“MAN Industries (India) Limited
Q2 & H1FY19 Earnings Conference Call”

“October 30, 2018

Management on Call will be represented by: -

Mr. R.C Mansukhani, Chairman
Mr. Ashok Gupta, CFO
Mr. K.G Mantri, Sr. Vice President
Ms. Pushpa Mani, Manager Investor Relations

Moderator: Good day ladies and gentlemen and very warm welcome to the MAN Industries (India) Limited Q2 and H1 FY19 earnings conference call. 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 the conference call, please signal an operator by pressing * then 0 on your touch tone phone. I now hand the conference over to Ms. Pushpa Mani from MAN Industries. Thank you and over to you Ma'am.

Ms. Pushpa Mani Thanks Ali. I Pushpa Mani, Manager Investor Relations welcome you all to the Q2 and H1 FY19 earnings call of MAN Industries (India) Limited. Management on Call will be represented by Mr. R C Mansukhani, Chairman, Mr. Ashok Gupta – CFO, Mr. K. G. Mantri – Senior Vice President and myself. Please note that this call may contain some forward-looking statement involving risk and uncertainties Listeners are requested not to put any undue reliance on stats presented during the call. With this brief I hand over the call to Mr. K G Mantri for an update on industry and business. Thank you and over to you sir.

K G Mantri: Good evening every one. I will start with a brief update on large diameter pipe industry. We have seen globally oil and gas companies having revived their investment plans which includes construction of new pipe lines as well as replacement of aging pipelines. You must also be aware that India has recently completed its biggest city gas distribution auction that would extend coverage to more than half of the population across one third of the nations' geography. This project aims to see 10 million homes linked to gas grid by 2020 which will lead to considerable demand push for steel pipes in all categories in next few years. Low penetration of pipelines and government measures such as setting up of the national gas grid and revamping the water and sanitation infrastructure, provides huge domestic business opportunity. We are quite confident about the future outlook as There is a significant demand pick up as well as improvement in the overall tender activity in oil and gas as well as water sector in domestic as well as international market.

Moving to company highlights – as you are aware the company commissioned a new production line for 3LPE coating plant having capacity of 2.4 million sq.mtr per annum in the current year. This is in addition to the concrete wet coating plants which was commissioned in the previous year. With These additions company has expanded its product portfolio.

The company continues to have a robust orderbook and bid book at various stages of evaluation for several oil & Gas and water projects in India and abroad. The company therefore expects good order inflow in the near future. The unexecuted order book as on date is approximately 10,000 million to be executed by March 2019.

Coming to financial performance of Q2 FY19 has seen the highest quarterly revenues reported by the company. The company performed very well during this quarter on the back of robust order book. Total revenue including other income increased by 157% on YoY basis from Rs. 3,011 Million in Q2 FY18 to Rs. 7,736 Million in Q2 FY 19. EBITDA increased by 70% on a YoY

basis from Rs. 325 million in Q2 FY18 to Rs.552 million in Q2 FY19. Depreciation increased by 24% due to installation of CWC in the second half of the previous year and also installation of new production line for 3LPE during the last quarter. PAT increased by 63% from Rs.94 million in Q2 FY18 to Rs.152 million in Q2 FY19. Sales volume for the quarter stands at 118,000 Metric ton.

Now coming to half yearly performance – H1 FY19 has been one of the best half yearly revenue reported by the company. Total revenue including other income increased by 124% on YoY basis from Rs.6,288 million in H1 FY18 to Rs.14,103 million in H1 FY19. EBITDA increased by 85% on YoY basis from Rs.659 million to Rs.1,218 million in H1FY19. Sales Volume for H1 FY19 stands at more than 2 lakh metric ton as compared to around 90,000 metric ton in FY18.

With this brief overview we now open the floor for Q&A session.

Moderator: Ladies and gentlemen, we will now begin the question and answer session. The first question is from the line of Ramila Purohit from Crescita Investments. Please go ahead.

Ramila Purohit Hi. I want to know about the capacity utilization. How much it was there in FY17 and as well as in FY18. And how much it was in the current quarters of FY19. Q1 and Q2?

R.C Mansukhani Capacity utilization for last 2 quarters have been quite satisfactory and it is also improving significantly.

Ramila Purohit Okay. And are you planning for any expansion in the coming years.

R.C Mansukhani No expansion plan for the company in the near term. Only some balancing equipment for plant upgradation, which is a continuous process. For this the CAPEX required is very nominal and apart from this only the maintenance capex.

Moderator Thank you. The next question is from the line of Jayesh Mehta, and individual investor. Please go ahead.

Jayesh Mehta Congratulations sir on the good set of numbers. There are 2 questions from my side. 1) In other income you had mentioned that there was a one kind of FOREX loss of 29 crore. Because of which the EBITDA margin and PAT margin was hit. So is this one of the kinds. Or will there be an impact 3rd and 4th quarter. If you can give us our look of that. 2) if you see the cost of raw material has gone up around 5% to 6%. From 79% to 80%. So, what's the outlook on that?

Ashok Gupta With regard to your question on other income negative figure, that includes about 34 crores of losses on account of foreign exchange which includes some realized losses as well as MTM losses. And this is one kind of loss which has been accounted for because of un-precedented depreciation of rupee last quarter. And I don't think this trend is going to continue for the 3rd

quarter. Because whatever outstanding's and inventories are there that has been revalued at closing rates of Sept 19.

Jayesh Mehta and what about the raw material cost.

Ashok Gupta Raw material cost has also increased because of the depreciation. Because some of the metal which got imported earlier and the amount paid now.

Jayesh Mehta So what is the outlook for the second half of the year? Will there be a pressure on the margins also?

Ashok Gupta Not really.

Jayesh Mehta Okay, so what margins can we expect?

Ashok Gupta In we expect the margin of a 10% to 11% EBITDA margin we think our margin should be in the same range.

Jayesh Mehta Okay. In PAT margins?

Ashok Gupta PAT margin is always around 3% to 4%.

Moderator Thank you. The next question is from the line of Anand Mudra an individual investor.

Anand Mudra I wanted to understand the payment terms of GAIL contract which was executed in the first half. The outstanding debtors have gone up significantly from 260 crore to 827 crores from last year September to this year September. This is mainly due to increase in top line would like to understand more about it. This is largely pertaining to GAIL which were executed in the first half. Wanted to understand what was the payment terms for GAIL?

Ashok Gupta GAIL payment is 70% on supplies and balance 30% on receipt and lifting of pipes

Anand Mudra So sir, the debtors are very high. 827 odd crores. Do you think it will come down by December quarter?

R.C Mansukhani Yes Definitely it will come down. But there would be additional purchases, so these debtors will come down but there will be additional debtors on account of fresh sales for December quarter. New sales are being reported and earlier old debtors are getting realized.

Anand Mudra What is my concern is, current liabilities also very high. If debtor's payment doesn't come on time and current liabilities are supposed to be paid then debt limits will go up. That was the query which I had.

Ashok Gupta You can see the receivables and payments are mostly on the same line. So always our receivables are on time to match our liabilities.

Anand Mudra So what are the debt limits which are currently utilized and fund based.

Ashok Gupta See we have a working capital limits of 1,500 Crores and utilization is at good level

Anand Mudra So 1,500 crores you are saying is fund and non-fund based together. What is the fund-based limit sir?

Ashok Gupta Fund based limit is 100 crores.

Anand Mudra Your current debt is more than 200 crores.

Ashok Gupta Current debt includes some bill discounting and rollover of LC liabilities.

Anand Mudra So sir for current year what is the peak debt we can assume for the projections.

Ashok Gupta Current year peak debt i.e long-term debt would be around 60 to 70 crores and current debt is around 100 to 150 crores.

Anand Mudra So 220 to 230 crores.

Ashok Gupta Yes

Anand Mudra And sir coming to FOREX, what is the nature of this FOREX loss? Is it liabilities which were current liabilities which were reported at lower exchanges and now mark-to-market or some other kind of nature of this 40 crores.

Ashok Gupta It's realized loss.

Anand Mudra MTM on current liabilities or on debt side?

Ashok Gupta Current liabilities.

Anand Mudra So current liabilities whereas on September balance sheet that has been mark-to-market to 30th September exchange rate.

Ashok Gupta Yes.

Moderator Thanks you. The next question is from the line of Dinesh Nagra from Harsh investments. Please go ahead.

Dinesh Nagra I would like to know what would be the guidance for sale execution in H2 FY19?

R.C Mansukhani In H1FY19 we have done sales of approximately Rs. 1,400 crore. The Current Order book i.e 1,000 Crores is likely to be completed before 31st March 2018. So Roughly you can say around 2,400 crore. We are aiming highest turnover by the company in this year.

Dinesh Nagra Wanted to know what is the status of the order inflow from the bid size of 12,000 crores. And there is no clarity on that front.

R.C Mansukhani I will clarify that. All the time if you see, the bid book is 12,000 crores or 10,000 crores etc., out of this many order are materializing and new orders are coming and we are bidding for the new jobs. That's why the approximate bid book stands at 10,000 or 12,000 roughly. The success ratio depends on the evolution, our pricing and time etc. That's why these 12000 crores are not an old no. but yes 12000 crores are a big position and we are confident to gather next order in few weeks, which are under evaluation actively.

Dinesh Nagra Sir how much are we materializing of out of the entire bid size?

R.C Mansukhani You are asking about the next year?

Dinesh Nagra Yes.

R.C Mansukhani Next year we are expecting a growth of roughly 25% over this year. There are jobs in the markets but we are selectively taking jobs, if you see this year, we have done around 50% growth. Next year our growth target is around 25%. Moreover, other than top line we are also focusing on bottom-line and putting more focus on value-added products.

Dinesh Nagra and sir, what will be the expected order inflow in Q2 FY19?

R.C Mansukhani Roughly Rs.350 crores orders we received in Q2FY19.

Moderator Thank you. The next question is from the line of Anirudh Agarwal from AAA investments. Please go ahead

Anirudh Agarwal Hi thanks for the opportunity. My first question is on the FOREX loss? Could you share the split between the realized and the mark-to-market losses out of the 34 crores?

Ashok Gupta Realized FOREX loss is 21 crores and mark to market is about 13 crores.

Anirudh Agarwal and out of the current trade payables, what percentage would be FOREX payables?

Ashok Gupta 60% would be FOREX payments

Anirudh Agarwal So when you right in the notes to accounts that the FOREX losses may reverse, so this is, why would these reverse in the coming quarters?

Ashok Gupta The note has been given for the information it depends, if the rupee moves in the right direction, again it appreciates, whatever MTM loss is there it may take a reverse trend. Otherwise whatever you have in the present level that has already been accounted for in the Q2FY19.

Anirudh Agarwal Okay. So out of the current orderbook of 1000 crores what percentage would be dollar denominated revenues.

R.C Mansukhani Around 70%.

Anirudh Agarwal So out of these 21 crores we have taken in the P&L and 13 crores may reverse subject to the dollar denominated revenues coming in or rupee appreciation.

R.C Mansukhani Yes, and further because inventory will also be revalued at new price, they will be converted in finished goods with fresh invoices and fresh receipt will be received accordingly.

Anirudh Agarwal and how are the raw material prices clearing currently for us?

R.C Mansukhani Little bit soft you can say.

Anirudh Agarwal and as per our contract, are they all fixed price contracts or do we retain some element of pass through on both the raw materials and the rupee volatility?

R.C Mansukhani In most of our contracts we have back-to-back arrangement. Whenever we sign the contract with the clients normally, we move the raw material at the fixed price. Rupee volatility mostly in the export orders like GAIL, which is dollar denominated, which also cover because we do the nature hedging and our net dollar saving only, we sell in future.

Anirudh Agarwal My understanding was that even your trade receivables you would have a M2M gain right in Q2. So ideally it should have been hedged off. But you are showing a huge loss on this account. That is what the confusion is.

Ashok Gupta You know that the rupee depreciation was really unprecedented and in a very short period. So whatever gain we had on our receivables, but some liabilities got paired up after that rupee depreciation. Because of that we have incurred those losses. On account of foreign payments. Time gap, because export and import there is a time gap. Receivables and this are the time gap.

Anirudh Agarwal and what percentage of the receivables currently would be dollar denominated?

R.C Mansukhani Almost 70% to 80% is dollar denominated.

Anirudh Agarwal and out of the GAIL order how much of the GAIL order out of the 900-crore order, how much have we executed in H1 and when will the remaining be executed?

R.C Mansukhani Approximately we have done 70% out of 900 crores. The balance will be completed in this quarter and next quarter. Apart from these 900 crores the other order of Rs.250 crore will also be executed partly in this quarter and the rest in next quarter.

Anirudh Agarwal and in your finance cost of 18 crores, can you share the split between what is the interest cost and what are the LCBG charges that we have incurred?

Ashok Gupta Out of the total finance cost of 9.5 crores are towards LCBG and non Fund based limits and the balance is towards interest.

Anirudh Agarwal and in the current order book of 1000 crores. What is the tonnage of this?

Ashok Gupta Roughly 1,25,000 tonnes.

Anirudh Agarwal This includes some value-add orders also right, so what is your expectation on the gross margins and the EBITDA margins in H2.

R.C Mansukhani EBITDA margin will be better because of the foreign exchange hit we took in last quarter, which will not continue because of out stock inventory and accordingly EBITDA margin will be much better. At this moment we cannot give the right figures because things are very dynamic. We have value added products and margins are better in them.

Anirudh Agarwal and what is the kind of competitive intensity we are seeing in the market right now.

R.C Mansukhani Competitive Intensity will always be there, But we have to focus on our share in the market and how much hit we can take to improve our top line while keeping an eye on our bottom line. The company has to adopt its own strategy in this competitive market.

Anirudh Agarwal One question on Marino shelters. So, what is the progress of Cushman and Weikfield on this?

R.C Mansukhani We have given the task to one company to dispose and sell which they are in the process of is going on. Our understanding with the company is already with the law firm and definite agreement in few days. And to develop and rental formula for one of the European companies.

Moderator Anirudh I am so sorry to interrupt but may we request you to come back in que for any follow-up question. The next question is from the line of Raghavan kumar from ShareJoint Financial services. Please go ahead.

Raghavan Rajkumar Thank you. In the income statement, there is another income which is like (-29) crore. So, may I know what is the reason for the other income to be negative and what exactly constitutes the other incomes in the P&L statement please.

Ashok Gupta This other income negative of 29 crores. The major part is foreign exchange loss of 34 crores.

Raghavan Rajkumar Okay. So last quarter, was it positive foreign exchange like in the previous 2 quarters, you had a last quarter (+4) crore, last year the same quarter you had (+16.88) crore. So was its foreign exchange gain here.

Ashok Gupta Last year it was foreign exchange gain. This year it is loss.

Raghavan Rajkumar So when we are calculating the foreign exchange profit, we should exclude the foreign exchange gain to have a normal figure.

Ashok Gupta Generally since it is a business-related activity, so for all ratio calculations we include this foreign exchange loss into account.

Raghavan Rajkumar and regarding the finance cost sir, we see there is a sharp increase in the finance cost. So, like, what is the trend which is going to be in the next 2 years and what is the scene in the debt figure, also borrowing in the future years. Is the company planning to become to debt-free in the near future by divestment of Marino Shelters or other assets?

Ashok Gupta See the finance cost increase keeping in mind increase in the operations of the company and size of company. Last year if you see as against the turnover of 600 crores, now we have achieved 1400 crores. So, the finance cost has increased in line with the increase of business operations of the company. And as far as long-term debt, at this moment we are hardly having any long-term debt only 150 crores, which is going to be refed in next 3 years. Major portion of the loan is going to be repaid by ManI team.

Raghavan Rajkumar Sir, this quarter we saw that the order book has come down. So, what is the management strategy and the kind of the guidance you can give where the company would be in terms of orderbook in the next 3 years?

R.C Mansukhani Lot of jobs are coming in India, mostly in oil and hydrocarbon sector to the tune of around 15,000 crore in the next 2 to 2.5 years. Due to our strong presence in MP and Gujarat where we have our plant we see the strength of around 10,000 crores. So total jobs if you say in next 2 to 2.5 years is approx 25,000 crores from domestic market. Moreover, our company have vendor approval worldwide, we have our presence in 30 countries, if Indian market gets slow, we mostly go out. So, we are balancing India as a well as the international market. That's why in next 2 to 3 years, to achieve our target will not be difficult.

Raghavan Rajkumar Sir, recently we have seen that there is a lot of talks about various measures taken by US or anti-dumping and other fronts, like trade war. So many metal stocks have got hit. So was it like is there going to be any impact on man industries also on any such measures which US is taking or china is taking in retaliation or how is the company taking steps to mitigate any kind of adverse impact on that.

R.C Mansukhani Our US exposure was almost nil in 2017-18 and 2018-19. Earlier it was very minimal. That's why we are not affected at all. Our business is mostly from the middle east MENA region as well as the Indian Market. So, we are comfortable and are not affected. Other companies who have exposure may have been affected.

Raghavan Rajkumar Any issues related to supply chain sir?

R.C Mansukhani No nothing. We have a good sourcing arrangement. Good relationship with Suppliers. We do not have any problem.

Moderator Thank you. The next question is from the line of Parthiv Janson from NVS Brokerage. Please go ahead.

Parthiv Janson My question is pertaining to the bids that you do. Can you please give a rough idea on how much and what bids you do and how much of that has been fruitful towards the orders?

R.C Mansukhani Normally our bid position is 2 billion to 5 billion. In India as well as abroad. Since our business is mostly tender based and big government buyers, evaluation takes some time. Some may choose us or some may drop our sale according to the window available. Normally we see what window is available for us where we can deliver the things without penalty etc.

Parthiv Janson But my main question was like, from last couple of quarters you have been seeing orders of about 10000 crores you bid, 12000 crores is the bid etc., If MAN bids for 12000 crores today, what is the percentage or figure which get converted to the orders?

R.C Mansukhani Not necessary.

Parthiv Janson So you keep on bidding and if you get the orders, you get the orders.

R.C Mansukhani Yes.

Parthiv Janson My second question is pertaining to the receivables. And the cash and cash equivalent If you see, from FY17 to H1 I was just going through your presentation, your cash has drastically reduced. About 120 odd crores to about 12 crores right now. So, 90% odd reduction. Can you just quantify on that front? And the trade receivables are pretty heavy. I agree that they are equal to the payables. But how do you have the company perceive it going forward.

Ashok Gupta All the repayments have been happening very much in time. As required in papers it is at those levels. We are getting paid on our receivables on time and all the liabilities are being paid well on time.

Parthiv Janson And what about the cash sir. Because the data has drastically reduced over the last 2.5 years.

Ashok Gupta If you see that, in last 2 years we have a lot of repayment statement and they were not sufficient cash approvals because during last year our profit was not enough to meet our repayment levels.

Parthiv Janson And, you expect the debt to go down further in next 3 to 4 years. My question was pertaining to the cash and cash equivalents and trade receivables. So actually, you have answered for cash and cash equivalents. And also, for trade receivables. So, my other part of the question was pertaining to the debt. So, sir, you said that you will be repaying a major chunk of the debt. By 2019. So, any plans to go debt free in future?

Ashok Gupta We don't have any expansion plan in the future and capital expansion plans as of now.

Parthiv Janson but with the industry expanding with water an oil and gas, and with all he initiatives taken by the government you don't want to expand or do any kind of CAPEX in near future?

R.C Mansukhani We have enough capacity and we do some balancing equipment to enhance the capacity from from to time, for doing that capex required is very less.

Parthiv Janson A very basic question. Can you just quantify on the EBITDA part once again for Q2 and H1?

K.G Mantri EBITDA per ton in the Q2 was approximately Rs.4300 per ton and in the Q1 it was Rs.6000. It was about Rs.5200 for H1.

Moderator Thank you. The next question is from the line of Ashok shah. An individual investor. Please go ahead.

Ashok Shah Sir can you give me the breakup of export orders to that of domestic.

R.C Mansukhani At this moment the domestic order is around 70% but most of the domestic orders are dollar denominated like hydrocarbons etc.

Ashok Shah And what was the contribution in the second quarter, exports to domestic in revenue contribution is what I am trying to come to.

Ashok Gupta Q2 our export sale is about 44% and domestic is 56%.

Ashok Shah And that contribution would remain the same or would it go in favour of exports going forward.

R.C Mansukhani It is 56% the domestic order inclusive of the dollar order.

Ashok Shah And do we have any break up for the water and hydro carbon kind of orders that we have already executed or the order book?

R.C Mansukhani I can give the approximate figure. The water this moment is roughly 30% and oil and gas 70%.

Ashok Shah So roughly about 350 to 400 crores is water and about 700 odd crores is oil.

R.C Mansukhani A little bit less Rs.250 Crore water and Rs. 750 crore hydrocarbons.

Moderator Thank you. The next question is from the line of Digandan from Swift capital. Please go ahead.

Digandan I had a few questions. One was regarding they gave me an announcement about man Infra projects. If you can tell us what is the status of that?

R.C Mansukhani The hearing for record date is due on 20th November. And the arbitration is now over and we are expecting the award very soon, in a months' time. 20th November NCLT will hear for fixation of record date.

Digandan Secondly, what are our revenue projections for FY19 and FY20.

R.C Mansukhani As I already indicated 2019 would be around 2300 to 2400 crore. Considering the first half is gone and second half we are working. And 2019-2020 we are seeing the growth of around 25%.

Moderator Thank you. The next question is from the line of Anirudh Agarwal from AAA investment. Please go ahead.

Anirudh Agarwal Yes sir. Just wanted some more clarity on the nature of the agreement that we have entered into for Marino shelters.

R.C Mansukhani This time, the metals because of the reassigned he non-disclosure agreement with the buyer, I cannot give more detail about this thing. As per the company plan we are going ahead to monetize this asset as soon as possible. Detail you will come to know in future.

Anirudh Agarwal How long could it take in your estimate?

R.C Mansukhani May be the formality will be completed in next quarter. Monetizing will be decided as per how much time it will take.

Anirudh Agarwal We will be looking to sell the equity that we have in Marino or the project in the subsidiary.

R.C Mansukhani At this moment I cannot give more information as we have signed NDA. Everything is under discussion.

Anirudh Agarwal Let's say 2 quarters back the orderbook, or the bid book was 12000 crores. Out of this how many orders would have been released? Because we have year to date order ends of 600. So out if how much did we win 600?

R.C Mansukhani It's an ongoing process Anirudh. Every time we are getting the order, may be some small order 200, 300, 100 etc. which we do not declare in the stock market, but it is a regular affair of the company to receive these orders. Any bulk order we normally announce. Small orders are not announced. The bid book always gets diluted. Again, it loaded It is a normal process of the company.

Anirudh Agarwal Actually what I am trying to understand is what is your market share. That is what percentage of order wins are you having?

R.C Mansukhani It is very uncertain. Like last year we got the GAIL. 40% of the total job. But sometimes you get 20% and sometimes its 30% and sometimes 40%. How much you are aggressive, what is the availability of the mill also lot of parameters to decide to accept the order and Oil company also take the decision which company is available to complete the job on time. Lot of parameters are there. So, there are not fixed parameters.

Anirudh Agarwal And what about the current GAIL tender that is going on. What is the status on that?

R.C Mansukhani We have already participated in all the 3 to 4 tenders. And evaluation is near completion. And we hope to receive the good news in few days.

Anirudh Agarwal Are we L1 in any of those bids.

K.G Mantri It cannot be disclosed.

Moderator Thank you. The next question is from the line of Vikram Sharma from India Nivesh. Please go ahead.

Vikram Sharma Sir what is the approximate demote that can arising the 9th bidding round of CGD and especially for SAW pipes?

K.G Mantri CGD project requires small diameter pipes for distribution and we do not participate in that kind of business. But then, when these projects will be implemented that will translate into demand for large diameter pipes also going forward up to tapping point. Right now, the CGD orders will be going to the other segments. Like ERW and others.

Our segment comes ones the cross-country pipeline for eg. Mumbai to Pune or if it is inside Mumbai city then we say distribution network. So, we are not distribution network. We are in the large diameter required for cross country Pipeline. But definitely City gas is going to help the industry because of total networking happening in the country.

Vikram Sharma The expected volume could arise from that?

R.C Mansukhani It very difficult. Because CGD's are different kinds of tenders. 86 Cities, and different kinds. But overall lot of pipelines. Every pipeline manufacturer may be small, medium, seamless, ERW, SAW all will be benefitted. It will be huge volume. But they have to compete the job in next 5 to 7 years. To complete the CGD network. So whatever projections we see will depend on the execution, some company will put in 2 years, some company will put say 5 years therefore difficult to project it. Another system.

Vikram Sharma Can you provide bifurcation of bid book from India and abroad.

R.C Mansukhani May be 40% Domestic and 60% Exports. But this changes every time.

Moderator Thank you. The next question from the line of Pramod Kataria an individual investor. Please go ahead.

Pramod Kataria I have a query on demerger sir.

R.C Mansukhani Our NCLT date is on 20th November for the final hearing. Because of demerger, Bombay high court has approved the scheme. Some modification required, which is pending with the NCLT. The NCLT once give us clearance, which is expected on 20th November. The investors will get 1 share for every share held by them in Man Industries.

Pramod Kataria So 1:1. 20th November the NCLT hearing is this the final hearing, or is it going to get prolonged?

R.C Mansukhani No. We hope it is to be done in one day only. So, 20th November is the NCLT date.

Pramod Kataria Because after that I believe that it goes on leave for 1 month.

R.C Mansukhani We hope to clear it. But no one knows. But we hope to clear it.

Pramod Kataria And I just wanted to know more about the Marino Shelters.

R.C Mansukhani We have tie up with some company. We have signed an NDA. And things are taking proper shape, we will come back to all our stake holders after further developments.

Pramod Kataria So will the Marino shelters be completed in 6 months to 1-year sir?

R.C Mansukhani We hope that the project will be completed in limited time, but the decision will be in one in this quarter itself.

Moderator Thank you. As there are no further questions I now hand the conference over to Ms. Pushpa Mani for closing comments.

Ms. Pushpa Mani Thank you all of you for participating in this conference call. Please feel free to contact me or Mr. K.G Mantri with respect to any investor relations. Thank you very much.

Moderator Thank you. Ladies and gentlemen. On behalf of MAN Industries (India) Limited that concludes this conference call for today. Thank you for joining us and you may now disconnect your lines.