomes uneconomical to do on the automated line. So, our engineering department evaluates this what should go where and then you take this forward there. So, I would recommend it is better to work on the overall utilization rather than plant wise.
- Chintan Chedda:** And secondly, sir, can you share what would be your current order book with the breakup of domestic and export numbers?
- Chetan Tamboli:** The current year overall export and domestic put together is close to about Rs. 105 crores effective 1st July. And as months go by, the orders are replenished, so by and large we will have about Rs. 105 crores and Rs. 110 crores of order book at any point of time.
- Chintan Chedda:** And domestic and export breakup?
- Chetan Tamboli:** I don't have it off the hands right in front of me, but on a safety basis, see our exports and domestic fluctuates around 55%-45%. So, this should be in the same level, but if you really want to know exact numbers, I suggest you drop us an e-mail and we will respond.
- Chintan Chedda:** Sir on this railways that we are targeting, so currently what would be the size of our share of revenue from railways or order book? Can you share some more details about it?
- Chetan Tamboli:** I think as of now, currently out of the order book of Rs. 105 crores and Rs. 110 crores, we would hardly have 1% or 2% because the serial supplies are going to start from October, so may be a month before October we would have reasonable size and which keeps on getting replenished as we move forward.
- Chintan Chedda:** And last question on the margin side, so this time we had a cost savings through our only from the solar plant, correct and not from the hybrid one?
- Chetan Tamboli:** Right.



*Steelcast Limited
August 04, 2023*

Chintan Chedda: So, when I look at your volumes Y-o-Y, in Q1 they look to be almost similar around 4,000 tons and our revenue is also similar, but the EBITDA increase is around Rs. 8 crores on an absolute basis. And our assumption is that the solar cost power things would be around Rs. 1 crores to Rs. 1.5 crore, so the incremental Rs. 7 crores additional EBITDA that we are getting, so how much of that would be sustainable in nature?

Chetan Tamboli: See in the first quarter, there are bunch of reasons all put together like lower input costs, saving in power costs, better productivities, reduction in manufacturing cost, so as we move along the year with different reduction in cost would keep varying. For example, the hybrid power plant which was commissioned on July 8th, I said earlier those savings haven't started coming in because of the regulatory issues, but we are hopeful that within the next 1 week or 2 weeks, we should all have from retrospective date from July 8th. So, by and large, we should have the year with good sustainable EBITDA margins and as I have always said that we make 20%-22% EBITDA and then end up getting 2-3 more percentage through various efforts which has been put by our manufacturing team. So, that should continue, as we move forward.

Moderator: Thank you. We will take the next question from the line of Rajesh Jain from NB Investments. Please go ahead.

Rajesh Jain: Sir my first question is when you say 50% to 52% capacity utilization, do you have to take the total capacity as 30,000 or around 27,000?

Chetan Tamboli: Now these numbers may keep varying by about 1,000 tons here or there, but so Year-on-Year depending on product mix, the number will be sometimes 29,000 or sometimes 30,000 like currently whatever we are producing and the product mix what we have, the capacity can be called as 29,000 tons.

Rajesh Jain: So, that means why I was asking this question is we had done only 3% to 4% growth in the topline, so I just wanted to know if there was a reduction in the raw material prices also? In terms of the volume, did we have any growth during the quarter?

Chetan Tamboli: See, the increase in sale was just a moderate 3% to 3.5%, but we benefited from various factors which I have talked earlier on better operation performance, savings in power cost, reduction in manufacturing cost, higher productivity and better operating efficiencies. So, in spite of a moderate growth, our PAT margins are better and obviously EBITDA has also touched 27%. So, this is all happening because of these various factors.

Rajesh Jain: No, Sir. What I was trying to ask you is in terms of volume, was there any growth during the quarter? I am not asking about the margins.

Chetan Tamboli: I think the volumes were more or less same.



*Steelcast Limited
August 04, 2023*

- Rajesh Jain:** Why I was asking this, now you have given a soft demand during Q2 and Q3, will we still maintain the same volume for the next two quarters also?
- Chetan Tamboli:** No, there will be drop in volumes in Q2 and Q3, but with better operating performance as we move forward, we will try and aim to protect the bottomline.
- Rajesh Jain:** So, the second thing is about this EBITDA margin only, little bit dwelling on the power cost if you see during the quarter, the saving in the power cost is more than Rs. 3.5 crores, so what I want to know is, since only one of the solar plants was commissioned and you had just mentioned that we should get around Rs. 10 crores to Rs. 11 crores of saving during the year, so I just wanted to know whether this entire Rs. 3.5 crores saving that we have seen in the power and fuel is purely from due to the solar or is it due to any other factors also?
- Chetan Tamboli:** The power, fuel and water, they are all bunched together, and that is where you are seeing reduction. Now there have been reduction in the natural gas price and the LPG prices also during the quarter, but the savings what has accrued is from our captive solar plant. The other reductions were because of the reduction in gas prices.
- Rajesh Jain:** So, what I was trying to find out is this power saving or power cost would not be more than Rs. 10 crores or Rs. 11 crores that is what you have mentioned for the year?
- Chetan Tamboli:** Absolutely, I just said that both power plants the hybrid one and solar will have an annual saving of Rs. 10 crores - Rs. 11 crores.
- Rajesh Jain:** Because this quarter itself, it was Rs. 3 crores, I thought it could be more than Rs. 12 crores to Rs. 15 crores once the....
- Chetan Tamboli:** No, because the power together, the fuel is also there as per the ministry of corporate affairs format, so there has been reduction in gas prices and that is why it looks lower.
- Rajesh Jain:** So, my next question is about the employees, you had mentioned in the call that Gujarat government had revised the minimum labor salaries and that would also hit us, so just wanted to know that during the quarter we have Rs.10 crores of employee cost, so shall we take this as every quarter this is the cost for the company?
- Chetan Tamboli:** Absolutely, whatever effect which has come in the month of effective 1st April, the increase in minimum wages and obviously the annual increments of all employees are also done effective 1st April, so all of that has impacted in. So, in spite of the steep increase, the increase in cost in employee expenses is very marginal and that is because of higher productivities and other rationalization measures which have been used by us. So, in spite of the steep increases, our increase is very moderate.



*Steelcast Limited
August 04, 2023*

- Rajesh Jain:** So, now in the subsequent quarters, if the volumes are not that much, let us say even it is flattish type of growth, you will be able to maintain these type of margins?
- Chetan Tamboli:** Our team will strive to protect the bottom line to the best possible extent. And I see no reason to show better operational performance in spite of softening of volumes.
- Moderator:** Thank you. We will take the next question from the line of Smit Shah from Monarch Network Capital Limited. Please go ahead.
- Smit Shah:** Firstly congratulations on good set of profitability numbers. My question is regarding can you please quantify the volume of orders with the American railroad and defense this year and next year? If you can quantify?
- Chetan Tamboli:** What we have to ship by March as I said will be about may be Rs. 3 crores, not a big number. We don't have visibility for defense in the next financial year. And what's the other thing you asked the railways? So, the serial supplies of railways will happen hopefully from October onwards, so we should start seeing orders coming may be towards the end of the month or beginning of September. But as of now, it will be again a miniscule number of may be Rs. 1.5 crores or Rs. 2 crores.
- Smit Shah:** The American railroad figure by March 24 is Rs. 3 crores is what you said, right?
- Chetan Tamboli:** No, I said the order book as of now, that is what you asked me, but as we move in the year, the orders will come.
- Moderator:** Thank you. The next question is from the line of Darshil Jhaveri from Crown Capital. Please go ahead.
- Darshil Jhaveri:** Sir firstly congratulations on a great set of results. I just wanted to ask, may be this year we are looking for a flat kind of year, but may be how would our capacity utilization progress may be over a period of next 2 years or something? Could we have some kind of flavor on what do you think the environment will be? May be this is the year of consolidation and you know it might have a big jump in, then make sure that might be get us 2 years of growth together, will that be possible? Or how do you see going forward may be for FY25 some target that you could have?
- Chetan Tamboli:** The current year will be around 50%, FY25 we are targeting to get to 60% and FY26 we are targeting to be around 75%, so this is some little visibility we have on the utilization level.
- Darshil Jhaveri:** So, sir that means we might be able to see 20% growth in revenue approximately if I calculate as per capacity utilization?



*Steelcast Limited
August 04, 2023*

- Chetan Tamboli:** If you can put all these numbers and work out the compounded annual growth rate, whatever that number comes should happen.
- Darshil Jhaveri:** And sir with regards to margin, as you have said, we will try our best to protect them, but as we increase our capacity utilization, is there a chance that we could even get a higher operating leverage? Or how would that occur? Or do you think that right now the margins that we are at are the best that we can probably do for the next 1 years-2 years?
- Chetan Tamboli:** As I said number of times, our pricing strategy aims at 20%-22% EBITDA margin and then we try and get away another few percentage points, 3-4 from various other cost reduction measures. I would be satisfied if I were in your place with the present number. And moment we try and have more margins, may be a company would get an advantage for a very short time, but then the competitions will set in. So, I would be happy if the current EBITDA margins are sustained and we don't plan to increase any.
- Darshil Jhaveri:** And one last question, so what kind of may be a roadblock that you could see for us going forward may be a risk that you envisage that can may be hamper us a bit something that you could help us out with? Looking at the industry currently?
- Chetan Tamboli:** Whatever visibility we have and obviously the geopolitics situation we are in, so this global uncertainties will continue. We have to work through all these uncertainties and achieve the best we can. But if I really see the macro environment worldwide, these uncertainties will continue, they will not go away. So, whatever you read from the various economists across the world, my views are very similar. So, with these uncertainties, we have to live with it and move forward.
- Moderator:** Thank you. We will take the next question from the line of Akshada Deo from VIVOG Commercial. Please go ahead.
- Akshada Deo:** I just wanted to know what was the volume done this quarter. And was it maintained at 4,000 tons for this quarter?
- Chetan Tamboli:** It is about 4,000 plus tons.
- Akshada Deo:** Do you think that in Q3 and Q4, as you previously said that you may be able to achieve 5,000 plus tons per quarter, you will be able to achieve that?
- Chetan Tamboli:** In fact what I said was the Q2 and Q3 may be soft quarter.
- Akshada Deo:** The next question is, what is your working capital days currently and for this quarter?
- Chetan Tamboli:** You mean the working capital used?



*Steelcast Limited
August 04, 2023*

- Akshada Deo:** Days, the cycle?
- Chetan Tamboli:** In terms of number of days, I think in March we achieved 83 days and June end we haven't worked, may be we will give you in the next Earnings Call, what have we done in September.
- Akshada Deo:** And you were planning to pay off the debt completely this year, have we paid any in this quarter?
- Chetan Tamboli:** See long-term debt, we already paid some 2 years ago and we were having short-term debt, I think if I remember correctly, our March end short-term debt was about Rs. 24 crores and out of Rs. 24 crores, I think we already paid till 31st July, about Rs. 14 crores. So, effective 01st August, we have Rs. 10 crores and we planned to repay this on or before 30th September, so effective 1st October this company will be completely debt free.
- Akshada Deo:** And my last question is, so in terms of margins, the US and Japan business have higher margins for the company?
- Chetan Tamboli:** There will be a marginal difference between countries, between industries and between customers, but overall, as I said, we aim for a 20%-22% EBITDA margin and end up a little higher.
- Moderator:** Thank you. Ladies and gentlemen, we will take that as a last question for today. I would now like to hand the conference over to the management for closing comments. Over to you, sir.
- Management:** Hello everyone. Thank you very much to every one of you who have been on this call and thank you again from Steelcast and all of us here. We look forward talking to you again in the next quarter. Thank you. And thank you to Orient Capital for facilitating this call and who are our IR partners and I look forward talking to you again in the future, thank you.
- Moderator:** Thank you very much, sir. Ladies and gentlemen, on behalf of Steelcast Limited, that concludes this conference. We thank you for joining us and you may now disconnect your lines. Thank you.