Marshall Machines Limited
Q4 Earnings Conference Call
June 13, 2023

Moderator: Ladies and gentlemen, good day and welcome to the Q4-FY23 Conference Call of Marshall Machines Limited.

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 remark from the company concludes. Should you need assistance during the conference, please signal an operator by pressing "*" then "0" on your touchtone phone.

I now hand the conference over to Mr. Gaurav Sarup, Managing Director of Marshall Machines Limited. Thank you, and over to you, sir.

Gaurav Sarup: Good afternoon, everyone. It's a pleasure to be here with you. My company, Marshall Machines, was started 63 years ago by my late father, Shri Gautam Sarup. Since 2001, we have done a lot of innovation in the field of CNC manufacturing or rather CNC machine tools, automation and Industry 4.0 technologies. Two special areas of focus have been high performance machines which deliver higher output at lower cost per component, thereby increasing the competitiveness and increasing profits of our customers. And the 2nd is solution-based selling with automation and Industry 4.0 technologies ProMan.

After the COVID era or COVID period, there has been an increasing awareness among OEMs and Tier 1 companies that it is absolutely essential to go in for smart manufacturing with automation and Industry 4.0 so as to reduce the dependence on skilled manpower. The second important event that has taken place is that post the Ukraine invasion by Russia and Chinese support for it and the way the geopolitics has changed, there is an increased interest in global companies in sourcing components or entire products from India. So, this is the unprecedented moment for Indian manufacturing because it's in a sweet spot and if it can capture the opportunities, there will be no looking back for the next 15 years. And Marshall being at the cutting edge in machine tool technology in India is poised to grab all these opportunities and see exponential growth in the coming years. Thank you.

Moderator: Sir, should we start the floor for questions and answer? Sir, should be start the Q&A.

Gaurav Sarup: Yes, please.

Moderator: Thank you very much. We will now begin the question and answer session. The first question is from the line of Anupam, an individual investor. Please go ahead.

Anupam: So, my first question is like there has been significant dip in the turnover and losses in the last year which you have reported. What went wrong like for these losses?

Siddhant Sarup: Thank you, sir, for your question. So, during the COVID years of 2020 and 2021, we performed a deep analysis of our business. We studied in great detail the cost structures, the profitability and the growth prospects for the company. This deep introspection helped us to realize the following. The first is that the company is facing challenges due to high fixed cost which is primarily finance, cost and manpower cost. The second is that our profitability is getting impacted due to fluctuations in the raw material prices and in the margins which we are getting from our customers. The third thing which we realized was that there is an inefficiency in our manufacturing flow system. For this, we decided to take a huge project of revisiting all of the above, and we took the following initiatives. The first one was the rationalization of manpower across all departments. We ended up reducing a lot of unnecessary manpower in various departments, including manufacturing as well as the overheads department.

Moving from our own sales team across India to a dealer-based model, we quickly realized that it would be beneficial if we move from having a fixed overhead of a sales team pan India to a localized dealer network, which will help us to penetrate further in the Indian market in various geographies. And at the same time have a very asset light model, outsourcing a lot of less value adding activities. Our primary role in machine building is the design of the machine and the assembly. And there were a lot of activities which were not really adding value which we were doing inhouse because of some past practices which we decided to outsource. We renegotiated with our financial lenders to reduce finance cost to a certain extent. We focused a lot on creation of an ecosystem near Ludhiana near our factories for sourcing of components. We faced a huge issue due to COVID and we were unable to get parts in time because most of our supply chain was dependent on major cities like Bangalore and Mumbai, which we slowly localized over the last 2 years. We started revising the terms of our customer contracts to include price fluctuations. Prior to COVID, we never had such a situation where the raw material prices were so volatile. So, we decided to include certain clauses which were hurting us immediately post COVID wherein we were protected against these certain price fluctuations.

We made a lot of effort in changing our floor layouts and machine layouts inside the factory to make our production more efficient so that our door to door time is faster. Now, these were necessary initiatives which took almost a couple of years to complete. And whenever you make such structural changes in any organization, they typically impact your operations. And this did in our case and resulted in bad results. However, the good news is that things are now set in place. We have completed all of our exercise and we've become leaner and fitter as an organization and now we are all set for growth in the years to come.

Anupam: Thank you for the feedback. So, we came to know about your internal changes, internal activities you have done. If I could ask you a question about the external factors like, what are the prospects for the growth in future? Why do you think that you will come out from these challenges and what are the growth prospects and pieces?

Gaurav Sarup: This is Gaurav Sarup here. See, the projection for the Indian machine tool sector is that it will grow in double digits for the next 15 years. To understand this, one must understand that the consumption of machine tools in China right now is 10 times more than India. So, as we catch up and as more manufacturing comes to India, largely because of the geopolitical situation and also the initiatives and incentives given by the Indian Government and the self-confidence that Indian manufacturing sector has acquired in the past couple of years. So, the entire machine tool manufacturing sector is going to grow in double digits in the coming years, 10 to 15 years. Now within this pie, the piece which is growing to grow the fastest is the smart manufacturing piece, which includes automation and Industry 4.0. And this is the piece of the pie where Marshall is the dominant force with its 14 patents and design registrations, including one in the US. So, because of this intellectual property protection, we will have products in the market where we will have higher margins and we will be protected against competition. One such example is the concept of closed loop manufacturing, where the component which is produced is automatically measured and the machine is auto corrected. So, there is no need for inspectors or skilled operators. Marshall has a patent for this technology and hence we'll be able to capture a huge chunk of the market for such kind of technologies.

So, in a nutshell, because the entire machine tool industry is going to grow and the segment where Marshall is dominant is going to grow the fastest. So, we look forward to great times ahead.

Anupam: Again my last question is like you are based out of Ludhiana, so Ludhiana is a hub of cycle. So, are we catering this kind of like your customers are from this industry and also which kind of industries do you cater you provide the machines to them? Which are your biggest industry contributors?

Gaurav Sarup: We are based out of Ludhiana and Ludhiana has a very long history of machine building. In fact, just after partition, when we also came from across the border, Ludhiana developed a very vibrant machine tool industry. We do not cater to the bicycle industry because apart from the new generation bikes which have certain highly sophisticated components which are just coming out, the vast majority of the bicycles are relatively low tech. Around 50% of our customers come from the automotive component industry, and the rest are from aerospace, railways, appliances, general engineering, these 4 categories, and these are spread all across the country. We have customers in the East of India also like RSV Transmission Group, which is a very huge growing group, to the West in Gujarat, to the North in Rudrapur in Uttarakhand and to the South in Coimbatore and Trichy. So, all over India, we cater to various segments like aluminum diecast components, steel, forged and machine components, brass components like valves, LPG valves and we are actually dominant in some sectors with our patented double spindle machines and 2 of these sectors are the fan industry and the LPG valve industry. So, this is a rough idea about our diversified customer base.

Moderator: The next question is from the line of Mayur Liman from Profitmart Securities. Please go ahead.

Mayur Liman: Sir, I just want to ask that now we can see the company revenue for FY23 is almost 43% going down compared to the previous year and profit after tax is almost negative. So, I just want to understand when the company will cross breakeven and what kind of initiative the company is taking toward.

Siddhant Sarup: We foresee that over the next 2 quarters, the company will arrest this negative growth and will start generating profits that is based on our business projection and understanding of how our company is doing right now. We acknowledge whatever problems have been there in the past 1 year and we understand that the company has not done well because of the reasons which were explained earlier. But now, we are in a very good position where the company has become lean, fit. We are ready to run. And we have the right technologies, we have the right products, we have the right customers to take advantage of this situation, which we explained. So, we are quite certain that you will see a very different picture when we come near the half year mark of this financial year and subsequently good growth will be projected and delivered by the company in the rest of the quarters of this financial year.

Mayur Liman: My next question is how do you see the FY24? What is the outlook for the next year and what kind of expectation from the next financial year? I just heard you are saying the basically we will be covering these next 2 years. So, how do you see the next year, FY24?

Siddhant Sarup: So, as we explained earlier that our industry is going to grow in double digits for the next 10 years. That is what we foresee and that is what we predict right now. So, there are 2 ways in which our company will grow. The 1st is with the industry, which is a double-digit growth which we foresee in the next couple of years, for sure. The other growth is the fact that our market share is also going to increase year-on-year because of these smart technologies. Already in the first couple of months in this financial year, we have had multiple inquiries from groups which are looking to adopt these smart technologies, whether it is automation, whether it is Industry 4.0 because of the challenges which they are facing in their own businesses. So, we are quite certain that the company will be fueled by both these things, the growth of the industry in general and the increase in market share for martial machines in the machine tool industry. And the initiatives which we are taking for reaching out to more geographical regions, for example, we are focusing greatly on areas like Ahmedabad which are growing very fast, as well as new segments like government sector industries, like aerospace. These are new sectors which are coming up where we see a lot of growth for the next decade. So, these are the main focus areas. And our research and development, our new products are focused to capture these markets and offer very good import substitutes.

So, another interesting thing to note is that India is still dependent on imports from Taiwan, Japan, South Korea and parts of Europe for high end machinery because there is still a feeling in India that the Indian machine tools are not at the same level as these countries. But slowly, we are a part of those machine tool companies which are bridging this gap and we have this vision that we are going to offer good import substitutes and we are going to give a push to the make in India campaign. So, this is another thing which will fuel our growth in the coming years.

Moderator: The next question. Is from the line of Umang Shah from India Bridge capital. Please go ahead.

Umang Shah: Sir, the first question was of the Rs. 28 crores of receivables that we have, how much are outstanding for more than 6 months and more than 1 year?

Siddhant Sarup: Out of this receivables, about 70% amount is outstanding more than 6 months and about 50% is more than 1 year.

Umang Shah: So, sir, I think these receivables not paying up in time is in a way causing a drag on the profitability and on the working capital. So, is it by 1 or 2 major customers or is it spread across multiple customer?

Siddhant Sarup: It is generally concentrated in a few customer base. The reason for this is that we have offered great support to our customers during difficult times caused by COVID and some of our customers have not been in very good shape. So, while they have assured us of paying us back this amount, but the time in which we at that time foresaw that we will get these funds back, that timeline could not be catered to by our customers. So, while we gently prod them to make this repayment, we are aware that this is causing a drag on our working capital for sure and the company performance. So, as things improve in the next few weeks, we are expecting that we should have good collections for these debtors also, they will typically have a good impact on the business.

Umang Shah: Sir so when you say that 50% of it is more than 1 year and if I then look at the remaining debtors which is around Rs. 14 crores, it's still quite high when you make sales of Rs. 35 crores, right?

Siddhant Sarup: Right.

Umang Shah: It's nearly 40% of your sales are again going to debtors and which is much higher than your previous years numbers. So, any reason why we continue having high number of debtor days even when I exclude the distressed customers?

Siddhant Sarup: See, some of these cases are due to projects which we do. So, typically, business is divided into 2 segments. One is the general standard machine which is a fast-moving machine for which there is no retention amount. The second are projects which are basically these automation projects which we go and implement on the customer side and where we offer end to end solution for the product. So, typically, as an industry practice, these companies, they set in a clause wherein substantial portion of the order value is with them for a slightly longer period of time. And in the past year, as has been the trend, almost 70% or more of the revenue has come from these automated projects only where we are offering turnkey solutions. So, this is primarily the reason why this number has gone up.

Umang Shah: And sir, this 70% also includes the robotic cells that you sell?

Siddhant Sarup: Yes.

Umang Shah: And sir, we've also delayed our payables and they amount to almost Rs. 38 crores now. So, are we paying any interest to our suppliers for the same or have they made any litigation against us?

Siddhant Sarup: No. So, luckily, we have a very good supplier base with whom we enjoy a very long relationship they are amenable to what we have told them and they have understood our situation and the fact that because of these debtors, the creditors are also delayed and stretched. So, they have been supporting us. There is no demand of any interest of any kind and they are also hoping that we'll quickly deliver good results so that things are back into good shape.

Umang Shah: So, they're not charging any interest from us and they are kind of helping us out in this case. Is it the right understanding?

Siddhant Sarup: Absolutely.

Umang Shah: And one more question. So, the thing is that what I understand is servo motors form a part of core of what you sell in terms of machine tools, right? And there are these companies like. FANUC and Kuka and Siemens, like which have a high market share in CNC tools. So, do we make the servo motors on our own or do we take these servo motors from these major makers that I named and put it in our appliances?

Siddhant Sarup: No. So, we don't make servo motors. We buy it from FANUC and Siemens. These are the 2 main suppliers for us. We buy the servo motor, the drive and the control as a single package from them and then set it on the machine.

Umang Shah: And sir, what would be our gross margin in both the divisions, one is the standard machines and one is the projects by gross margin, I mean sales minus raw materials, what is the contribution of gross margin that you would make?

Siddhant Sarup: Typically, there will be a difference of about 15% between the standard and of this automated solutions.

Umang Shah: And sir, the operations and maintenance, is it something that we take care of or directly Siemens and FANUC take care of?

Siddhant Sarup: So, for the entire machine and the mechanicals, we take care of sales and service support for a period of 1 year and then we have subsequently AMC services post that. For the CNC control, the basic maintenance we do, but after a period of 2 years, which is the standard warranty they offer, then the customer has to directly buy warranty from Siemens and FANUC. We cannot support in case of some critical issues.

Umang Shah: So, sir, when you say that you are a supplier of machine tools, right? So, I'm just trying to understand that you have all these patents, but the core of the CNC and machine tool assemblies are the ones that you are getting from outside. So, how do these patents actually help us in selling more of our products?

Gaurav sarup: This is Gaurav here now. The patented technologies are add-ons to the basic machines to supercharge them. Imagine the CNC machine as a simple car. And imagine the patents as something which greatly boosts the engine thrust or gives extra safety to the passengers or provides some dynamic entertainment system or something else which adds value. So, machines, anybody can make, lots of people are making. These patents give us immense value adds which improve the performance of the machine, which give additional value to the customers and differentiates our products from the competitors.

I gave you a very simple example of a car gets this thing. In case of these machines because machines are being used to generate revenue for our users. So, all these patents, the kind of additional value they deliver in terms of improving the quality of the product in terms of improving the productivity of the machines in terms of reducing the cost per component, so they are and in most cases game changers for our customers. So, if our customer along with 3 other people, 3 other vendors is supplying some part to Maruti or Hero or whatever, he will get that decisive edge over his competitors by using our patented technologies.

Umang Shah: Sir, when I look at this from the point of view that the customers are not able to pay us and some of our customers like NM Forgings are really large and we also have supply concentration, it just seems that it could be either that their financial situation is really bad or we are not on the priority of them to make our payments, right? So, just was having a different thought process there. Got it, sir.

Sir, one more question was you had mentioned sometime back, this is long back that you have a certain kind of a process that you do on your products for which you have very high inventory days. I think it is keeping it in the sun or something like that. I'm not really sure. So, if you could just repeat that and how has that process changed due to outsourcing?

Siddhant Sarup: So, basically, whenever you are dealing with a cast iron or a steel structure, during the formation of that structure which is the casting process or a fabrication process in case of steel, there are some internal stresses which enter that particular structure. Now typically, the old practices of Germans and Japanese machine tool builders was that they would put these structures out into the sun and the rain for a period of anywhere between 6 months to a couple of years, depending on the complexity of the structure and depending on the weight of the structure. Now, we have been following this particular philosophy since 2001, when we started making our CNC turning machines. So, we do 3 basic practices. The first one is called natural seasoning. The second is called a thermal annealing, which is followed by a large amount of companies. However, it is not as effective in our understanding.

The third practice which we do to supplement the first 2 is called vibrational stress relieving. Now our mission has been to use vibrational stress relieving and to replace the natural seasoning. So, what we have been able to do is up to a certain weight, we have been able to reduce the natural seasoning duration. However, the effectiveness is still being tested in the field and slowly, gradually, as our confidence level is improving in this technology, we are planning to make the shift. Apart from this, what we are doing is that we are working very closely with our casting suppliers because that is the primary raw material which we have. So, that they can help us by taking some of the cost of inventory holding. So, instead of holding the entire inventory in our factory, we would like to ship some of it to our casting suppliers or rather make a delayed purchase from him just to kind of reduce our inventory days. So, this is a project which is in the pipeline. We are quite confident that we'll be able to shift from natural seasoning to vibrational stress reliving in the coming months.

Umang Shah: Thank you for the detailed explanation. I asked this question because across the listed space, very few engineering companies have such high inventories in their books and even the casting companies have lower inventories as a percentage of their sales or their production as compared to us. So, just wanted some clarification there. And last 2 questions. One was we have retrenched some of the employees this year. So, what were the peak revenues before these employees were retrenched? And after these employees have been retrenched, have our peak revenues or peak capacity come down because of the same?

Siddhant Sarup: See, the employee attrition has not really impacted our peak revenue I would say because we did not enjoy one of our good years in the last financial year. So, what we've done is that we have calculated a very accurate tooth-to-tail ratio and most of these employees which have gone out have been the indirect employees which do not really add direct value to the part. So, as we understand with the same level of employees and the employee cost, we would be able to comfortably go up to a turnover of about Rs. 100 crore, which will be greater than our peak revenue, which was about Rs. 70 crore in the subsequent years.

Umang Shah: And sir, this last question. Any reason why the promoters have been selling? You can answer it at your discretion.

Siddhant Sarup: We have sold our stake and infused the money into the company in the form of an unsecured loan with 0 interest just to help the company.

Umang Shah: Sir, wish you all the very best for the successful turnaround. The last 1, 2 years have been really difficult for the company and we hope that you come out from this strongly than ever before.

Siddhant Sarup: Thank you so much.

Moderator: The next question is from the line of Jeetendra from IDEAS 2000 SOLUTIONS. Please go ahead.

Jeetendra: Sir, I just noticed on 1st June 2022, there was a disclosure of default on payment of interest and repayments of principal done which was there on the website of BSE I believe. And this particular default was done on I believe 2nd November '22. What is the reason of disclosing this particular default?

Siddhant Sarup: Actually, this disclosure had to go earlier but because of our cash flow issues, because of the situation we were in, I would say that it got delayed and it was missed by our team and we have taken strong note of this. And now we've set in a proper management review for all these points so that non-compliances are not happening again.

Jeetendra: Because I've noticed 3 loans were defaulted. One was on 2nd November, one was on 31st March 2023, and the other one was also in November 2022. And I've noticed that not even the entire loan amount, the first installment itself was not cleared with around 8 to10 financial institutions. So, what is the current progress on these loans? Are they being cleared because the 3rd November 22 would have been cleared by now I believe so?

Siddhant Sarup: Yes, you are absolutely right. This has been cleared by now.

Jeetendra: Because as of 1st June, this is the default. So, when this particular disclosure was done, certain loans were already cleared. Am I correct?

Siddhant Sarup: Yes, some of these loans were already cleared, but as a part of compliance, we have given disclosures.

Jeetendra: Another question is I heard that you have some sort of a rights issue coming up.

Siddhant Sarup: Yes, that's true.

Jeetendra: Can we have some tentative dates on that?

Siddhant Sarup: It's a system driven process and we are not very clear on the dates. You would come to know about it through the public domain itself.

Jeetendra: So, at this moment, it is in the queue, correct?

Siddhant Sarup: Yes. It's a top priority for us.

Moderator: The next question is from the line of Shuja, an individual investor. Please go ahead.

Shuja: So, I have 2 questions basically. One is a follow up to the previous question. Can you please explain in detail what your financial position is right now in terms of the loans outstanding and the amount coming due and how do you plan to pay it? And 2nd is given the way the financial position is of the company today, given the debtor, creditor, outstanding loan and difficulty that is there on making payments to financial institutions, how are you planning to get out of this?

Siddhant Sarup: The current situation is that we acknowledge the fact that we are facing a cash flow issue and to resolve these issues, we are looking at raising some funds through the equity route. The quantum and the timing of the funds being raised is planned in such a manner that we are able to meet all of our outstanding amounts with these funds and regularize the financial position in terms of all the compliances related to the financial lenders. So, with this, we will be able to regularize all our accounts and subsequent to that, we are looking at a very strong operating cycle which is going to generate funds so that we are not in a similar situation few months down the line.

Shuja: So, basically, the way to get over this is make sure that you get some equity in which will give you breathing space to manage your cash flows.

Siddhant Sarup: Absolutely.

Shuja: So, that one and a lot of positive outlook on the future, but I haven't heard any numbers which you can talk about? Is there any order book position or anything that you want to reveal? Or is there any places where you've been shortlisted on orders which we can expect that some of these things will come through?

Siddhant Sarup: We will briefly touch upon that. The current order book of the company is about Rs. 35 crores, which has been booked in the last few months. We have an order pipeline of close to Rs. 190 per core where the proposals have been submitted to large and mid corporates where they are at various stages of negotiation. We are quite confident that in the next 3 months we are going to book a substantial chunk of this pipeline. And we should be very comfortable with the order position. And historically speaking, the company has always had enjoyed a very strong order book because of strong brand recall. We have about 65% of repeat customers every year and currently as a part of our strategy, because we are trying to reach out to new geographical locations and we have also set up a very good dealer network in various parts of the country where earlier we were not very present or not very aggressive I would say. We are looking at I would say a very robust pipeline which is going to continue throughout the year and we will be making some announcements regarding the order pipeline and the order booked shortly as soon as we start booking these orders.

Speaker 3

Shuja: Great. Those are very good numbers and all the best for that. And what is the conversion cycle of this? I mean this Rs. 35 crores orders that you have, will take 6 months, 9 months. How long to execute?

Siddhant Sarup: So, normally, these orders from what we foresee, we would be able to complete them anywhere between 3 5o 5 months looking at the kind of customer sentiment which we have, and I think the order book is going to get refreshed during that point. So, we would continue to have an average order book anywhere between Rs. 35 crores to Rs. 50 crore in this financial year.

Shuja: Last question. In the rights issue that is being talked about, are promoters going to infuse equity and maintain or increase their share?

Siddhant Sarup: That particular point is still in discussion with us. Again, you will find out about it in the public domain only.

Shuja: No, the rights will come in the public domain, but is there a commitment from the promoters to infuse fresh equity in the rights?

Siddhant Sarup: We are still in debate on that topic and we are going to decide that in our upcoming meeting in a couple of weeks time.

Shuja: All right. Not a very clear answer though, but I'll accept it.

Moderator: The next question is from the line of Umang Shah from IndiaBridge Capital. Please go ahead.

Umang Shah: Just one more question. The customers who have not been paying us, almost Rs. 14 crores is the one which has been pending for more than a year. Have they started paying or will they pay all at once? And are we charging any interest on them?

Siddhant Sarup: We are not charging any interest on that. The payments are going to come. In some of the cases, they are going to be milestone-based payments where there is a certain time and a certain I would say completion of project milestone. The others in cases where the accounts are a bit stressed with some of our customers, there they are going to start releasing partial payments. We have had some realizations in the month of April and May, and we are expecting some more realizations in the subsequent months.

Umang Shah: So, any rough timelines when this debtors days will come more towards normalization?

Siddhant Sarup: Within the next 8-9 months, that is what we foresee.

Umang Shah: Sir, even with the rights issue, we will need new capital in the form of loans also to continue running the business. So, are the existing bankers and financial institutions okay putting more money?

Siddhant Sarup: See, we have had a reasonable response from the existing shareholders in choosing more capital through the rights issue. So, we are quite certain and our investment banker is extremely confident about this issue getting concluded successfully. So, we remain highly optimistic about this.

Umang Shah: And sir, have you gone into any restructuring with our bankers?

Siddhant Sarup: No.

Umang Shah: So, the interest payments continue to be serviced on a periodic basis?

Siddhant Sarup: Right.

Moderator: The next question is from the line of Rajesh Kumar Singh, an individual investor. Please go ahead.

Rajesh Singh: So, there was an announcement by the company in the forward-looking that they aim to achieve Rs. 225 crore turnover with close to 25% EBITDA in the next 2, 3 years. So, hope that in the quarterly update your investor presentation will be shared on the progress so that as a retail investor will get to know how the company is progressing against their whole goal.

Siddhant Sarup: Absolutely, sir. We will make sure that all these updates are part of the investor presentation so that you can see your trajectory towards that target of Rs. 250 crore with 25% EBITDA margin.

Moderator: As there are no further questions from the participants, I now hand the conference over to Mr. Siddhant Sarup, Whole-Time Director of Marshall Machines Limited, for closing comments.

Siddhant Sarup: Dear Investor Partners, on behalf of Marshall Machines Limited, I extend my sincere gratitude for your valuable presence and active participation in our investor call discussing the financial results of the fourth quarter. Your support and engagement are instrumental in our continued growth and success. Looking ahead, we are excited about the great opportunities and growth prospects that lie ahead for Marshall Machines Limited. With the solid foundation for robust product portfolio and a customer centric approach, we are well positioned to capture on the emerging market trends and drive sustainable growth in the coming years.

We remain committed to delivering consistent financial performance, exploring new markets, expanding our product offerings and fostering long term partnerships. Your continued trust and confidence in our vision and capabilities are deeply appreciated. Once again, we extend our heartfelt thanks for your time, interest and invaluable contribution to our investor call. We look forward to a continued fruitful association as we collectively strive towards achieving new milestones and creating long term value for our shareholders. Thank you and have a great day.

Moderator: Thank you. Ladies and gentlemen, on behalf of Marshall Machines Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.