



CHANDIGARH ROAD  
LUDHIANA-141010, PUNJAB  
T: +91-161-2228943-48  
F: +91-161-2601048, 2222616, 2601040  
E: secretarial.lud@vardhman.com

Ref. VSSL:SCY:MAY:2023-24

Dated: 01-May-2023

BSE Limited, New Trading Ring, Rotunda Building, P.J. Towers, Dalal Street, MUMBAI-400001. Scrip Code: 534392	The National Stock Exchange of India Ltd, Exchange Plaza, Bandra-Kurla Complex, Bandra (East), MUMBAI-400 051 Scrip Code: VSSL
---	--

**SUB: TRANSCRIPT OF EARNINGS CONFERENCE CALL OF VARDHMAN SPECIAL STEELS LIMITED – Q4 FY23**

Sir,

Pursuant to the provisions of Regulation 30 read with Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith transcript of the earnings conference call of the Company held on 28<sup>th</sup> April, 2023 to discuss the Company's business and financial performance for Q4 FY23.

Kindly take the same on record.

Thanking you,

Yours faithfully,

**FOR VARDHMAN SPECIAL STEELS LIMITED**

**(SONAM TANEJA)  
COMPANY SECRETARY**



# “Vardhman Special Steels Limited Q4 FY23 Earnings Conference Call”

April 28, 2023



**ANALYST:**

**MS. MUDIT BHANDARI – IIFL SECURITIES**

**MANAGEMENT:**

**MR. SACHIT JAIN – VICE CHAIRMAN & MANAGING  
DIRECTOR – VARDHMAN SPECIAL STEELS LIMITED  
MR. SANJEEV SINGLA – CHIEF FINANCIAL OFFICER  
- VARDHMAN SPECIAL STEELS LIMITED**



- Moderator:** Ladies and gentlemen, good day and welcome to the Vardhman Special Steels Limited Q4 FY2023 Earnings Conference Call hosted by IIFL Securities Limited. As a reminder, all participant lines will be in listen only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing “\*” then “0” on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Mudit Bhandari from IIFL Securities. Thank you and over to you Sir!
- Mudit Bhandari:** Thank you Steven. Good afternoon everybody. On behalf of IIFL Securities, I welcome you all to the earnings conference call for Q4 FY2023 for Vardhman Special Steels Limited. We are pleased to have with us Mr. Sachit Jain, Vice Chairman and Managing Director, Mr. Sanjeev Singla, Chief Financial Officer. We will have the opening remarks from the management followed by question-and-answer session. So now I will hand over to Mr. Sachit Jain. Over to you Sir!
- Sachit Jain:** Ladies and gentlemen, a very good afternoon. Thank you for joining our call and apologies for the delay. There was a connectivity issue and we are a little in a remote area they could not connect with me. If it disconnects Singla will continue and I will just connect back again. So key highlights from last year. Last year has been a very, very interesting year for us. Several records have been crossed. We have the highest sales, highest production, and overall cost to sales. Each department has reported production and most importantly we have started mass manufacturing for Toyota Motor Corporation of course in a small way and it will gradually build up over the next three years and we have also just finished 50 years of our steel business. We had a big celebration and as a result of that celebration we have just declared a bonus issue also, but I will ask Singla go through the numbers and then I am here to take any questions. Thank you Singla. Go ahead.
- Sanjeev Singla:** Thank you Sir. This quarter our total sales volume is 50,500 tonnes as against 41,500 tonnes in the corresponding quarter of last year. It is a 21% increase and on revenue side, it is Rs.422 Crores as against Rs.343 Crores, 23% growth over the corresponding quarter of last year. In EBITDA, there is fall from Rs.59 Crores to Rs.29 Crores primarily because of some of the reasons like in the corresponding quarter of last year we had accounted about Rs.19 Crores of other income on account of electricity duty exemption which was pertaining to 2019 to March 31, 2022, so that was some amount was pertaining to the previous year itself, but most of the amount was pertaining to the earlier years. Secondly, from last year some of the prices like raw material prices, fuel cost and some consumable prices have also increased which has also impacted the profitability of the current quarter and in this quarter, we have been able to achieve reported PBDIT of Rs.5800 a tonne. In this quarter, there is one more abnormal expenditure I will say which is not pertaining to the Q4. It is Rs.6.6 Crores of price reduction which we have agreed with the OEMs. It is Rs.1750 price decrease from October 1, 2022, which was finalized in the month of February so we could not account for in the quarter Q3 but the price decrease for Q3 was amounting to Rs.6.3 Crores has been accounted in Q4 so that is additional price decrease which has been accounted in this quarter. Ignoring that price decrease, our reported PBDIT becomes Rs.7200 a tonne. On the annual side, we have achieved 200,000 tonnes of sales for the



first time and our EBITDA stands at Rs.180 Crores as against Rs.202 Crores of last year a decrease of 11%. Our total PBDIT is Rs.9,000 a tonnes and in this Rs.9000 a tonne most of the income is pertaining to the current year itself apart from Rs.11 Crores which is pertaining to the previous years, so Rs.8400 a tonnes is the PBDIT pertaining to the current year itself. The board has recommended a dividend of Rs.2 per share post issuance of bonus shares and one more thing I would like to share that in this quarter we have signed MOU with the Ministry of Steel under the PLI scheme, production linked incentive scheme, because our case was approved and accordingly in this quarter the MOU has been signed so that is all from my side and I request for the questions.

**Moderator:** Thank you very much. We will now begin the question-and-answer session. Our first question is from the line of Radha from B&K Securities. Please go-ahead Sir.

**Radha:** Good morning. Thank you for the opportunity. Firstly, many congratulations on starting supplies to forging companies of Aichi steels. Sir my first question is you guided for 10,000 tonnes of supplies to Aichi for this year so in that context and also starting supplies to Aichi I wanted to understand what is the total requirement of Aichi from the South East Asian region?

**Sachit Jain:** We do not have the exact figures but the total requirement would be I would guess in the range of 200 to 400,000 tonnes. I am just taking a guess but that would be a large number. From us the target is based about 30,000 tonnes.

**Radha:** Sir so in this context currently our export is 5% that you have mentioned in the presentation and we are targeting 25% by FY25 so I think that comes around 50,000 tonnes? Out of that, 30,000 tonnes like you mentioned is to Aichi so any other customers for the remaining part?

**Sachit Jain:** There are other customers like Somboon. Then we have working for Yamaha. We are talking with developing steel for Musashi so there are several customers that are under development stages and we already have a market of customers in Thailand, in Saudi also and we are also exporting to Turkey. We have small volumes and again please understand we do not have a huge capacity to be pushing to the exports.

**Radha:** Understood Sir. Sir these customers you mentioned have we already got in approvals from them or are they included in the 5% sales currently?

**Sachit Jain:** Some of them are. Yamaha and Musashi are not.

**Radha:** Okay Sir. Sir the next question Sir our next phase of expansion post this 2.3 lakh tonnes which is two to three lakh tonnes so by when can we start producing from this additional capacity from 2.3 to 3?

**Sachit Jain:** No just now our announced plans are only up to about 2.3 lakh tonnes, 2.3 to 2.35. The exact figure we will find out as soon as we reach those numbers but that is where our current target is so we do not have



any plans beyond that in this current plan. We have a license of 300,000 tonnes but our melting capacity will be constrained at about 2.6 lakh tonnes and beyond that it will take some effort and time through sizes and improvement you will see where we are going to improve. Roughly 2.6 lakh melting which means roughly 230,000 tonnes of sales.

**Radha:** Okay Sir and Sir on the Q-o-Q basis we have seen the commodity prices rising? That has impacted our gross margins so can we expect this to be passed on in the next two quarters or so?

**Sachit Jain:** Yes, forging steel we are hoping to increase prices from April 1. We have already asked our customers for price increase; letters have gone out and we have just received the price increase from one of the OEMs. Again, only OEM has given a price increase just now and we hope to discuss with the other OEM and finalize sometime in the month of May.

**Radha:** Sir what is the quantum that we are looking out for?

**Sachit Jain:** We have asked Rs.7500, the letter than has gone out from Vardhman steel, and other companies have sent out letters of Rs.8000, Rs.8200, and Rs.8500 also has gone out in the market from one of the suppliers. From the increased ask we have been the lowest at Rs.7500 but these are the letters that have gone out. Discussions will start soon.

**Radha:** Okay Sir and just one last question from the longer-term perspective we have got environment clearance for 2.8 lakh tonnes the rolling mill capacity but our next phase that we are planning is from 2.3 to 3 which is of course beyond FY25-FY26 so will we need in future the additional 20,000 tonnes clearance from the environmental services?

**Sachit Jain:** I have already answered that question. We have taken environmental clearance up to 3 lakh tonnes, but in this plant to produce beyond 2.6 lakh tonnes of melting and 2.3 lakh tonnes of rolling therefore is going to be very difficult. Rolling mill capacity will be a little higher and we will then probably buy billets at that stage from outside to roll internally but that all will cross in the next three years time so 3 lakh tonnes the license that we took is only for getting a license so it is not that we will be able to produce that. We have never said we are going to produce 3 lakh tonnes.

**Radha:** Okay Sir. Thank you so much.

**Moderator:** Thank you. Our next question is from the line of Mohammed Patel from Care Portfolio Managers Private Limited. Please go ahead.

**Mohammed Patel:** Sir what is the capex amount spent for FY23?

**Sachit Jain:** FY23 again Singla you will have to answer that question it should be about Rs.35 Crores to Rs.40 Crores.

- Sanjeev Singla:** It is about Rs.30 Crores.
- Sachit Jain:** FY24 also will be in the range of Rs.30 Crores to Rs.40 Crores. The bigger chunk of the capex will be happening in the next year 2024-2025.
- Sanjeev Singla:** In FY23-24 we will be buying some piece of land and that will be additional.
- Sachit Jain:** That will be addition yes.
- Mohammed Patel:** What is the combined capex for FY24-25?
- Sanjeev Singla:** The total capex is about Rs.300 Crores up to FY26.
- Mohammed Patel:** In the last call you were mentioning that the lead time of machines were longer than expected?
- Sachit Jain:** Which is why this whole thing has got pushed a few months down the line partly by six months has gone on to the next year so which is why it is getting rear ended to 2024-2025 and 2025-2026.
- Mohammed Patel:** Okay and you just to the previous participant said at 2.6 lakh of capacity the saleable will be 2.3 lakh I just wanted to confirm this?
- Sachit Jain:** Yes, so one capacity 2.6 lakh tonnes is the capacity of melting and the rolling because there are wastages in rolling. There is loss of material. The end cut losses of burning loss and other things so all together roughly quality loss where short pieces get discarded so ultimately the yield, the foldable product is about normally 9% less and then there is also steel production. The losses are again between 7% and 12% so eventually the sales comes down to below 2.3 lakh tonnes but there will be some billets for service reasons, etc., so we expect 2.3 lakh tonnes kind of sales in 2025-2026.
- Mohammed Patel:** Okay FY23 was the year of trials for Aichi so the trials has completed more or less?
- Sachit Jain:** Lot has got completed. Lot more are going on and lot more will go on because it is a continuous stream of products coming in and then there are trials for process stabilization. Then there are trials for cost reduction. Then there are trials for optimization so all these trials are happening simultaneously and unfortunately since our accounting does not allow us to capitalize such costs all that goes into the P&L.
- Mohammed Patel:** So, can we say 2024 the majority of the trials should get completed?
- Sachit Jain:** It never gets completed. The whole part of the growth company is the newer products will keep coming. Just now Aichi is sending out the base product to us. Once we master these base products, then the next level of products will come in and eventually the plan is to even send out patented products to us where we are the only manufactures in the world for such products but that is the whole point of a partnership



with the world leader that all such products will step by step come into the company as our capability rises. In Aichi's opinion it takes nine years to learn how to make special steel and we have just spent three and a half years out of which one and a half years was low efficiency because of COVID. We were working through zoom calls and not dominantly here so in their opinion it takes nine years to learn to make good quality special steel. The approach of the world is very different and Aichi's approach is very, very different.

**Mohammed Patel:** Okay understood and so how is the mass manufacturing going on as per our expectations?

**Sachit Jain:** Yes, as expected there are troubles, there are problems, there are quality issues, there are rejections, and rework. We are doing all that but we are able to meet the requirements of Toyota and the product will start reaching the customers. I will be visiting Thailand in May to see firsthand, meet the customers firsthand, get a firsthand feedback but so far we have been able to meet the target, deadlines and delivery and the quality lines we have been able to meet the quality levels at a higher cost internally and those costs have also started coming down as we are optimizing our processing so it is going as per plan, let me put it that way.

**Mohammed Patel:** Last question so what is the reason for the lower income you mentioned? What can be the sustainable other income number?

**Sachit Jain:** The sustainable other income is about Rs.20 Crores a year. The income is about Rs.20 Crores a year of incentives and similar about Rs.3 Crores to Rs.4 Crores. It is about Rs.20 Crores to Rs.24 Crores other income.

**Sanjeev Singla:** So, a total of Rs.25 Crores which is the sustainable income.

**Sachit Jain:** Really speaking only Rs.4 Crores to Rs.5 Crores of it should be other income. Rs.20 Crores of that is very part because accounting reasons come in as other income. It should really be part of P&L and since our approvals came late we had elements of the past year. In 2021-2022 we had elements of electricity duties in the past which came in and in 2022-2023 we have got the GST approvals so now the incentive of the past have come in mostly accounted for I think the only about Rs.5.5 Crores or so a small amount and less of previous years which when they get approval we will account for it. The rest now we are now onto current. The electricity duty is current roughly Rs.10 Crores a years and GST refunds should also be roughly Rs.10 Crores a year.

**Mohammed Patel:** Okay with the OEM sizing expected to be better from next quarters so should we be going to the higher end of the guidance of Rs.7000 to Rs.10000?

**Sachit Jain:** We are not giving that guidance. I have said very clearly, it will be within this range. It all depends on the price negotiations with the OEs so once the price negotiations happen well the numbers should get higher. If it is on the softer side it will get lower but we believe it should be within this range and that



is why we do not come under pressure to say that the profit will keep increasing every year and margins keep increasing every year. Our attempt will be to keep improving it. There are some positive factors coming ahead and there are some negative factors coming in. For example, power tariff has gone up that is a negative factor. Gas prices are coming down so that is a positive factor so those factors will keep changing so I would say that even for the next year we expect to be within the range of Rs.7,000 to Rs.10,000. Once the price negotiations finalize we will be able to get a better guidance and I have told you one OE already price negotiation has happened which is at a reasonable level. It is a good level, but still one of the majors which is either Tata or Maruti finalizes others will not necessarily follow through but one finalization is the indication of the trigger and that was the decent level. Beyond that, I cannot say anything.

**Mohammed Patel:** Okay thank you.

**Moderator:** Thank you. Our next question is from the line of Nikhil Chandak from JM Family Office. Please go ahead.

**Nikhil Chandak:** Thank you. My question was now you have started the trial productions for Aichi and I am just thinking what will be the loss in revenue so to say by not being able to supply to Aichi because we do not have the capacity?

**Sachit Jain:** First of all, we have the capacity. The next two years we have no capacity problem.

**Nikhil Chandak:** Currently you may be even for example but in the next two years I am presuming we will have a scenario where Aichi will say want to source from Vardhman but there will be no capacity to supply so I am just trying?

**Sachit Jain:** No, we have sufficient capacity at the plant till FY25-26. FY25-26 will be the year where we will start running into the problems so from FY26-27 we will start facing problems may be in FY25-26. We have already added capacity so we will not have a shortage of capacity the next two years.

**Nikhil Chandak:** Okay understood so what should be the capacity say in FY26 for example then?

**Sachit Jain:** It will be around 230,000 tonnes of saleable material and this year we did 200,000 tonnes so about 15% growth over the next two to three years.

**Nikhil Chandak:** Okay understood. Perfect. Thank you so much.

**Moderator:** Thank you. Our next question is from the line of Ritwik Sheth from One Up Financial Consultants. Please go ahead.





- Ritwik Sheth:** Good afternoon Sir and thank you for the opportunity. Sir I have two questions. Firstly, a clarification. In the capex figure for FY24 you mentioned that there is some land parcel what is this related to?
- Sachit Jain:** See we are planning to buy two land parcels. We need covered material, covered warehouses for storage of material and we need space for adding empty line and we need space to add more storage of raw materials scrap so we need space for all that so because of that we are buying one plot of 6.5 acres with buildup buildings and another plot of 5 acres adjoining us has become available and we are buying that. We do not have any immediate need for that land parcel but adjoining land becoming available we have taken a decision to go ahead and buy that so that 5 acres is there for future purposes and this 6.5 acres will be used up the moment we are able to purchase the land.
- Ritwik Sheth:** Okay and what will be total capex in this cumulative both these parcels?
- Sachit Jain:** Cumulative these two parcels is going to be about say about Rs.50 Crores. This is in addition to the other capex plan.
- Ritwik Sheth:** Right okay thank you and Sir the next question is on the EV volumes? Last year you mentioned that we are about 7% of EV volumes?
- Sachit Jain:** No, we said 5% to 6%. Last year it was 6% and we are at the region of 5% to 6%.
- Ritwik Sheth:** Okay on an increased volume base I assume?
- Sachit Jain:** I am sorry.
- Ritwik Sheth:** 5% to 6% this year as well?
- Sachit Jain:** Yes.
- Ritwik Sheth:** Sir my question on the Greenfield project any movement there anything?
- Sachit Jain:** No. We will announce. The moment we have some decisions we will announce.
- Ritwik Sheth:** Okay Sir thank you. That is it from my side and all the best.
- Sachit Jain:** But let me explain for everybody else what are we waiting for. We just started the mass production for Toyota. Still some few cycles are completed, quality is stabilized, full delivery systems are stabilized, service is stabilized so till then the confidence to open a massive new package will take time so as Indians we are anxious, I could see that we will have a capacity of probably 25 to 26 and therefore I was very keen to take action earlier, but our partners are very clear that once same quality stabilizes, system stabilizes, and cost stabilizes where we reach where we are happy with the production and



everything and it is very small quantities. The quantities are going to go up five times from the current levels for Aichi production so depending on how we see the smooth working outflow then a decision will be taken at the appropriate time.

**Ritwik Sheth:** Thank you Sir.

**Sachit Jain:** In the interim, we will be looking for alternative strategy to make up for the capacity bottleneck. We already have some strategy one could be looking for outsourcing of material that process is on and I think we should have some viable solution and we have been doing some outsourcing on and off partially for the steel, partly for rolling, buying billets from outside so we are doing partial outsourcing. We will be doing that in a more planned manner in the next two years because three years later we could have an issue and may be a second could be possible acquisition if an opportunity like that comes up so those are other strategies as interim strategy because to answer what the first question was asked that will there be any loss of sales if the capacity bottlenecks. Now I am a marketing person. I started my career at Hindustan Unilever, a marketing person does not let sales go by the way so we will be there to make sure that capacity is not a bottleneck.

**Moderator:** Thank you. Our next question is from the line of Pradyumna Choudhary from JM Financial. Please go ahead.

**Pradyumna Choudhary:** Sir so I just wanted to understand this 30,000-capacity expansion that we are looking at what is the latest on that like when will the new capacity come up?

**Sachit Jain:** Earlier our capacity was 80,000 tonnes so we have already upped it from 80,000 tonnes we have already sold 2 lakh tonnes so we can sell 2 lakh tonnes already so 10% of that has already happened and another 15% will happen in the next two years. There are two elements for capacity expansion, the key elements. One is environmental approval which we have got but environmental approval is subject to completing of those environmental formalities so that has almost got completed so that part is over. The second part is melting capacity, so melting capacity is in place. Some space are getting optimized and once that gets optimized then we have capacity in steel making and the third is rolling capacity. Rolling capacity will go up in three phases as we add three pieces of equipment. One equipment is getting added this year which is why the capex that we mentioned earlier. That will increase capacity a bit. Then the second equipment is getting added next year and the third in the middle part of next year or early 2025 so these three equipments will increase the capacity of rolling to beyond 260,000 tonnes. Which means that we will have the ability to also use outsourced billets perhaps look at outsource billets for our rolling if needed to meet our sales requirement what we cannot make at home.

**Pradyumna Choudhary:** Understood and also you spoke about like outsourcing to fill up for any capacity constraints so can you give us some idea on what would be the EBITDA per tonne?

**Sachit Jain:** No that is very low. EBITDA per tonne on outsourced models comes out to be something like Rs.2000 sometimes Rs.3000 so it is very low. So, basically the manufacturer will take their own margin right.

**Pradyumna Choudhary:** Yes?

**Sachit Jain:** So, the additional margin could be Rs.2000 to Rs.3000 per ton for such sales. Those will be taken only to maintain market share and then as a market when we have capacity of our own then we can easily stop the outsourcing and shift that business to a new plant because those are all starting to how to build up capacity when the new plant comes up and there is a market before the plant comes up.

**Pradyumna Choudhary:** Understood and Sir just another basic question I wanted to ask was we are awaiting for Aichi's approval regarding the new plant and Greenfield expansion, but in the meanwhile like there is still a big market outside of Aichi also so why cannot we look at adding some interim Greenfield capacity not interim but another Greenfield capacity to cater to the other customers?

**Sachit Jain:** The cash required to put up a new plant is huge and we will be putting up only one new plant because it is not that we put up one plant for one market and another plant for Aichi no. When we are partners, we do things together so there are no plans of doing anything outside of Aichi, so we do things together.

**Pradyumna Choudhary:** Understood thank you Sir.

**Moderator:** Thank you. Our next question is from the line of Dewang Sanghavi from ICICI Securities. Please go ahead.

**Dewang Sanghavi:** Good afternoon Sir and thank you for the opportunity. My question is regarding the volume guided for FY24? We have kind of hit a good volume level for FY23 so what kind of growth you can expect for FY24?

**Sachit Jain:** Marginally. I have told to our team that this year we have a consolidation. We have grown rapidly last year so we must digest that growth and make sure that look at systems, things in place, nothing is tweaking, and clear off all those things so this year is a year of consolidation. We will probably grow from 2 lakh tonnes to roughly 2.5 lakh tonnes or so, this is a year of consolidation.

**Dewang Sanghavi:** Right Sir and we did 5% of the export volumes last year so any guidance for the current year? It should be more than 10% to 12%?

**Sachit Jain:** See unfortunately the way our sales are working our sales to Aichi actually gets reflected as domestic sales, because they get sold to the Toyota Group company that will show India so actually it is a domestic sale ramp up.

**Dewang Sanghavi:** Okay got it.



- Sachit Jain:** When we say it will be 30,000 tonnes those are the destination. The destination is earning, accounting sales will be...
- Dewang Sanghavi:** Accounting wise it is taken as domestic sales.
- Sachit Jain:** Yes.
- Dewang Sanghavi:** I have one clarification one of our OE had kind of finalized the price hike for Q1 and what is the number? What is the quantum for the sale?
- Sachit Jain:** We cannot share what the OE has told. We are not sharing this.
- Dewang Sanghavi:** You not sharing this. I thought I missed that number.
- Sachit Jain:** But we say we are satisfied with that number.
- Dewang Sanghavi:** Sorry I missed that?
- Sachit Jain:** We are satisfied with that number. It is a satisfactory number.
- Dewang Sanghavi:** We are satisfied with that number okay that is helpful? Thank you Sir and all the best.
- Moderator:** Thank you. Our next question is from the line of Anil Kumar Sharma an Individual Investor. Please go ahead.
- Anil Kumar Sharma:** Sir good afternoon. First of all, congrats for an overall good numbers in this tough environment. We are associated with the Vardhman Group for a very long time and we also know that you are leaving no stone unturned for development of VSSL but one apprehension is there Sir that ideally bonus should be given when we enhance capital in the same manner? In this quarter our numbers are down and had it not be better that we could have postponed the bonus that is my only question? Otherwise, kudos to you I know that you are working very hard, but ideally it should because the numbers are less than the previous quarter?
- Sachit Jain:** You are absolutely right. It is a very valid observation that you are making so let me answer it in two parts. One part you had asked whether we will be able to furnish the enhanced capital. On that you can be rest assured the board of this company deliberated very well and we took a decision on the bonus only with the confidence that we can service the enhanced capital so we are confident that we can service the enhanced capital that is one. Your second ideally you are right the bonus should be given when the results are blooming and next year it is expected to be better and so on. That is one way of looking at it and the second way is this year is a marquee year. We have completed 50 years of existence in the steel business. How many businesses compete 50 years? Last year was a record year and I kept



saying last year 2021 – 2022 that this is a record year. This is unrepeatable performance. Ideally a bonus should have been given last year but that did not make sense because this year 2022 – 2023 was our golden jubilee. Now this is more a recognition of our golden jubilee than looking for a good quarter or a good year and otherwise if we forget the quarter this year is a good year Rs.100 Crores net profit is a number. Five years ago, I do not think I could have ever predicted we will get Rs.100 Crores profit so if you leave aside 2021 – 2022 so in comparison to 2021 – 2022, 2022 – 2023 looks nothing much and whereas since January we were expecting Rs.110 Crores net profit for this year and it is just that finally the settlement which happened between Tata Motors and Tata Steel of a Rs.1,750 reduction where we neither compete with Tata Steel nor do we deal with Tata Motors but as some outside company settle and because the market was getting frustrated eventually everything settled in the same number so suddenly we were hit by surprise that we had to take a Rs.1,750 reduction from October if that has not happened we would have had profits of Rs.24 Crores during this quarter.

**Anil Kumar Sharma:** Okay Sir that you are doing better than 10 years ago, we are with you for the last 10 years and Vardhman for the last 40 years but definitely, things are much, much better but our apprehension...

**Sachit Jain:** Your point is taken. Your point is valid but you will see in the next coming years that we will be able to meet your expectations in performance.

**Anil Kumar Sharma:** Thank you Sir. So nice of you and our salute to you for your good hard work. Thank you.

**Moderator:** Thank you. As there are no further questions from the participants, I now hand the conference over to the Mr. Sachit Jain for closing comments.

**Sachit Jain:** Ladies and gentlemen, thank you so much for your interest in the company again. Yes, this quarter has been challenging, but as we always say in our company in all my calls if you want to look at a quarter-to-quarter performance for our company or short-term performance then our company will not be the company to be in, so we have to see the full year performance and you have see the directionally where we are going as a company. Directionally, I feel very confident of the future strategic path that we have taken and the strategy adopted to follow that overall strategy so we had good receivables, good relationships and good corporate events lined up for future and I am pretty positive of the company and once the global environment improves a bit, I am sure it will also aid in the improvement in the results of the company. Thank you so much.

**Moderator:** Thank you. On behalf of IIFL Securities Limited, that concludes this conference. Thank you for joining us. You may now disconnect your lines.