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RATNAMANI METALS & TUBES LTD.

RMTL/SEC/POST-TRANS.CON-CALL/Q2/2023-24 November 7, 2023

BSE Ltd. Corporate Relationship Department 1st Floor, New Trading Ring, Rotunda Building, P. J. Tower, Dalal Street, Fort, Mumbai – 400 001 Company Code : 520111	**National Stock Exchange of India Ltd.** "Exchange Plaza", 5th Floor, Bandra – Kurla Complex, Bandra (E), Mumbai - 400 051 Company Code : RATNAMANI

Subject: Transcript of the Investor Conference Call post Unaudited Financial Results (Standalone and Consolidated) of the Company for the quarter and half year ended on September 30, 2023

Dear Sir/Madam,

We, vide our letter dated October 30, 2023, had intimated to the Stock Exchanges about the schedule of the Investor Conference Call on Friday, November 3, 2023 post Unaudited Financial Results (Standalone and Consolidated) of the Company for the quarter and half year ended on September 30, 2023 and future outlook of the Company's business.

The Conference Call recording has already been uploaded on the website of the Company and a link was provided vide our letter dated November 3, 2023.

We, now enclose a copy of the Transcript of the Investor Conference Call which took place as scheduled. The said transcript is also being uploaded on the Company's website at www.ratnamani.com.

The Company has referred to publicly available documents / information for discussions during the interaction in the Conference Call and no Unpublished Price Sensitive Information was intended to share during the Conference Call.

Kindly take the above on your record.

Thanking you,

Yours faithfully,
For, RATNAMANI METALS & TUBES LIMITED

Maloo Anil
Digitally signed by Maloo Anil
Date: 2023.11.07 10:12:58 +05'30'

ANIL MALOO
COMPANY SECRETARY & COMPLIANCE OFFICER

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“Ratnamani Metals & Tubes Limited
Q2 FY ’24 Earnings Conference Call”
November 03, 2023

MANAGEMENT: **MR. PRAKASH SANGHVI – MANAGING DIRECTOR AND CHAIRMAN – RATNAMANI METALS & TUBES LIMITED**
MR. MANOJ SANGHVI – BUSINESS HEAD, CARBON STEEL SEGMENT – RATNAMANI METALS & TUBES LIMITED
MR. VIMAL KATTA – CHIEF FINANCIAL OFFICER – RATNAMANI METALS & TUBES LIMITED

MODERATOR: **MR. SAHIL SANGHVI -- MONARCH NETWORTH CAPITAL**

Moderator: Ladies and gentlemen, good day, and welcome to Ratnamani Metals & Tubes Limited Q2 FY '24 Earnings Call hosted by Monarch Networth Capital. As a reminder, all participant lines will be in the listen-only mode. There will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference, please signal an operator by pressing star and then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Sahil Sanghvi from Monarch Networth Capital. Thank you and over to you, sir.

Sahil Sanghvi: Thank you Darwin. So good afternoon to everyone. On behalf of Monarch Networth Capital, we welcome you all for the Ratnamani 2Q FY '24 Earnings Call. We are delighted to host the management of Ratnamani Metals & Tubes today. And from their side, we have Mr. Prakash Sanghvi, MD and Chairman; Mr. Manoj Sanghvi, who is the business head for the Carbon Steel segment; and also Mr. Vimal Katta, the Chief Financial Officer.

So without taking much time, I'll hand over the call to Mr. Manoj Sanghvi for the opening remarks. Thank you, and over to you, Manoj, sir.

Manoj Sanghvi: Yes. Thank you, Sahil. Good afternoon. Good afternoon to everyone. I welcome you all to this call and hope everyone is doing good. Our results for the second quarter of FY '24 have been uploaded on the exchanges. And I believe all of you had the chance to go through it.

Just to give you a brief, our stand-alone Q2 revenues are INR1,084 crores with EBITDA of INR252 crores and a net profit of INR169 crores. Our quarterly revenue has increased 19.9% year-on-year and down marginally by 3.3% on a sequential basis, mainly attributable to softer steel prices. EBITDA has increased from INR155 crores to INR253-odd crores on a year-on-year basis, registering growth of 63%. And sequentially, it has increased by 22%.

Due to favorable product mix and few special jobs, our EBITDA margin has also expanded by 6% on a year-on-year basis and 4.8% on a sequential basis. On the half year basis, our revenues witnessed 16% growth to INR2,204 crores and EBITDA of INR460 crores as compared to INR294 crores in H1 FY '23.

For H1 FY '24, our net profit is INR305 crores compared to INR185 crores in FY '23. During the quarter, in spite of inflationary pressures felt on operating cost, we have been able to improve our profit margin due to better product mix. However, as we move forward in FY '24, we may see some line pipes orders for oil and gas as well as water and hence, we continue to expect our annualized EBITDA margins broadly in the range of 16% to 18% under normal business conditions as guided during our earlier calls.

Orders on hand as on 1st October is INR2,979 crores. To add a new growth driver, both domestically and globally, our company has forayed into pipe spooling and auxiliary products business through a joint venture with Technoenergy, Switzerland, a group based out of Switzerland having more than 100-plus years of experience in manufacturing of pipe spools, hangers, support systems and other auxiliary products. As informed through the exchanges, RMTL had 51% in this JV and 49% is with Technoenergy. The JV company will cater to oil and gas, thermal and nuclear power plants and other allied industries, which will open new avenues for our company.

And in future, we expect to see good traction in core energy segment and other critical applications in various industrial segments. This will also help us deepen our customer base by expanding the product basket. We expect this entity to start commercial operation in next 3 to 6 months.

That's all from our side. Now I would like to invite questions from the participants. Thanks.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Ashutosh Tiwari from Equirus Securities.

Ashutosh Tiwari: Congrats on a good set of numbers. Firstly, on the export side, I think when we have basically commissioning this extrusion facility one of the aspects was that you wanted to go into higher diameter and more related products, which can be supplied in core markets. So where are we in that journey? I mean, obviously, our export order book has been increasing over the last 1 year to your perspective. So just can you give some color on that?

Manoj Sanghvi: So currently, the extrusion, what was installed last year, the ramping up of capacity and approvals is going on. It's an ongoing process. So yes, we are seeing more and more traction, both domestically and exports. And going forward, as we have more approvals, the utilization levels will be much better. For trial purposes, we have as I said all the complete size range up to 10 inches and all grades we have tested and successfully all the trials are successful and few commercial export orders also, we have executed for various grades.

Ashutosh Tiwari: Okay. So that means that going ahead, I think on the export side, we would definitely see more orders coming like -- when all this product gets commercialized?

Manoj Sanghvi: Yes, yes. As informed earlier, we are seeing a good amount of traction for special grades also.

Ashutosh Tiwari: Okay. Special grade means like more nickel grades or these are in terms of applications they are different?

Manoj Sanghvi: Related to stainless steel only, but high alloy grades.

Ashutosh Tiwari: High alloy grades. Okay. Okay. So -- and these would be comparatively better margin than earlier grades that you're making?

Manoj Sanghvi: Yes, margins would definitely be better. But quants would not be as the normal grade.

Ashutosh Tiwari: Okay, okay. But yes, I mean, directionally, I think the margin profile or the value addition profile should improve for us in SS segment.

Manoj Sanghvi: Yes. Overall, the SSCS our aim is to improve the margins wherever possible. And for this particular stainless steel, where you're doing high grades, of course, the margin is going to be high.

Ashutosh Tiwari: Okay. And I remember that even in the LSAW segment, we had got an approval from Saudi Aramco earlier, right? So even LSAW segment, which are mainly catering to maybe domestic market earlier more added product, there also with this new mill, I think we are now entering into more product areas?

Manoj Sanghvi: So for LSAW, Saudi Aramco, we have got the approval. However, we have not yet executed any orders for them. Going forward, yes, we are going to receive orders from them. So it might help us in future.

Ashutosh Tiwari: Okay. Okay. Okay. But domestic side, we have got approvals from everyone for LSAW plant.

Manoj Sanghvi: Sorry?

Ashutosh Tiwari: On the domestic side, domestic customer base, we have received approval for...

Manoj Sanghvi: Yes. Yes. We've received approvals from almost everyone now.

Ashutosh Tiwari: Okay. And in terms of the current order book that we have around INR2,900 crores you mentioned, what proportion would you get from water-related orders?

Manoj Sanghvi: Water, rough I can say about 30%.

Ashutosh Tiwari: 30% of this INR2,900 crores.

Manoj Sanghvi: See close to 30% would be water related.

Ashutosh Tiwari: Okay. This somewhere lower a year back, right?

Manoj Sanghvi: Yes.

Ashutosh Tiwari: Okay. And are water projects, low margins orders? what is the different from oil and gas-related orders? Or is there some validation over here also.

Manoj Sanghvi: So in the normal course, the margins for water segment are less than oil and gas. But some orders, better margins if like we are executing on one order in Rajasthan, where we are -- we have moved the whole setup at site. So there, the margins are a little bit better than the normal course order.

Ashutosh Tiwari: Okay. Okay. And generally, lastly, how is the -- I mean, the orders that we're bidding for, how is that pipeline looking like? Is basically new order, the tenders are coming up are lower now? Or still we see buoyancy in the new projects coming up?

Manoj Sanghvi: So if I break it between carbon steel and stainless steel, carbon steel for oil and gas, we are seeing less number of tenders coming up. But water demand is booming. So that segment is going to remain for next 6 months to 9 months, that segment, we will have a good amount of orders. And stainless steel regularly, our strike rate remains still the same, close to between INR100 crores, INR150 crores order booking per month.

Moderator: The next question is from the line of Yash Goenka from Awriga Capital Advisors. Please go ahead.

Yash Goenka: Okay. So there are talks of setting up a stainless steel plant for backward integration, it's higher order business, which has lower margin, higher working capital. What shall be the ROCE for the company? And what ROCE level does the company intend to operate at?

Manoj Sanghvi: I missed the first part of the question. So...

Yash Goenka: The talks of you setting up a stainless steel plant?

Manoj Sanghvi: Stainless steel plant?

Yash Goenka: Yes.

Manoj Sanghvi: Okay.

Yash Goenka: And with you having a higher proportion of sales to water pipe businesses, which has lower margin, higher working capital requirements. So what does it get to a ROCE and what it shall be going forward? And what does the company intend to operate at?

Manoj Sanghvi: See, at the company level because we are expanding both in stainless steel and carbon steel, right? So at the company level and some products would go to water, some for oil and gas, some for other segments. So broadly at the company level between 25% to 30% is what we aim for.

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

Vikas Singh: Congratulations on very good set of numbers. Sir, I just wanted to understand about your guidance. You have always been conservative at 16% to 18% kind of the EBITDA margin. Given that the first half was pretty good, so would you like to revise it? And how do you see this growth in the FY '25?

Vimal Katta: Vikas, Vimal Katta, this side. See, basically, as we have been talking the 16% to 18% range is for the longer-term sustainable range, okay, based on the product mix and everything. In a particular reporting period, it may be a quarter, half year or a year, it may move towards more positive towards 18% or in case of adverse market situation, it may move towards 16% sort of thing.

So plus minus 1%, we have been talking this year entire year, we should be in that 17%, 18% range sort of thing. This is our expectation going forward. As Manoj ji has already said, a few more orders in water segments are expected and blended, we should be nearer to that range only. Positive surprises are possible. We'll definitely try our best, but to be practical that 17%, 18% range should be there. Yes.

Vikas Singh: Understood, sir. Sir, my second question pertains to the market and the order book. In 4Q, you were talking about the market being a little bit dull, but we have seen a very good order book addition. So how we should read this situation? Or what is the bid pipeline going forward, if you could give us some insight.

Manoj Sanghvi: As stated previously, we are seeing good demand for the water pipes in the carbon steel segment. And stainless steel also, our order book remains strong. We are almost booking close to INR125 crores to INR150 crores every month. And the carbon steel, one big order in water segment or oil and gas segment can change the order book. Although oil and gas seems to be dull at the moment, but still, there are good amount of water projects in Gujarat itself and a few export projects also we are bidding. So...

Vikas Singh: Understood. Sir, is this possible for us to further improve our export percentage in order book, we are currently at 20%?

Manoj Sanghvi: Yes, yes. Right now...

Vikas Singh: So what is the peak level you are expecting? Because from other companies' perspective, what I learned that the export market is pretty good at this point of time.

Manoj Sanghvi: Yes. Right now for oil and gas export market, especially in Middle East is very good. So we are also hoping to receive -- and we are already receiving some orders and we are hopeful that we will -- going forward also, we are going to receive a few more.

Vikas Singh: Understood, sir. Sir, just one question on Ravi Technoforge. We were due to buy some more stake depending on some milestones, given the performance doesn't seem to be improving at this point of time. What happens to the valuation part or is -- or there would be a delay in buying the remaining stake? Or will it be valued at a much lower price depending on the milestones? So I just want some clarity in case if we don't reach the milestone, then what happens?

Manoj Sanghvi: So second tranche is fixed buyout at a multiple of EBITDA. So which is at the end of FY '24's results.

Moderator: The next question is from the line of Manish Ostwal from Nirmal Bang Securities. Please go ahead.

Manish Ostwal: Yes. Sir, my question on the Middle East geopolitical crisis. So how are you seeing the demand situation developing for our product in the export market?

Manoj Sanghvi: See, in Middle East, especially everybody is expanding, be it Saudi Arabia, be it Abu Dhabi, be it Qatar. So these markets, in spite of geopolitical situations are going very strong. Europe at the moment is a little slow and US also a little slow, but still for stainless steel, tubes and pipes, we are finding good demand from there.

Moderator: The next question is from the line of Noel Vaz from Union Asset Management.

Noel Vaz: Yes, I just wanted to just confirm one thing. If we're looking at the overall growth prospects of the company, how should we look at it? And what is the current utilization?

Manoj Sanghvi: On an average -- see, this year, we would be anywhere between INR4,500 crores to INR5,000 crores. So on an average, 10% to 15% growth can be expected.

Noel Vaz: And in terms of current utilization levels, where are we at right now?

Manoj Sanghvi: So current utilization for different segments, it is a different percentage. But on an average, you can consider 60% utilization.

Moderator: We have the next question from the line of Dhiraj Dave from Samvad Financial Services. Please go ahead.

Dhiraj Dave: Congratulations on good set of numbers. My one question is more about basically this Ravi Technoforge. What is the kind of expected ROCE or return which we expect? And what is the management thought process because we see that we are getting into related lines through acquisition or promoting subsidiary or acquisition or JVs. So how should -- rather than specifically to a quarter, how do you see your things get shaped out in next 3 to 5 years? And what would be kind of capex? And what is typical your thought process, if you can give us some color on it.

Manoj Sanghvi: So this particular product which goes to the bearing industry, our idea is to scale up from here. And in next 2 to 3 years, we want to do INR500-plus crores of bearing rings and other auto products, which is from the forging industry. And we have already -- we are investing from the Ravi Technoforge balance sheet only. Except for the initial investment, what Ratnamani did, everything is being managed from RTL's cash flow.

Dhiraj Dave: Okay. And basically, what would be kind of capex we should be looking at as you have suggested approximately 60...

Manoj Sanghvi: Right now, ongoing capex is between INR40 crores to INR50 crores.

Dhiraj Dave: This would be for Ravi Technoforge?

Manoj Sanghvi: Yes.

Dhiraj Dave: And for Ratnamani as a group total, basically, we are also talking of that Swiss JV. So we would be setting up a new capacity or is it a trading...

Manoj Sanghvi: Ratnamani close to INR250 crores to INR300 crores, where we have 2 major projects, one for carbon steel, one for stainless steel, which are ongoing.

Dhiraj Dave: Okay. And when this project will get over? This is normal capacity...

Manoj Sanghvi: Stainless steel by June of 2024 and carbon steel, where we are setting up a new plant by September of 2024.

Dhiraj Dave: September '24. Okay. And basically, any thought on capital allocation since this year, particularly, what is your plan for capital allocation or distribution of cash?

Vimal Katta: Yes. Can you repeat it, please?

Manoj Sanghvi: Capital allocation...

Dhiraj Dave: So basically, what would be your dividend distribution? Would be -- should we expect some improvement in dividend payout for a year or we like to manage stable...

Vimal Katta: See, basically, at the gross level, it is closer to 20% of profit. That should continue, where company has lot of growth plans because we are not going to rest with existing capacities, we should be able to reach closer to INR6,000 crores. And we have to look beyond that.

So there are -- team is working on various growth opportunities. And at the appropriate time, we'll be sharing those details also. So part of capex and incremental working capital requirements will be made from internal accruals only. So one can look forward to closer to 20% of profit being distributed.

Moderator: The next question is from the line of Radha from B&K Securities. Please go ahead.

Radha: Many congratulations on good results. Sir my first question was, in first half, what was the total mix from water segment?

Manoj Sanghvi: Very difficult to give you a precise number, but we can -- I can work on that and then will get back to you. One second. So between INR150 crores to INR200 crores.

Radha: From the volume perspective, I asked?

Manoj Sanghvi: Volume...

Vimal Katta: Volume normally, we don't share. And value wise, this figure of roughly INR150 crores to INR200 crores for the 6 months.

Radha: Actually, why I asked it because you said 30% of order book from water segment, so just wanted to understand during the first half, based on the execution whether it could be lower than 30%?

Manoj Sanghvi: See the order book -- yes, first half, it has been lower. Of the order book, we have 30%, but some of it is going to go for the next financial year also.

Radha: Okay, sir. Sir, secondly, so L&T has won multiple orders with Saudi Aramco and also some hydrocarbon projects with multiple Middle East companies. So could you please elaborate on the business opportunities with L&T?

Manoj Sanghvi: Yes. So 2 or 3 EPC contractors. They've got big jobs in Aramco as well as in ADNOC, which is Abu Dhabi National Oil Company. So most of it has just been awarded. So the design part -- so we will see inquiries coming from latter part of this year or early next year.

Radha: Sir, currently, out of the total order book, how much of the orders are from L&T?

Manoj Sanghvi: That customer wise breakup, we do not have and we would not like to share.

Radha: Okay, sir. And sir, thirdly, my third question was that, could you please share some insight on this JV with Tech? How much would you expect to invest and what kind of margins can we make, what would be the source of capex -- funding the capex, if any, for this and margin profiles and ROCE profile?

Manoj Sanghvi: So this company has recently formed with 51% being RMTL and 49% Technoenergy. The total investment plan is INR40 crores to INR50 crores in the next 6 to 12 months. And so part of the capital, what Ratnamani will bring in and another part will be brought in by another partner. And balance, we will have to see whether we will go for any debt or any other instrument.

Radha: For us, it could be INR20 crores.

Manoj Sanghvi: Yes. INR25 crores to INR30 crores for us.

Radha: Okay, sir. And sir, just thirdly, have you done any bill discount in this quarter?

Manoj Sanghvi: No.

Vimal Katta: No, no. See, in case in respect of one of the orders being executed by Ratnamani, it is under RPA arrangement. So those invoices have been discounted and payment has been received by the company. And that is the reason the finance cost has been a little higher.

Radha: So sir, I asked because our receivable rate has come down. So on that basis I had asked...

Vimal Katta: No, it is there. So both things are -- if we look at the figure, receivables have come down and there has been an increase in finance costs, which is related to bills discounted in respect of one of the orders. It is an arrangement under order itself. Their interest cost has been inbuilt in our pricing and documents are discounted by the customer itself under bill discounting facility, suppliers bill discounting facility.

Radha: Okay, sir. Sir, I wanted to understand, will we continue with these kind of receivable deals?

Vimal Katta: See, difficult to say because order to order based on the arrangement it may change. Because it is in respect of one of the order only and because the company has been cash surplus, usually, we don't go for even eligible discounting because there is a negative carry. Whatever returns we get from our investment are much lower than their discounting costs. So that is the result on any reporting period and one may see higher receivables also, but for this one order.

Radha: And sir, could you quantify the amount of the bill discounting that we have done in first half?

Vimal Katta: See, that will be roughly 140 crores sort of thing.

Radha: Okay, sir. Sir, last question was on the Ravi Technoforge front. So actually, there is a Y-o-Y degrowth in first half in Ravi Technoforge. So both in the revenue and EBITDA front. So previously, we have been guided that we wanted to achieve INR300 crores revenue in Ravi Technoforge. So are we still on track with this guidance or is there any revision?

Manoj Sanghvi: If we see with the corresponding last year, I mean, there is no degrowth, but there is no growth. Against INR120 crores, we did the sales of INR124 crores. An EBITDA of INR12.2 crores against that, we did INR12.6 crores. Yes, because the major reason here is the exports have shrunk and our share in the domestic industry has increased because of the current geopolitical situation. But going forward, in the second half, things look to be better. And from hereon, from the last year's number, we see that there'll be 10% to 15% of growth.

Vimal Katta: But more impact has been there that of commodity prices coming down compared to what they were last year. So some impact of that thing is also there because realizations are directly linked to the commodity prices.

Manoj Sanghvi: And if we see the production per se, then it has gone up by 6% in the first half.

Radha: Y-o-Y, first half Y-o-Y versus first half FY '23. So actually, sir, actually, on the previous call, you mentioned that revenue from Ravi Technoforge was INR240 crores in FY '23. And so that -- and we have the 3Q, 4Q numbers. So that implies that first half FY '23 revenue must have been INR136 crores. So basis that there is a 10% degrowth. So you're saying volumes have grown 6% Y-o-Y. So realizations would be down 16% Y-o-Y?

Manoj Sanghvi: Yes, yes, your understanding is correct.

Radha: Sir, this is entirely due to commodity?

Manoj Sanghvi: Yes. Yes. Entirely due to commodity steel price, which has gone down.

Vimal Katta: Plus some impact of degrowth in exports as Manojji has already shared and it is mainly because of geopolitical issues, whatever is happening in Europe that has impacted demand from European bearing manufacturers.

Radha: Sir, by when do we expect to go back to FY '22 margin levels in Ravi Technoforge, a 13%, 14% EBITDA margin that we had done?

Manoj Sanghvi: We will be close to that by the end of this year.

Radha: By 4Q FY '24?

Manoj Sanghvi: Yes.

Moderator: The next question is from the line of Vinamra Herawath from JM Financial. Please go ahead.

Vinamra Herawath: Firstly, congrats on a good set of numbers. My question was many steel players now are getting into steel pipes and other downstream products. So what are differentiating factors for Ratnamani?

Manoj Sanghvi: Yes, see, a lot of players are investing in the manufacturing of stainless steel as well as carbon steel pipes, but the kind of approvals, the kind of range, the kind of facilities what we have, it will take time for them to create and catch up. So that is -- and the number of approvals what we have is also very wide. The geography what we have covered.

Vinamra Herawath: What do you mean by number of approvals, sorry?

Manoj Sanghvi: Number of approvals from the oil and gas companies, chemical companies, nuclear power plants and defense, aerospace. So those approvals, those are all 6 months, 12 months, 2 years process. And the kind of capital investment required to have maybe capacities like -- capacities and range like us at this point in one go, would not justify it.

Vinamra Herawath: Makes sense. Okay.

Moderator: Vinamra, does that answer your question?

Vinamra Herawath: Yes.

Moderator: The next question is from the line of Pujan Shah from PS Ventures. Please go ahead.

Pujan Shah: Yes. So can you just provide me with the order book size and the sector-wise order book because I missed the initial call?

Manoj Sanghvi: So our order book stands currently at INR2,975 crores, of which domestic is INR2,370 crores, and balance is exports.

Pujan Shah: Okay. And sector-wise oil and gas end?

Manoj Sanghvi: Sector-wise breakup we are not giving anymore.

Vimal Katta: Major will be oil and gas. Right now also, you can say almost 70% should be oil and gas and related fields, power sector and continuous process industry, roughly 30% might be from water application.

Pujan Shah: Okay. So in the initial phases as we have witnessed from the last few quarters, we have been witnessing the oil and gas has been booming and as well as the water segment. So are you seeing any upcoming new sectors has been getting into traction like we are getting newly into engaging into new sectors specific to that? Or we are -- the order book is growing on that -- already on this same sectors.

Manoj Sanghvi: No, as of now, no new sectors have been added. But yes, within the sector, there can be plus and minus. Water, of course, as I informed earlier is one area which is booming at the moment in various states. So that is one area. Oil and gas is a little slow on the line pipes side. But on the process side, it is still okay.

Moderator: The next question is from the line of Radha from B&K Securities. Please go ahead.

Radha: Sir, could you tell me the export sales mix from Ravi Technoforge in first half?

Manoj Sanghvi: One second. Exports are 30% in first half.

Radha: It was -- and how much was it in first half FY '23?

Manoj Sanghvi: 38% to 40%.

Moderator: Thank you. We have no further questions. I would now like to hand the conference over to Mr. Sahil Sanghvi: for closing comments. Over to you, sir.

Sahil Sanghvi: Yes. Thank you. Thank you. I would just like to thank all the participants for attending the earnings call. Also thanks to the management for answering all the questions patiently. Manoj sir, would you like to give any closing comments?

Manoj Sanghvi: Yes, Sahil. So we thank you all for participating in the earnings call and hearing us patiently. I would also like to wish everyone a great festival time ahead. Thank you.

Sahil Sanghvi: Thank you, sir.

Moderator: Thank you. On behalf of Monarch Networth Capital, that concludes this conference. Thank you all for joining us. You may now disconnect your lines.