June 10, 2024

To, **BSE Limited** Corporate Relationship Department P.J Towers, Dalal Street, Fort, Mumbai- 400001 Scrip Code: 531921	To, **National Stock Exchange of India Limited** Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai 400051 SYMBOL: AGARIND; Series: EQ

Dear Sirs,

Sub.: Transcript of Q4 FY 2023-24 Earnings Call Pursuant to Regulation 30 and 46 read with Clause 15 of Para A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Please find enclosed **Transcript** of the investor conference held on 7th June 2024, with regards to the Financial Results of the Company for the Quarter and Year ended 31st March 2024.

We confirm that we have uploaded transcript of the Q4 FY 2023-24 Earnings Call held on Friday, June 07, 2024 on our website viz: **www.aicltd.in**.

The above is for your kind information and records.

Kindly take the same on your record.

Thanking you,

For Agarwal Industrial Corporation Limited

Agarwal Industrial Corp. Ltd.

AGARWAL GROUP

Dipali Pitale
Company Secretary & Compliance Officer

"Agarwal Industrial Corporation Limited Q4 FY '24 Earnings Conference Call"

June 07, 2024

MANAGEMENT: **MR. VIPIN AGARWAL – CHIEF FINANCIAL OFFICER – AGARWAL INDUSTRIAL CORPORATION LIMITED**

MODERATOR: **MS. ASTHA JAIN – HEM SECURITIES**

Agarwal Industrial Corp. Ltd.

Moderator: Ladies and gentlemen, good day and welcome to Q4 and FY '24 Earnings Conference Call of Agarwal Industrial Corporation. 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 star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Astha Jain from Hem Securities. Thank you and over to you, ma'am.

Astha Jain: Thank you, Sagar. A very good evening, ladies and gentlemen. Thank you for joining Agarwal Industrial Corporation Limited Q4 and FY '24 Earnings Conference Call. Joining us on the call today from the management team is Mr. Vipin Agarwal, Chief Financial Officer. We will commence the call with the opening thoughts from the management, post which we will open the forum for Q&A session where the management will be glad to respond to any queries that you may have. Before we go on to the main call, I would like to read the standard disclaimer.

There may be forward-looking statement about the company and the subsidiaries which are based on the belief, opinion and expectation of the company's management as of the date of this call. The company do not assume any obligation to update their forward-looking statement if those belief, opinion, expectation or other circumstances should change. These statements are not guarantee of future performance and involve risk and uncertainties that are difficult to predict.

Consequently, listener should not place any undue reliance on such forward-looking statement. With this, I will hand over the call to Mr. Vipin Agarwal, Chief Financial Officer to take it forward. Over to you, Vipin sir.

Vipin Agarwal: Good afternoon to all and a very warm welcome to everyone who has joined us today. It is my pleasure to welcome you all to the Q4 and Annual FY '24 Earnings Conference Call of Agarwal Industrial Corporation Limited. Let me start by giving you a brief overview of the company's business.

Agarwal Industrial Corporation functions as an infra-ancillary for the transport and logistics segment, leveraging its powerful logistical assets and infrastructure. It continues to be the largest bitumen player in the private sector in India. We are thrilled to report that AICL has delivered a robust set of numbers in FY '24 compared to FY '23.

For the current fiscal year, we have achieved our highest-ever revenue volume, EBITDA and PAT margins, showcasing our continuous growth and stock market position. In terms of volume, we have reported a 15.80% year-on-year revenue increase in bitumen to 4.91 lakh metric tons, nearly meeting our expectations. Our compound annual growth rate for volume has been more than 15% since FY '21.

We are confident that this momentum will continue with projected growth of 15% to 20% in the coming years. Our volume target for FY '25 is set at 6 lakh metric tons, aiming for a 20% year-on-year increase. With capacity constraints in India for bitumen and AICL being the only

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integrated player in the private sector for bitumen, we have been able to increase our market share.

India saw a 6% increase in bitumen consumption to nearly 9 million metric tons, vis-a-vis a weak review by 15% in FY '24. Currently, EBITDA per metric ton is around INR3,625 which we expected to increase to INR3,829 per metric ton, reflecting our ongoing efforts to enhance profitability. If you see we have grown this from INR 2,278 in FY '21 to INR2,844 in FY '22 and INR3,409 in FY '23 and now to INR3,625 per metric ton in FY '24. The rapid pace of infrastructure development is generating a significant demand for road construction materials, creating a robust market for our production services.

We are delighted to announce that we have continued to achieve strong blended EBITDA margins of 8.3% and a PAT margin of 5.13%. These results are a testament to our relentless focus on strengthening cooperation and maintaining control over critical aspects of our business, particularly through ownership of our petroleum vessels, ensuring timely supply of demand generated back home.

I am happy to share that with 10 large logistics vessels, bitumen and a total capacity of around 1,02,000 metric tons, we continue to be the largest private sector player in the country. Total bitumen transported through our own vessels is approximately 2.93 lakh metric tons, which has grown at a CAGR of around 27% since 2021. We are highly focused on efficient utilization of capital and strategic capex.

Over the last five years, we have maintained an ROCE of 20% to 25% and an ROE of above 20%. We have strengthened our balance sheet, increasing our net worth from INR19,610 lakh to INR51,102 lakh and expect outperformance in the long run. Although our debt-to-equity ratio has increased this year, capex for fleet ownership and securing tenders is expected to gradually decline as we achieve higher ROCE over the period.

Bitumen consumption in India is one of the lowest among the 10 top countries by road network, creating significant future growth opportunities. India has the second largest road network in the world at approximately 64 lakh kilometers, providing extensive maintenance opportunities year-on-year. The Indian government's ambitious infrastructure projects, including the Bharatmala project, are set to enhance road connectivity and drive demand for bitumen.

The road Ministry received a 36% increase in budget allocation, amounting to INR2.7 lakh crores for '23-'24. This boost is aimed at helping the Ministry meet the 25,000 kilometer road development target. This accelerated pace of development is generating substantial demand for road material, thereby increasing our responsibility in supplying bitumen.

For the full year FY'24, we achieved revenue from operations of INR2,130.43 crores with an EBITDA of INR1,77.94 crores and a PAT of INR109.22 crores. This represents an increase of 5.25%, 23.07% and 18.38%, respectively, compared to FY'23. We are pleased to announce that the company is consistently paying dividends as recommended, a dividend of INR3 per equity share for FY'24.

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In Q4 FY'24, our consolidated revenue from operations was INR778.20 crores with an EBITDA of INR61.90 crores and a PAT of INR38.01 crores. These figures represent significant increases of 17.88%, 43.31% and 34.31%, respectively, compared to Q4 FY'23, where we recorded revenue from operations of INR660.18 crores, an EBITDA of INR43.20 crores and a PAT of INR28.30 crores.

Our economies of scale achieved from own fleet of bitumen logistics vessels and road transport vehicles enable us to outbid competitors, secure tenders and ensure high standards of supply and service to our customers. With expectations of strong growth in infrastructure activity and based on our current market trends, the order in pipeline, the company has a strong outlook for sustainable long-term growth.

With this, we invite participants to ask any questions they may have. Thank you.

Moderator: Our first question is from the line of Tejas Khandelwal from Prudent Equity.

Tejas Khandelwal: So sir, first of all, congratulations for the good set of numbers. So my first question is, is the third vessel still in dry dock?

Vipin Agarwal: No, all the vessels are in operations in the current quarters.

Tejas Khandelwal: Okay. So how many rotations can it make in a year, 10th vessel?

Vipin Agarwal: Sorry?

Tejas Khandelwal: How many rotations can it make in a year?

Vipin Agarwal: One vessel can make around 12 to 15 turnarounds in a year, depending upon which location it is allocated to. If it goes towards the east side, it may do only 8 to 9. As the transit for the eastern region is double than the western side, so approximately between 12 to 15 turnarounds in a year.

Tejas Khandelwal: Okay. And what contribution can we expect from our own vessel next year?

Vipin Agarwal: I am not considering the monsoon period in that.

Tejas Khandelwal: Yes.

Vipin Agarwal: Yes.

Tejas Khandelwal: So my question was, what contribution can we expect from our own vessels next year?

Vipin Agarwal: As mentioned, this year we have done close to 60% through our own dedicated vessels. Coming in the next year, we may try to outreach this number and reach -- try to reach it up to 65% to 70%.

Tejas Khandelwal: Okay, sir.

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Vipin Agarwal: Because the turnaround of the vessel and the requirement of the product is high. So one vessel will come after only 10, 15 or 20 days. After in between, you always have to take vessels from a third party to keep your sales on.

Tejas Khandelwal: Okay. And sir, regarding this EBITDA per ton of 3,800 to 3,900 you mentioned, is that expected over next year?

Vipin Agarwal: Yes. Yes. It is for the next year.

Tejas Khandelwal: Okay. Fine. And sir, I have a last question. So since the contribution of chartering business in Q2 is comparatively higher, and we have almost double our own vessel capacity, so what revenue growth do you expect in a second quarter compared to last year's INR232 crores?

Vipin Agarwal: See, all the vessels are in place now. All the vessels are operating. So we expect some increase of around 15% to 20% in terms of revenue.

Tejas Khandelwal: How much, sir?

Vipin Agarwal: 15% to 20%.

Tejas Khandelwal: Okay. Okay, sir. And sir, one more last question. So what was the realization of bitumen in last quarter?

Vipin Agarwal: It is around, as I mentioned, it is around 3625.

Tejas Khandelwal: 3625. And where do you expect this going forward in next, in FY25 and 26?

Vipin Agarwal: Around 3,800 to 3,900.

Tejas Khandelwal: Okay. So that's all from my side. Thank you.

Moderator: Thank you. Our next question is from the line of Tanvi, who's an individual investor. Please go ahead.

Tanvi: Hello, sir. Congratulations for this set of numbers. I just had two or three questions. The first one is, sir, how is the problem we're seeing in the Red Sea? Because earlier in Q3, you've said that the volumes were high, but realization was low. We're not getting the prices and raw material prices also inflated. That's why the revenue was down. So is the Red Sea problem now resolved?

Vipin Agarwal: So no, there are two different set of questions that you asked. Red Sea is not a problem for us because we are not going towards that side. We are coming from the Gulf countries to India, where we do not fall in between Red Sea. That will be answering your first question. And in terms of realization, yes, the total realization for the entire year has been comparatively low. Since it is a commodity product, the realization is lower than the last year.

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Last year, the total realization was around 42,000, which this year it is around 36,800. We have lost nearly about INR300 to INR400 crores of turnover due to the price fluctuations. And we have still maintained our top line compared to last year.

Tanvi: Okay. And, sir, any guidance in terms of the commodity prices that we see for this year?

Vipin Agarwal: It should be more than the current realization that we have on average this year.

Tanvi: Okay. Okay. Got it. So one more question. So this quarter you've done phenomenal in terms of volume and revenue, but you've also said that there was one order from IOCL for 1,92,000 metric ton, which was expected to start in quarter four and to be completed in this particular quarter. So is the volume high?

Vipin Agarwal: No, it was not. It was from HPCL, BPCL together which we are already supplying. And we have already supplied close to 60,000 tons to all the three PSUs.

Tanvi: So is the 60,000 tons a part of that 1,92,000 order that was secured?

Vipin Agarwal: No entire. 25,000 tons is not part of this because this order we have received in the current quarter.

Tanvi: Okay. And by what time can we expect this order to get completed?

Vipin Agarwal: It's on a continuous basis as in when required, it's on a regular basis, the supplies are happening. So this entire volume is still happen FY25.

Tanvi: Okay. So in this year only we'll complete this entire order.

Vipin Agarwal: We are ready to complete the PSU should uplift that much of product as per the order given by them.

Tanvi: Okay. Got it. Got it. Thank you. Yeah, I'll join again in queue.

Moderator: The next question is from the line of Bhaumik Shah, who's an individual investor. Please go ahead.

Bhaumik Shah: Yes. So any plans for capex for this year? That's my first question.

Vipin Agarwal: Yes. As we have always said in all the calls, it all depends upon the opportunity that the company gets. And if there's a good opportunity wherein the capex is at a reasonable price, wherein we are able to maintain our written capital employed, then the company will definitely go for it. It all depends on the opportunities that the company is having.

Bhaumik Shah: Okay. So we may look out for the opportunity for the capex as well. Right.

Vipin Agarwal: We always look for a good opportunity. And if you see last three, four years, we have always been adding, doing a capex of around INR150 crores in a year. Going forward, I think in that context, we may continue the capex in the same line.

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Bhaumik Shah: Okay. And going forward in the next down the line 2 years to 3 years do we see a possibility that we may touch this 1 million metric ton above this bitumen supply? Do we see -- we can cater that much of demand?

Vipin Agarwal: We can easily cater that much of demand, but provided we have that much of logistics available at our end to bring the product to supply that much of volume, the volume is definitely achievable and can be easily done. It all depends upon logistics that you have with you that is the reason the company is focusing on having the vessels to transport this much of quantity into India for the sales so that we can cater to the market.

Bhaumik Shah: But I think we have significantly increased our capacity because earlier up till last to last quarter we had 47,000 metric ton capacity. Now it is over a 1 lakh metric ton. So I think we have increased significantly our capacity?

Vipin Agarwal: Significantly, but the vessel turnaround is as I mentioned, around 15 days to 20 days in the West and around more than a month for the East. So if you have one vessel which is already delivered it will come back after 15 days - 20 days and in the meantime if you are increasing your throughput and sales you will definitely require two, three vessels in that period. So ultimately our dependency on third party will stay till the time we have in house capacity of around or more than 2 lakh tons.

Bhaumik Shah: Correct. Okay thank you so much.

Vipin Agarwal: Thank you so much.

Moderator: Thank you. The next question is from the line of Raj who is an Individual Investor. Please go ahead.

Raj: Congratulations on the good set of numbers. What is the revenue growth projection for the current year FY25?

Vipin Agarwal: Yes. We are always targeting around 15% to 20% in terms of volume. We expect within the line if you are increasing to 600,000 tons so it should be around 15% to 20% on the turnover side, provided the rates are stable. If the commodity price goes down then maybe the effect will be in between the current financial year to the next financial year.

Raj: Okay. For the last 5 odd years we have been growing at a much faster pace?

Vipin Agarwal: Yes.

Raj: So are there any plans of increasing the lines of business or any other expansion plans where we can expect a much higher growth rate?

Vipin Agarwal: See there is a very good potential still left in this current market that we are in. We can easily do more volumes as I mentioned earlier also. There is no constraint in doing your sales. We are focusing on our infrastructure and logistics where we can bring in more products for the disposal to sell in the market. I hope I have addressed.

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Raj: Yes. But we have largely been like for the last couple of years we have been incrementally growing at about 5% for the current year it was in terms of volumes -- in terms of sales growth so I just wanted to know do we have any?

Vipin Agarwal: We have done more than 15%, 15.80%. Volume wise we have always maintained more than 15% in the last 5 years now.

Raj: Okay. Thank you so much.

Vipin Agarwal: Thank you.

Moderator: Thank you. Our next question is from the line of Yash Kukreja from Equitree Capital. Please go ahead.

Yash Kukreja: Hi. Thank you so much for the opportunity. Sir, congratulations on a good set of numbers. My first question is sir is this the peak debt as you rightly said that we are going to expand more like we are going to buy vessels if the opportunity arises. So is this the peak debt or are we going to do some expansion with debt also from here onwards?

Vipin Agarwal: We have always been doing expansion in a mix of equity from the company and debt. It has to be a mix of debt and equity both. So that the current cash flows do not get impacted with the growing business.

Yash Kukreja: Okay, got it. And sir my second question is sir considering the political scenario that is as of now sir do we see any impact like if there is a slowdown in construction of roads and anything like that? Do we see any -- how do we cover ourselves for that?

Vipin Agarwal: Absolutely not. The current political side also focuses on infrastructure and the infrastructure growth or the projections are not over a year. It is always a future growth wherein they are planned whatever tenders or contracts that we know are awarded planned keeping in the focus of next three to five years. Whatever tenders have already been allotted or are in the pipeline, it will be for next three to five years. So absolutely no problem in terms of volume growth or even infrastructure side even if there is some other government.

Yash Kukreja: Got it. Okay. Thank you so much, sir.

Moderator: Thank you. Next question is from the line of Pritesh from Lucky Investment. Please go ahead.

Pritesh: Yes. Hello, sir. My question is on your slide, there is the slide where you have mentioned the volume handled by your own ships and the ship tonnage. So currently, are you using those ships completely for tonnage or these ships take you to a higher tonnage number? And what will be that tonnage number be? Because your ships will come the year, right? Throughout the year.

Vipin Agarwal: The quantity mentioned in the slide is only nine vessels which we had till January the 10th Vessel. Still, we have to add its volume in the slide. So going in the next year, maybe we will be able to do about 3.5 to 4 lakh tons through our own 10 vessels.

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Pritesh: Okay. So the 2.9 lakh tons that we see today in the presentation.

Vipin Agarwal: Yes. So around 30% to 43% increase, there should be in the coming year, between 25% to 23% or 25% in terms of volume through our own vessels.

Pritesh: Own vessels. So to that extent, it's to do with the time of the year when these ships came, right?

Vipin Agarwal: I think there's some crack in your voice. Repeat the question, please, sir.

Pritesh: I said it's to do with the time when the fleet was added, right? It's to do with that. You would have got the fleet partially available for the year. It's to do with that?

Vipin Agarwal: Only 1.5 months in the current financial year.

Pritesh: How much of your capacity was available for only 1.5 months?

Vipin Agarwal: This year, the last vessel capacity has not been utilized at all because it was just purchased and there was some work going on.

Pritesh: And what is the size of that capacity?

Vipin Agarwal: It's around, loadable around 40.000 to 44,000 tons.

Pritesh: Okay. So out of a million tons, right?

Vipin Agarwal: No. The vessel capacity I'm saying is around loadable around 42,000 to 44,000 tons.

Pritesh: So on the same slide, there is the vessel capacity number, which is the total tonnage you can handle. Is that the number of a million or something?

Vipin Agarwal: No. It's around 1,00,000 metric tons.

Pritesh: So out of that 1,00,000 MTs which is your last vessel was available for 1.5 months?

Vipin Agarwal: Yes.

Pritesh: Okay. I understood that. Then from your presentation, there was one slide on import into the country and total consumption, right? Is there, though the market share reduction is very small between the last two years but there is some market share reduction in the import. So your volume is a percentage of the import, right?

Vipin Agarwal: Yes.

Pritesh: Okay. Why is it so? And then you are saying that I will be 20%, 30% of the imported volumes eventually of the country. How will you achieve that projecting?

Vipin Agarwal: There has not been a decline in the imports. Even in my slide, it has increased from 2.8 million to 3.5 million. So there has not been a decrease in the volume of imports.

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Pritesh: No. I know it's just your market share little bit has changed in the last two years.

Vipin Agarwal: Yes. See, we have been focusing on more volumes and we have actually gathered some of the market share of maybe some other players in the market. We have gathered, we have tried to take away some other player in the market share of the other player.

And going forward, see, as you can see it, the volume from approximately 2.9 million to 3.5 million, it has gone. So it is about 600,000 metric tons increased from FY 23 to 24. Even if we consider the additional volume, then we have been a major player who has contributed in the additional volume.

Pritesh: Okay. Okay. I have one last question. You added ship and your balance sheet as a certain debt on your balance sheet now. How should we look this debt number? How should we look the ship addition number over the next couple of years?

Vipin Agarwal: You mean this is a return on capital?

Pritesh: No. How should your debt look like over the next two years and what is your incremental ship addition program over the next two years?

Vipin Agarwal: Okay, sir. So see, the debt has gone up, as I mentioned, this is added only in the month of Jan, Feb. So the total or if you consider on a year-on-year basis the debt equity ratio would be maintained compared to last year because this capex was around 16 million to 17 million. So it is a very high capex that we have done this year.

And in the whole year, if you consider this it would be a return of around 20 between 20% to 25%, which we have always been maintaining in the last few years. Going forward, as I mentioned earlier also, if there is a good opportunity where we feel that ROC and ROE of the company is maintained at the current level, in fact on a blended level, if it gives us higher returns then only the company will decide to go for it or not to go for it. As our return on capital employed and on equity is significantly very good in the last 4, 5 years.

So going forward, if there is a good opportunity where the company feels that both these ratios would, in fact, give us higher returns or at least maintain this percentage, then definitely the company will decide accordingly.

Pritesh: So what is your ship addition program for the next 2 years? Will you add more ships?

Vipin Agarwal: As per the requirement of the product, we feel, yes, there are chances of a few more vessels that the company can easily add to cater to the local demands in India.

Pritesh: Thank you very much and all the best.

Moderator: Thank you. The next question is from the line of Nikunj Mehta from Wealth Guardian. Please go ahead.

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Nikunj Mehta: Good evening, sir. Thank you for the opportunity. My question is a little broad in nature. Firstly, I want to understand what's your near-term vision for the company? Where do you want to take the business? And what are the key challenges to achieve that vision?

Vipin Agarwal: Thank you so much. The broader vision that the company is having is the company wants to be the highest bitumen player in the industry in terms of manufacturing, import, logistics, all the factors together because we are a support system wherein we are supplying product to the infrastructure development of the country. We are one of the key infrastructure player wherein we supply bitumen for the development of the road. In the coming few years, we have a vision of doubling the volume that we are doing in the next maybe 2, 3 years from now.

Nikunj Mehta: Okay. And what are the key challenges that you think you will face?

Vipin Agarwal: Challenges we don't see a great challenge because the company is well positioned in terms of locations and the logistics advantage that we have. I don't think any other player in the entire Indian state is having the setup that we have already built in the last few years. We just have to turn around the throughput from the storage tanks or the storage manufacturing capacities that the company is having. So, we don't see a very good or much challenge from the market.

Nikunj Mehta: Okay. So, the second question is, are we looking at any other areas or opportunities apart from bitumen or we stick to this core and then we try and expand to adjacencies?

Vipin Agarwal: Yes, we have always been focusing on forward and backward integration in the same field that we are. So, the logistics side, if you say land and sea, the logistic advantage in terms of manufacturing plant and import locations and procuring product from the right from the source origin. So, we have always been following a forward and backward integration in the same line that we are in. So, company will focus on the key area in the same segment or the forward or the backward integration. Maybe company can produce bitumen on its own in the coming future.

Nikunj Mehta: Sorry? I missed the last line, sir. Did you say?

Vipin Agarwal: We have always been focusing on forward and backward integration. So, in the coming future, maybe the company may produce bitumen on its own as well.

Nikunj Mehta: Understood. Okay. And so, last question is, if you were to have an opportunity to add larger sized fleet or other opportunities, conceptually, are you okay to have a little higher net or would you be comfortable diluting and equity? What's your thought process? What kind of leverage are you comfortable in? What kind of effects would you do in a year? Do you have any kind of philosophy or some rules?

Vipin Agarwal: If you are to, on a company level, I don't think so. Equity is, debt is always cheaper than equity. If there is any plan for the company to add more vessels in terms of capex, the company will not dilute. As of date, I feel, this is personal opinion, debt would be a cheaper option than parting with the equity.

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Nikunj Mehta: All right, sir. Thank you so much for the opportunity. There's much more I want to learn about the companies. I'll reach out to you independently for that.

Vipin Agarwal: Sure, thank you so much.

Nikunj Mehta: Thank you. Have a good day.

Moderator: Thank you. Our next follow-up question is from the line of Tanvi, who is an individual investor. Please go ahead.

Tanvi: So, just one question. So, if we assume that we don't lend our vessels, all the vessels, for any chartering to third parties, then what is the maximum volume that we can do from our own vessels? Our total fleet is now more than 1 lakh.

Vipin Agarwal: Yes. See, we have to understand that in the monsoon period, that 4 months that we have, we have to take that into consideration on the entire yearly basis as well. So, 4 months, there is hardly any demand in India. So, during that time, you have to lend your vessels to third parties for your revenues during that time. So, on a year-on-year basis, these four months of monsoons, you have to lend your vessels to third parties.

Tanvi: So, I'm just asking on a broader level, what is the maximum capacity that we can cater to? Even if we, at times, you say that when we get a better rate from a third party, we would take some, we would hire a third party for our logistic and we would give our vessel to somebody else. So, I mean...

Vipin Agarwal: That, we've already been doing on a continuous basis as and when the challenges or the requirement is there.

Tanvi: My question is, what is the maximum capacity that we can do from our own vessels? Considering the monsoon and considering all the challenges on a normal scenario, in a year, what is the maximum?

Vipin Agarwal: I believe we can easily go up to 65% to 70% in the coming year with the volume that we have in mind.

Tanvi: And so, any guidance for the upcoming quarter? Because we expect generally second quarter, we don't see on a Q-O-Q basis. So, any expectations for the first quarter? Any order that you will be completing in this quarter 1?

Vipin Agarwal: You mean to say capex?

Tanvi: No. So, not capex in terms of volume or revenue for the next half year because this includes the monsoon period as well.

Vipin Agarwal: No. This first quarter will not be including monsoon. It is only hardly 10 days maybe of June. So, we expect to be in line with the last few years that we have been.

Tanvi: Okay. Thank you.

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Vipin Agarwal: That, we would be doing higher volumes than the last few years in the first quarter.

Moderator: Thank you. Ladies and gentlemen, as there are no further questions, I would now like to hand the conference over to Ms. Astha Jain for closing comments.

Astha Jain: Thank you, Sagar. On behalf of Hem Securities Limited, I thank Agarwal Industrial Corporation Limited, team for giving the time we spent on this call and responding all the queries in the detailed way. I would also like to thank all the participants for joining this call. Now, I would like to hand over the call to moderator for closing remarks.

Moderator: Thank you. On behalf of Agarwal Industrial Corporation, that concludes this conference. Thank you all for joining us. You may now disconnect your lines.

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