"Steelcast Limited Q4 FY-23 Earnings Conference Call"

May 24, 2023

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MODERATOR: **MR. RONAK JAIN - ORIENT CAPITAL, INVESTOR RELATIONS PARTNER**

Moderator: Ladies and gentlemen good day and welcome to the Q4 and Year Ended 31st March 2023 Earnings Conference Call of Steelcast Limited hosted by Orient Capital.

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 sir.

Ronak Jain: Thank you. Good afternoon, everyone. Welcome to the Q4 and year ended 31st March, 2023 earnings call of Steelcast Limited. Today on this call, we have Mr. Chetan M. Tamboli – Chairman and Managing Director along with Mr. Rushil Tamboli – Whole-time Director, Mr. Subhash Sharma – Chief Financial Officer and Mr. Umesh Bhatt – Company Secretary.

This conference call may contain forward-looking statements about the company which are based on the beliefs, opinions and expectation as of today, an actual result may differ materially. These statements are not the guarantees of future performance and involve risk and uncertainties that are difficult to predict. A detailed safe harbor statement is given on page 2 of the company's investor presentation which has been uploaded on the Stock Exchange and the company's website as well. With this, I now hand over the call to Mr. Chetan M. Tamboli sir for his opening remarks. Over to you, sir.

Chetan M. Tamboli: Very good afternoon to everyone on this call and on behalf of Steelcast Limited, I welcome you all to this Q4 FY23 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.

Markets across the globe faced major challenges in FY23 due to concerns over high inflation resulting into increase in interest rates around the world. Recession fears and turmoil in the global banking system made the market more fragile during the later part of the last fiscal year. India is projected to be the world's fastest growing economy in '23-24 on the back of robust macroeconomic condition. Despite the global turmoil, we are able to grow in terms of volumes, revenues and profits at operating levels.

Talking on the financials, Our revenue in FY23 grew by 58% on a year-on-year basis to Rs. 476.8 crores, the highest in the history of this company against FY23 revenues of Rs. 302 crores. In Q4 we reported revenue growth of 120 crores, a growth of 29% year-on-year basis and revenues as per geography, domestic revenue grew by 40% year-on-year and exports grew by 70% year-on-year basis. In FY23, EBITDA grew by 79% year-on-year basis with the margin expansion of 282 basis points. In Q4, we reported EBITDA of Rs. 31 crores as against

Rs. 17.6 crores in the corresponding quarter of FY22 with a growth of 76%. PAT stood at Rs. 70.5 crores in FY23, a robust growth of 112% year-on-year basis. Q4 reported PAT of Rs. 19.5 crores versus Rs. 9.6 crores in the same period last year with a year-on-year growth of 103.6%. Volume growth, operational efficiencies, cost rationalization efforts led to an increase in overall profitability and margin expansion. On the rationalization plan, we have commissioned 5 MW solar power plants for captive use effective 30th March, '23. This has led the company in the direction of being self-reliant in power and reducing the carbon footprint. A further hybrid power plant of 4.5 MW is likely to be commissioned on or before 30th June. Both the plants will bring power cost savings of Rs. 10 crores annually. The commissioning of hybrid power plant was delayed due to certain regulatory issues which are now sorted out. Both these plants will meet around 80% of our total power requirement with present capacity utilization and the balance 20% requirement will be met through the State Electricity Board.

Working capital days reduced substantially to 83 days from 143 days, return on equity for FY23 increased by 37.9% versus 23.3% in FY22. Return on capital employed for FY23 also increased to 42.3% versus 28.4% in FY22. Our company incurred CAPEX of about 52 crores without any additional term loans. This CAPEX is exclusive for investment of Rs. 4.5 crores in hybrid power plant. For everyone's information we remain long term debt free. Short term debt reduced from Rs. 62.79 crores to 23.60 crores during the year.

The company has signed a long-term supply agreement with large OEM in USA for the railroad industry. The long-awaited AAR approval has been received last month and the serial supply should hopefully start from Q3 '24 onwards. Our full year capacity utilization was at 54% for FY23. In the current financial year '24 the company is also planning to completely pay off the short-term debt, thus making the company 100% debt free. The company has completed 63 years since its inception and 50 years since its conversion into a private limited company. To celebrate this significant milestone, the Board has declared a special interim one time dividend of 63%. In line with Company's policies of 80% payout of PAT, the Board has recommended a final dividend of 54% totaling to 135% dividend for the year FY23. This is to be approved by shareholders at the forthcoming AGM.

Keeping in mind the geopolitical conditions, high interest and high inflation rate across the globe, we may see a flat growth in the first half of financial year FY24, but with the World Bank recent report of April, '24 the world growth should substantially improve. The effect on us, we will have hopefully an uptrend from Q3 of FY24 onwards. Thank you again and if there are any questions, I would request Orient Capital to moderate this please. Thank you.

Moderator: Thank you very much sir. We will now begin the question-and-answer session. The first question is from the line of Ankur Kumar from Alpha Capital.

Ankur Kumar: The first question is on; you have been saying in the last call that our quarterly run rate is 4000 tons which is expected to go to 5000 per quarter in FY24. So, can you comment what was the volume in this quarter? You're saying that H1FY24 will only slightly grow. Can you quantify that please?

Chetan M. Tamboli: The volume numbers of Q4 will be 4000+ tons. As I explained, with the high interest rates and high inflation across the world, we should have probably a flat growth in the first half of this year. If you see the macroeconomic conditions across the world and also in India, inflation should soften in the next 3 to 4 months' time and we would expect growth to bounce back from Q3 '24 onwards.

Ankur Kumar: On US railroad side you are saying that serial supply will start from Q3. What kind of volumes we can expect, volume or revenue we can expect from there in the Q3?

Chetan M. Tamboli: As of now we don't have exact numbers. Now that we have got the AAR approval and the company is approved to supply to the railroad industry, we plan to speak to our customers and have some roadmap made, so that serial supplies as I said can start from Q3 onwards but maybe in the next call we'll be able to give you more clarity on this.

Ankur Kumar: On margin side last two quarters have been 26% which is like higher end of the range that we have been riding. We expect this 26% to continue in the first half of next year.

Chetan M. Tamboli: As I have been always saying in all the calls that we are aiming at about 22% EBITDA margin, then this extra 3%-4% we try and attempt to get it from cost reduction measures, improvement in operating efficiencies or exchange rate benefits or things like that. One should consider that we are aiming at 22% in the process and get 2%-3% more.

Ankur Kumar: On fixed asset we see there is an increase. So, can you please comment on that?

Chetan M. Tamboli: Please repeat your question.

Ankur Kumar: Our fixed asset seems to have gone up but we were already running at low utilization. So why has the fixed asset gone up?

Chetan M. Tamboli: See, this is an engineering industry and we make different components for different industries. So, year-on-year basis you will see some bottlenecks happening across the value stream of the company. This is for debottlenecking and balancing the equipment. In terms of capacity, yes, we are at 54%. But year-on-year basis we have to either get new equipments or replace old equipments and keep balancing the manufacturing flow and debottleneck it year-on-year and out of the CAPEX, 23 crores is for solar power plant. Investment made for the balanced equipment is about 23-24 crores.

Moderator: The next question is from the line of Pritesh Chedda from Lucky Investment Managers.

Pritesh Chedda: What kind of volume most likely you'll do in FY24 now, based on whatever your commentary of first half being flat and pickup in the second half?

Chetan M. Tamboli: There are a lot of uncertainties around. There will be different numbers in the first half and second half for sure. Overall, we are attempted to do marginally better in the next financial year compared to this year.

Pritesh Chedda: On the power side is those solar power assets now live and we will see the cost benefit coming in Quarter 1.

Chetan M. Tamboli: For example, the exclusive solar plan has been commissioned on March 30th. Benefit has to come from 1st of April onwards. The hybrid power plant, because of the government's regulatory delays, the company whom we made a contract with has not been able to sort out, but they have sorted out now and that should be commissioned on or before 30th June. The hybrid benefit will start accruing from 1st of July onwards. But the solar plant, the benefits have started coming effective 1st April.

Pritesh Chedda: Any changes in the realization that you envisage?

Chetan M. Tamboli: The input prices have softened towards February March of '23. We have dropped prices by about 1.82% effective 1st April.

Moderator: The next question is from the line of Aashav Patel from Molecule Ventures PMS.

Aashav Patel: My question is that over last many years we have been putting efforts to move our sales mix from largely new CAPEX driven sales towards the replacement demand sales. How far have we achieved that endeavor and what is the outlook going forward on the same?

Chetan M. Tamboli: See the goal is to also enter the replacement market over time. But as of now for FY23, 100% sales are to OEMs. So, the three growth drivers which we are seeing is one is to go into the replacement market for certain mining products, Defense in India and also the North American railroad industry. So those are the three future drivers.

Aashav Patel: Any outlook, any internal targets which you are maintaining to achieve over next couple of years, say 3 to 5 years.

Chetan M. Tamboli: Target means in terms of?

Aashav Patel: To achieve the replacement demand in the mix, the replacement demand in the total.

Chetan M. Tamboli: The macro numbers we have in mind is 3 to 4 years, at least 10% of our sales should go into the replacement market.

Aashav Patel: The next is, can you please mention our top three clients and what proposition do they contribute to the overall sales mix?

Chetan M. Tamboli: On grounds of confidentiality, we can discuss that on a one-on-one basis because we don't know, maybe the competition is also on this call. We would like to refrain from doing this.

Aashav Patel: Can you please guide us on the order book as of now? What orders do we have in hand?

Chetan M. Tamboli: The order book as of now is about 123 crores into more than one can say 3 months of sales.

Aashav Patel: And sir, last question from my side. What was the volume in FY23?

Chetan M. Tamboli: 15,275 tons.

Moderator: We have the next question from the line of Harshit Toshniwal from Bottomsup Research.

Harshit Toshniwal: Few questions. The first one is on our raw material sourcing. I think a lot of it comes from Alang, which is a ship recycling area. I think there were many news articles that because of some regulations that steel manufacturers will have to buy from a recognized quality standard. Which is why that a lot of the offtake which used to happen from the shipyard has now reduced over the last 2-3 years. That is indirectly helping us in terms of sourcing for our own steel and that is having some advantage in terms of our overall profitability. Now, if you can throw some color, how much of it is sustainable and you think it's a very tangible advantage which we have for the next 4-5 years. So that's the first question. I'll just add the second question also. So that is more relating to, you mentioned about inflation, etc. impacting the overall demand in H1-H2. But what I'm trying to understand fundamentally is that a few of the larger customers, like obviously the OEM manufacturer in US, I'm not taking the name since you mentioned the confidentiality, but the larger trades in this segment, when we listen to their investor calls, they still sound very bullish on the overall demand environment. Probably rather this was one quarter where they were guiding of some kind of inventory management because there was an excess inventory in the channel which is also now probably behind us. They all have guided for a decent growth over the ‘23 also. Want to understand that for us, why is it that we are expecting a flattish thing in H1 because most of our end customers are seeing that to be a positive growth period itself.

Chetan M. Tamboli: I'll try and answer your question. One is we do not buy anything from the Alang Shipyard. Whatever happens is really not affected to us on an ongoing basis.

Harshit Toshniwal: We might not buy directly from shipyard, but does that situation, we would be buying from an intermediary, but that cost advantage is something which benefits us or do you think that actually there is no benefit?

Chetan M. Tamboli: Because of the location that we are very close to Alang Shipyard is only 55 km away. There would be a cost advantage because Bhavnagar area has become the steel hub of India replacing the places in Punjab, Mandi Gobindgarh and Raipur and things like that. We may be buying from the downstream industries of the Alang Shipyard, but really whatever happens in Alang we are not affected by it. That's our answer to the first question. Regarding the OEMs giving guidance that they should do good, so I hope this is what happens. But our customers, the feedback is that we should have flattish growth in the first half and then with inflation and high interest rates cooling down over the next 3-4 months period and a good growth rate in FY24. If we have to have a good growth rate in '24, it will start affecting us from towards the end of the calendar year, which is Q3 onwards. That's how we interpret this as the second half for us, which is October to March period of FY24 will better and we expect the growth to bounce back because of the various reasons which I mentioned above.

Harshit Toshniwal: And one more question, even in our presentation we have mentioned, we have been saying this on our call that we are trying to diversify into new industries and we are preparing molds which are suitable to those products. US railroad is something which we get to see from maybe Q3 onwards. But still over the last 6-7 months have you added new customers on the railways, Defense, all those ones? Because if I remember, visits were happening from Defense organizations and we were showcasing our products and capabilities. I'm just trying to understand where exactly we are when we say that we are trying to diversify by making new molds on those segments.

Chetan M. Tamboli: See, the future growth drivers for us, as I mentioned earlier will be Defense, the North American railroad and of course the replacement market. There has been a constant ongoing effort. We made some breakthroughs in Defense in the beginning of this month of May, we made some special parts for combat vehicles for the Indian Defense industry. They have been approved. So, the efforts are on so the future 2-3 years we should do well in all these industries.

Harshit Toshniwal: The only thing is that for us that 15,000 as a utilization, that 4000 per quarter we have been in that range for a very long period now. The part is that we have consolidated, but we still have a large capacity which is underutilized. Even in the past we had that instance where suddenly the number changes, whenever there is a slowdown. So, which is why at least as an investor (Inaudible) get used up faster.

Chetan M. Tamboli: I need to make a correction here. Our volume growth in FY23 is far better compared to FY22.

Harshit Toshniwal: I am saying that more from a quarter point of view. The last two to three quarters we have been in that 4000 tons range.

Chetan M. Tamboli: As we move as we are successful in penetrating markets, as we keep on getting new customers, things will improve over time. These kind of industries really quarter-on-quarter nothing happens because the lead times are very long. From an enquiry to give a PPAP plot, which is to give samples, the time is anywhere from 15 to 18 months. But our plans are laid out. We have a long range plan in place. We monitor this very closely. As we move forward, this will happen.

Moderator: The next question is from the line of Karthi from Suyash Advisors.

Karthi: I wanted to understand the update on the American railroad approval that was spoken about some time ago. Where are we on that and when can we expect some kind of shipments on that section?

Chetan M. Tamboli: As I said there was a delay in getting the approval which we got it in the month of April and the serial supplies will start from Q3 FY24 onwards.

Karthi: The original estimate was that this could scale up over time to 5,000 tons. Does that still remain?

Chetan M. Tamboli: Absolutely. This is what we want to do. We want to do at least 15% of our sales into the North American railroad industry. If you, 15% of 30,000 tons is 4,500 tons.

Karthi: By which year can we see this kind of volume FY25 or '26?

Chetan M. Tamboli: Anywhere from below 2.5-3.5 years kind of a thing which will be so we do it gradually.

Karthi: Second thing to ramp up production to the full 30,000 tons we have all kind of environmental clearances in place and therefore that shouldn't be an issue for us?

Chetan M. Tamboli: Not at all. We have all requisite clearances from all the statutory departments connected for manufacturing. So, we have no issues. There are no roadblocks in terms of approvals.

Karthi: You are planning a modular expansion of 10,000 tons. Is there any visibility for that at this point in time or does that have to wait for a better more opportune time?

Chetan M. Tamboli: No, the studies are over, the engineering layouts are over. We are just waiting for an appropriate time and we will take a call somewhere towards the end of FY24.

Moderator: We move on to the next question which is from the line of Mahesh Attal from Attal Advisor.

Mahesh Attal: My first question would be as in our previous concalls, we have stipulated that we would be saving same for 20% demand, I mean 20% growth year-on-year, right? As you have stipulated in the last concalls and where are we on that, what percentage of this would come from exports and what from the domestic market. I mean what kind of points we are seeing in the domestic and export market. And my second question would be if you can actually give us a quantum of this American road rail business in terms of tons that you are estimating that this would be the business that you'll be getting from that particular order or something. So, these are my two questions.

Chetan M. Tamboli: In terms of year-on-year growth we would have surely had a growth ahead this geopolitical situations and high interest rates and high inflation, of course the world was not aware. But as I said earlier, we expect all these things to cool down progressively by September '23. So, demand should bounce back because we feel macro-economic conditions World over and also the World Bank report of April says that there will be a recovery sometime Q3 onwards and demand to bounce back (a). (b) so definitely if you see from FY21 to maybe FY27-28 we will have a CAGR growth of 15%-18%-20% for sure. The only thing is because of all these uncertainties you may see either a flat growth or a slight de-growth for one or two quarters. In terms of the railroad which I said earlier that our long range plan says that we want to do 15% of our capacity in the railroad industry and 15% of 30,000 tons is 4,500 tons. Around that we want to do this which we should reach in another as I said 2.5 to 3.5 years' time.

Mahesh Attal: This is in the 2.5-year timeline, right?

Chetan M. Tamboli: Absolutely.

Mahesh Attal: I have one more question if you can actually give us a breakup or like what percentage of our revenues I mean in the segment wise revenues, what is our top three revenue sources, segments from where we are delivering the volumes in the FY23?

Chetan M. Tamboli: We would like to refrain from giving this numbers over this investor calls because we don't know who is present and the competition may also take this so maybe on a one-on-one call or we can talk more in detail.

Moderator: The next question is from the line of Sahil Sanghvi from Monarch Networth Capital.

Sahil Sanghvi: My first question is when you were guiding for a flattish growth in the first half is this on the volume or is this on the revenue front?

Chetan M. Tamboli: On both sides. Because once you have a flat growth basically it's a combination of both the volumes and the revenues.

Sahil Sanghvi: Because if realizations are trending downward then we will have a….

Chetan M. Tamboli: As I said because of the softening of input prices in January-February-March, we gave across the board a price reduction of 1.82%. Obviously, these numbers are not significant for things to turn upside down. Because of this moment of input prices either up or down so these fluctuations may happen.

Sahil Sanghvi: How much further reduction do you expect in the realizations to come going ahead? If the base steel prices have corrected quite a lot in domestic market so?

Chetan M. Tamboli: Like in in our case steel scrap just one maybe 35%-40% of the overall inputs. We have large amount of other inputs. So, whatever has softened we expect now that this should stabilize here at least for the next 12 to 18 months' time.

Sahil Sanghvi: My second question is that there has been really good working capital release in FY23, good reduction in the inventory days and also on the receivable days. Do we continue at this rate now going forward about…

Chetan M. Tamboli: For our kind of industry and the product mix we are doing and the end users we are catering to. These are ideal numbers but there is surely a room for improvement and it's our endeavor to constantly work on this that how do we reduce the working capital cycle, how do we reduce the throughput time so that effort is on. If we do well, we will get further down.

Sahil Sanghvi: Any timelines we have on when do we start dispatches to the Defense orders or very early to comment on that?

Chetan M. Tamboli: As I said we have verbal approval from the Ministry of Defense for parts for combat vehicles. We will have formal written approval also in the next few weeks' time and then depending on their requirements, this will happen so we don't have a visibility as of now when we would do this or when this will happen. But a very important part is the approval of the complete tracks of combat vehicle which was being imported all these years. We are one of those few, maybe one or two companies in India who has been approved. We have to see when the requirement comes.

Sahil Sanghvi: One last question that I have is what are we doing on the replacement demand front? I mean on ground engaging tools? I mean what is the progress on that front?

Chetan M. Tamboli: Progress we are in touch with many people. We are under discussions also. So, this should happen in not very long time but the efforts are on. Some efforts get certified in a quarter, some efforts take three quarters, some things take maybe five quarters but the direction is clear and we will get there.

Moderator: The next question is from the line of Vignesh Iyer from Sequent Investments.

Vignesh Iyer: I just wanted to know how much tons did we do in Quarter 4 of this year FY23?

Chetan M. Tamboli: We have done about 4,000 tons.

Vignesh Iyer: Around 4,000 tons, right?

Chetan M. Tamboli: Yes.

Vignesh Iyer: When you guide for a flattish type of a growth, we can expect around 4,000 tons each in next two quarters, right?

Chetan M. Tamboli: Absolutely, we should do that.

Vignesh Iyer: When it comes to the power plant, we have started one power plant at end of March and what is the size of the hybrid power plant that is coming in the month of June?

Chetan M. Tamboli: It's 4.5 MW.

Vignesh Iyer: Basically, when you say around you will be saving around 10 crores in power cost for the entire year. We can at least see 1-1.5 crores of that benefits coming from Quarter 1, right?

Chetan M. Tamboli: Yes. On an annual basis the savings from the solar plant will vary from 3.6 to 4 crores and in the hybrid, it will vary from 6.5 to 7.5 crores.

Moderator: The next question is from the line of Aashav Patel from Molecule Ventures PMS.

Aashav Patel: This is just a follow up question. Can you please give volume numbers for FY22 and FY21 as well?

Chetan M. Tamboli: FY21 was 7,500 tons, FY22 was 12,000 tons and FY23 was 15,740 tons.

Aashav Patel: Last question, just to understand we have installed capacity of close to 30,000 metric tons and you mentioned that FY23 we produced close to 15,000 metric tons. But in the opening remarks you mentioned that our capacity utilization stands at close to 84%. So, can you please clarify that?

Chetan M. Tamboli: No, we said 54. Full year capacity utilization was 54%. And the power generated from solar and hybrid power which will suffice 80% of our requirements. These were the two numbers.

Aashav Patel: Just to put things into perspective over next 3-4 years if we are able to optimally utilize our existing capacity, we won't need any maintenance CAPEX from here on? We have all the infrastructure in place already there?

Chetan M. Tamboli: See for our kind of an industry which is a steel foundry there will be year-on-year replacement of CAPEX of about 4 to 4.5 crores and some because of changing in product mix, some addition of equipment. One should consider anywhere from 12 to 15 crores of regular CAPEX happening.

Aashav Patel: This would only be the maintenance CAPEX?

Chetan M. Tamboli: Maintenance or debottlenecking or things like that.

Moderator: The next question is from the line of Neha Idnany from Minerva Invest.

Neha Idnany: I want to ask you that last year the volume growth was basically 27%. So, the realizations have gone up by 30%, is it?

Chetan M. Tamboli: Yes, because the growth in volumes and the growth in revenues will not match because depend on the input prices, the sales prices will also go up. Those numbers will not be in tandem. There will be some growth numbers for volumes and the some growth for the revenues. There will be a difference from time to time.

Neha Idnany: Going ahead what kind of pricing we expect, the flat pricing to continue?

Chetan M. Tamboli: My personal view is that for our steel foundry engineering industry different inputs the prices are stabilized and we should see some stability there at least for the next 12 to 18 months' time.

Neha Idnany: So basically, flat pricing and then whatever volumes we are able to manage depending on the economy?

Chetan M. Tamboli: Absolutely.

Neha Idnany: My second question is on the margins. Like in Q4 we did margins of 25.7% and we still haven't got the benefits of the solar and the hybrid power plant. Is it that we can do much higher margins than 26% once these kicks in as well?

Chetan M. Tamboli: Yes, assuming we do the same volumes and same revenues in the current year with good operating efficiencies, the savings from the power plant should add to the bottom line.

Moderator: The next question is from the line of Mahesh Attal from Attal Advisor.

Mahesh Attal: Just wanted to know this new segment that we are entering into, are we going to maintain our same margin percentage on these segments also, this is first one? What about your CAPEX guideline for financial year '24? Because when you say you'll be doing 4 to 5 crores of maintenance CAPEX, what all other CAPEX you would be doing in the financial '24?

Chetan M. Tamboli: Yes, as I said earlier and I keep repeating the same thing that for any business we aim at 22% EBITDA margins and then through rationalization measures, cost reductions, we try to make those extra 2%-3%-4% so our aim is 22%. Your second question about the CAPEX, the FY24 CAPEX plan is about Rs. 12 crores. This is again a replacement CAPEX and some debottlenecking balancing equipments.

Mahesh Attal: What are your plans regarding the cash that is because this year our cash was really good. I mean the cash flow from operations was really good. Even I think if we maintain the same run rate also, we'll be generating enough cash in your books. What are your plans relating to the cash that you'll be generating? Are there any plans discussed by the board or something?

Chetan M. Tamboli: As I have said we will go in for capacity expansion on a modular basis. We will take a call sometime towards the end of '24. If we decide then a substantial part of the current year cash flow will go in for capacity expansion. Now in case we don't do any capacity reduction for some more time, then we'll ask the shareholders to ask them what we should do.

Moderator: We have the next question from the line of Kanv from Garg Advisors.

Kanv: First question is on the appointment of your son Mr. Rushil as a Whole Time Director. I just wanted to understand what is his part. Does he participate in the day-to-day activities of the company and where does he add value to the company?

Chetan M. Tamboli: Mr. Rushil Tamboli was away for a year and he has re-joined effective May 16 and he will be taking part in day-to-day operations of the company going forward. Even a year before he was actively involved in the day-to-day operations.

Moderator: Ladies and gentlemen that was the last question for today. I would now like to hand the conference over to the management for closing comments. Over to you sir.

Chetan M. Tamboli: On behalf of Steelcast and myself and all of us here, Mr. Rushil Tamboli – our CFO Mr. Sharma, our company secretary, Mr. Umesh Bhatt we thank all of you for attending this call and taking time out to interact with us. We look forward for next quarter's investor call again and wish you all have a nice day. Thank you.

Moderator: Thank you very much sir. On behalf of Steelcast Limited that concludes this conference. Thank you for joining us and you may now disconnect your lines. Thank you.