BIL/SE/2023-2024 **29th January, 2024**

To,

BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001.

Scrip Code: 502355 (Equity)
Scrip Code : 973556 (Debt)

National Stock Exchange of India Ltd,
5th Floor, Exchange Plaza,
Bandra Kurla Complex,
Bandra (E), Mumbai 400 051.

Trading Symbol: BALKRISIND

Dear Sir/Madam,

Subject: Transcript of Conference call with Investors/Analysts conducted to discuss on the Q3 & 9M FY24 Results.

In continuation of our letter dated 19th January, 2024 and 25th January, 2024 and pursuant to Regulation 30(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of conference call with Investors/Analysts on the Q3 & 9M FY24 Results of the Company held on 25th January, 2024. This information will also be hosted on the Company's website at https://www.bkt-tires.com/ww/us/investors-desk.

You are requested to kindly take the above information on record and disseminate.

Thanking you,

Yours faithfully,
For **Balkrishna Industries Limited**

VIPUL SHAH Digitally signed by VIPUL SHAH Date: 2024.01.29 16:25:51 +05'30'

Vipul Shah
Director & Company Secretary
and Compliance Officer
DIN: 05199526

Encl: As Above

"Balkrishna Industries Limited
Q3 and 9M FY'24 Earnings Conference Call"
January 25, 2024

Disclaimer: E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchanges — BSE Limited and National Stock Exchange of India Limited and the Company website on 25th January 2024 will prevail

MANAGEMENT: **MR. RAJIV PODDAR – JOINT MANAGING DIRECTOR – BALKRISHNA INDUSTRIES LIMITED**
MR. MADHUSUDAN BAJAJ – SENIOR PRESIDENT, COMMERCIAL AND CHIEF FINANCIAL OFFICER– BALKRISHNA INDUSTRIES LIMITED
MR. RAVINARAYAN JOSHI – DEPUTY CHIEF FINANCIAL OFFICER – BALKRISHNA INDUSTRIES LIMITED
MR. SUSHIL MISHRA – HEAD, ACCOUNTS – BALKRISHNA INDUSTRIES LIMITED
SGA -- INVESTOR RELATIONS ADVISORS – BALKRISHNA INDUSTRIES LIMITED

Moderator: Ladies and gentlemen, good day, and welcome to the Balkrishna Industries Limited Q3 and 9 Months FY '24 Earnings Conference Call. This conference call may contain forward-looking statements about the company, which are based on the beliefs, opinions and expectations of the company as on date of this call. These statements are not the guarantees of future performance and involve risks and uncertainties that are difficult to predict.

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 Mr. Rajiv Poddar, Joint Managing Director. Thank you and over to you, sir.

Rajiv Poddar: Thank you, Zico. Good morning, everyone, and thank you for joining us today. Along with me, I have Mr. Bajaj, Senior President, Commercial and CFO; Mr. Ravi Joshi, Deputy CFO; Mr. Sushil Mishra, Head Accounts; and SGA, our investor relationships advisor.

Let me begin with performance updates. In the October earnings call, we communicated of better Q3 and H2. Q3 financial year '24 fared on expected lines, BKT garnered market share, thereby increasing sales, leading to volume growth of 9% year-on-year for Q3 FY '24.

With this, I now move on to the operational highlights. For the quarter, our volumes stood at 72,749 metric tons, a growth of 9% year-on-year. For 9 months financial year '24, volume stood at 210,543 metric tons. Our standalone revenue for the quarter stood at INR2,316 crores, registering a growth of 5% year-on-year. This includes realized gain on foreign exchange pertaining to sales of INR36 crores.

For 9 months of the financial year, the revenue stood at INR6,678 crores. This includes realized gain on foreign exchange pertaining to sales of INR53 crores.

For 9 months of the financial year, 46% of the sales came from Europe, 28% from India, 17% from the Americas and the balance from the rest of the world.

In terms of channel contribution, 72% was contributed from the replacement segment, while OEM contributed 27%, with the balance coming from offtake. In terms of category, the Agricultural segment contributed 59%, while OTR Industrial & Construction contributed to 38%, and the balance came from other segments. The standalone EBITDA for the quarter was at INR588 crores, registering a growth of 40% year-on-year.

The margin came at 25.4%. The marginal improvement was on account of operating leverage on account of volume increase and cost rationalization efforts. For 9 months of the financial year, the EBITDA was at INR1,622 crores, registering a growth of 6% year-on-year. The 9-month margin stood at 24.3%.

Other income for the quarter stood at INR70 crores, while 9 months, it was INR187 crores. Profit after tax stood for the quarter at INR309 crores, registering a growth of 210%. For 9 months of the financial year, PAT came at INR957 crores with a growth of 16% year-on-year.

Our gross debt stood at INR2,881 crores at the end of 31st December, '23, of which about 65% is related to working capital debt. Our cash and cash equivalents were at INR2,552 crores. Accordingly, our net debt is at INR330 crores.

The Board of Directors have declared a third interim dividend of INR4 per share. This is in addition to the 2 earlier interim dividends of INR 4 per share, each paid over the year.

Going into Q4, with the geopolitical situation, coupled with the freight situation, in which started in December end, early January, there may be flattish sales for the Q4 on the back of anticipated delays in delivery schedules. Further, this may have an impact on margins in the short term.

With this, I conclude my opening remarks and leave the floor open for question and answer. Thank you.

Moderator: We will now begin the question-and-answer session. Question is from the line of Siddhartha Bera from Nomura.

Siddhartha Bera: Thanks for the opportunity, sir. Sir, my question is on the volume growth. So just to clarify, you expect Q4 volumes to be flat compared to the last year, is that what you mentioned?

Rajiv Poddar: Yes.

Siddhartha Bera: Okay. Because, sir, we have seen, generally, Q4 has been one of the strongest quarters in a year, and we sort of had expected about 290 for this year. So that probably then will have some risk in a near term?

Rajiv Poddar: So current geopolitical scenario and shipping issues, which are going on, are there. So, we are not very sure where we will end up at this stage, but as I indicated, it will be flattish.

Siddhartha Bera: Okay. But sir, in general, apart from the Red Sea issues and all, how are you looking at the end-level demand from, say, agri and OTR markets? Are there any signs of pickup in the U.S. or Europe end markets? Or how is the scenario there?

Rajiv Poddar: Yes, it's going -- I mean, the demand is -- it was picking up towards the end of the year, which continues. So that is not a very big issue.

Siddhartha Bera: Okay. And going ahead, do you expect the growth momentum to recover at some point given the outlook you have or the demand you said you have from the dealers? Or do you think that recovery may take longer, depending on your expectations?

Rajiv Poddar: No, we see it improving depending on the Red Sea and shipping issues.

Siddhartha Bera: Okay. Got it. Lastly, sir, on the cost side, you mentioned that there will be some margin pressures. But generally, if you look at the freight costs, how did it behave for you in the quarter? And is there -- we will probably be able to pass it on to the end consumer? Or should we expect that also to take some time to get passed on?

Rajiv Poddar: So, we are trying to pass it on. It will not be passed on immediately. . We are also waiting and watching, so we are passing on some. We are trying to pass on some bits over the period. And if this situation continues, we will end up passing the whole thing, but that will take time. That's why I said, in the short term, it will impact our margin.

Moderator: Our next question is from the line of Jinesh Gandhi from Ambit Capital.

Jinesh Gandhi: My question pertains to your outlook for fourth quarter. Are you indicating it to be flat on a Q-o-Q basis or expecting some growth and seasonally strong fourth quarter?

Rajiv Poddar: So Q3 this time and year-on-year Q4 numbers are quite similar. So, we're expecting it to be flat in that range.

Jinesh Gandhi: Okay, okay. Secondly, when we talk about retail demand being doing okay in the sense, are you referring to -- it being stable and not declining? Or are you seeing growth in the end markets as well?

Rajiv Poddar: Stable to gradual improvement.

Jinesh Gandhi: Lastly, can you talk about the pricing action we may have taken in 3Q and 4Q in the end markets along with Euro, INR rate?

Rajiv Poddar: No, no price increase in the quarter so far.

Jinesh Gandhi: Okay. So, no reduction as well?

Rajiv Poddar: No, no.

Jinesh Gandhi: Okay. What was the Euro, INR realization?

Madhusuan Bajaj: INR89 to INR90.

Moderator: Our next question is from the line of Ankit Kanodia from Smart Sync Services.

Ankit Kanodia: My first question is related to our Indian market. So, in the last 6 or 7 years, we have ramped up our Indian operations really fast, as I'm seeing operations with sales in India. So, now that we have close to 30% of sales from India, do we see the growth rate in the Indian market sustain this high volume level?

Rajiv Poddar: Yes. India has -- I mean the potential in India is already there and continues to grow. So as India -- everybody is projecting India to be growing faster. Even we expect our growth rates to be good over here.

Ankit Kanodia: Great. So, my follow-up to this question would be, sir, then it would be fair to assume that maybe 3 to 4 years down the line, India would be either at par with Europe or maybe even more than Europe. So if you can share more color on the margin front, on the type of products which we -- or the product mix here and the competitive intensity compared to Europe? If you can just share some more color and compare the Indian market with the European market, that would be very helpful, sir?

Rajiv Poddar: So basically, the overall volume will also increase. If you -- earlier what we had said that overall, when the volumes also pick up, the growth will come in a similar ratio. So, Europe also will kick in. Also, overall, the share may stabilize, but our growth will continue. So, India's share may stabilize at these numbers as the other markets pick up.

Ankit Kanodia: Okay. And on the competitive intensity and the kind of product mix, if you would like to share more...

Rajiv Poddar: I mean we have the entire range, and we are growing that. As we have said earlier, we are also enhancing our basket every time. On the contrary, we have enhanced our basket substantially. So that is being done. It's an ongoing process. And we are growing- we are in the marketplace working with that.

Ankit Kanodia: No, my question, sir, was related to, do we have any change in product mix when we are serving Indian customers? Or we have seen kind of products for both European and Indian market?

Rajiv Poddar: So, we have a special product for Indian market. But for international also, the product is there. So, they are all separate -- we're treating every market separately and building products based on that.

Ankit Kanodia: Margin profile, I would -- European market would be better than Indian market, right?

Rajiv Poddar: Similar. I mean, marginally better, but not a big impact.

Ankit Kanodia: One last on competitive intensity in the European market versus the Indian market, what would be your view there?

Rajiv Poddar: So, both have their own unique situations, and we have marginal difference, as I said, so nothing major. So, there's no -- nothing major on that.

Moderator: Our next question is from the line of Raghunandhan N.L. from Nuvama Research.

Raghunandhan N. L: Congratulations on a good number in Q3. Sir, I understand there are temporary issues in the near term. But as you rightly said, the recovery is also likely in other geographies. And we have seen that in this quarter, where the share of Europe has come back to 49%. So just trying to understand how would you look at the outlook for Europe going forward, which is the major market for us.

And also, mainly in the agri segment, how do you expect to see an improvement given that 2023 was a more challenging year for agri compared to 2024? At least the initial thoughts are it should be better. So, over a 1- to 2-year period, how you are looking at Europe and the agri segment?

Rajiv Poddar: Too many questions bundled. I'll try and answer them, so -- one by one. So overall, Europe is seeing the demand to be stable, but on the trend towards improving. That's how we see it. We are geared to capture that market as and when it starts returning. So, we are all geared up for that.

Raghunandhan N. L: Got it. And in terms of the near term, there are -- because of the Red Sea crises, there are delays in shipments. Also, there is some increase in the freight cost. Any initial thoughts or what could be the cost impact in the very near term?

Rajiv Poddar: I mean, as I mentioned earlier, there will be some impact on the margin. We are evaluating the exact impact and will see how it goes.

Raghunandhan N. L: Got it. And lastly, on the carbon black sales for 9 months FY '24, either as a percentage of revenue or if you have an absolute number, if you can share here, what has been the revenue? And how do you see the new capacity led growth for next year?

Madhusudan Bajaj: Carbon revenue is 7.5% of the total revenue currently. And next year, we further expect it to go 8% to 9% next year.

Moderator: Our next question is from the line of Mumuksh Mandlesha from Anand Rathi.

Mumuksh Mandlesha: Congratulations on a good set of results. Sir, you talked about the market share gain, which led to growth during the quarter. Can you indicate where are we in terms of market share and how we are progressing toward the 10% market share target, which we had? Should it be achievable in the next few years? And can you indicate what the major driving factors for the improvement in market share would be?

Rajiv Poddar: So, our market share, as I mentioned, was about -- just over 5% globally. And yes, we are -- it's between 5% and 6%. And we are working towards hitting our target of 10% and should be possible in the next few years. So that's what we are working towards.

Mumuksh Mandlesha: And sir, it would be led by industry consolidation, sir?

Rajiv Poddar: No, there is ample demand, and we are working towards that, but there would also be some market share gains as we go along.

Mumuksh Mandlesha: Got it, sir. Sir, other expense has come down compared to the previous quarter. So -- I mean, it supported by the better volumes. So how do you see the particular marketing expenses over the medium term?

Rajiv Poddar: So operating cost has come down because of multiple things. As I said, operating -- cost rationalization has come in, and freight costs have come down. So, all those things have had an impact.

Mumuksh Mandlesha: And how do you see the marketing expenses for this year and over the medium term, sir?

Rajiv Poddar: We will continue at the same levels that it has been doing -- that we've been doing.

Mumuksh Mandlesha: Got it, sir. Sir, how do you see the RM cost ahead as the crude prices have softened. So, do you see the benefit in coming quarters?

Madhusudan Bajaj: No, we don't see any benefit because the crude price is coming down, so other raw material will go down, but natural rubber is increasing. It will offset that decrease or increase.

Moderator: Our next question is from the line of Pramod Amthe from InCred Capital.

Pramod Amthe: Sir, I wanted to check, considering you talked about supply chain issues, what is your inventory levels at the dealers in Europe and U.S.?

Rajiv Poddar: As I mentioned in last quarter, it has started coming down. And it is at the reduced level, so there's no impact on that.

Pramod Amthe: So, in that direction, if the supplies further get constrained with the shipment, do you think them to go below the comfortable levels this quarter?

Rajiv Poddar: Yes, may do. It depends on how the shipping scenario plays out. But if it has a concern, it will go below comfort level.

Pramod Amthe: And usually, they are, what, 4 to 6 weeks at the dealers so how do you -- when you say comfortable last quarter...

Rajiv Poddar: About 45 days. So, we are in that range -- 30 days to 45 days, in that range. So, they will be towards the closure part of 30, then towards 45.

Pramod Amthe: Okay. Second one is with regard to the freight cost, which you again alluded to saying of disturbance. Where does the freight cost stand in first 9 months? And considering the disturbance, where you expect it to go? And looking at the past experience, where such disruptions happen, how long does it take you to pass it on to the end market?

Rajiv Poddar: So, for the first 9 months, our shipping costs are in the range of 3% to 4%, where they normally are. Q4, we are yet evaluating. So, we don't have the numbers to share for Q4. But first 9 months was around 4%.

Pramod Amthe: And based on historical experience, sir, how much time it take for you to pass on, because you had some contracts that you pass on easily and some are not and take time. So, do you still feel it's a short-term disturbance or is this the last prolonged supply chain for challenges?

Rajiv Poddar: So, we can't comment on that because -- I mean, we don't know how the geopolitical scenarios play out. But on the face of it, we hope it is short term. What we are hearing that it is going to be short term. So that is there. If it plays out into a longer play, we will start passing on, and it will take us up to 2 quarters from when we start passing on to pass on the whole thing.

Pramod Amthe: Sure. Sir, last one is with regard to interest cost. It seems to have spiked up pretty drastically versus your net debt, which has come down. So, what has happened there? And is it a more sustainable trend, almost INR35 crores per quarter?

Ravi Joshi: Part of it is related to the negative MTM on the long-term borrowing, which is in euro. So, if you compare the levels at the end of September, vis-a-vis, end of December, part of it has been categorized in the finance cost.

Moderator: Our next question is from the line of Abhishek Singhal from Naredi Investments Private Limited.

Abhishek Singhal: How much percentage should be used to recycle rubber according to EPR policy? And how much percentage are you using now? And if you do not fulfill this compliance what effect will it have on the company's financials?

Rajiv Poddar: We can't share those details because they are confidential towards our technical designing. So, whatever is the compliance, we are within that, but I can't give you on top of those numbers.

Moderator: Our next question is from the line of Abhishek from Dolat Capital.

Abhishek: Sir, because of the disruption in Red Sea, there will be RM supply issue to European peers as well. So, production cut is expected. So how do you see the benefit of inventory clearance and dispatches?

Madhusudan Bajaj: So, what you're telling is right. They are importing from Asia the natural rubber, some synthetic rubber, some chemicals, where we will be affected. We may get the additional order. From the raw material point of view, we will not have any shortcomings, sir. So let us see and wait.

Abhishek: So, can we expect that dispatches and order intakes will accelerate in the coming quarter because of -- if this issue get longer?

Madhusudan Bajaj: If issues escalate and their factories are closed, we may get..

Abhishek: So many Indian companies is setting plant in Brazil. You have also forayed into this market. So how do you see potential of this market -- the Brazilian market?

Rajiv Poddar: No. We can't comment about other people setting up. We don't intend to set up over there. About -- potentially the market is good. We are servicing that through our distribution network. So, we are quite covered through our partners over there.

Abhishek: Okay, sir. And you have a deep plan for the OTR segment and looking to -- for capacity addition. So how do you see growth in this segment for the next 2, 3 years?

Rajiv Poddar: We feel we have a good potential, and this is a market we need to pick up and we are focusing on that.

Moderator: Our next question is from the line of Sabyasachi Mukerji from Bajaj Finserv AMC.

Sabyasachi Mukerji: Do you want to put any volume guidance for the next year, FY '25?

Rajiv Poddar: No, no.

Sabyasachi Mukerji: Sir, where am I coming from is that historically, wherever in BKT history, whenever we have seen a volume decline, the following year has been actually really good, be it FY '16, where we saw volume decline or FY '20 as well. Do you foresee similar kind of a thing in FY '25 playing out?

Rajiv Poddar: It's too early to say. Please remember, we are sitting on the backdrop of two ongoing wars with a lot of geopolitical tension. And also, we don't know how that will play out. We are also waiting and watching to see how it is getting done. So, it's too early to comment on that.

Rajiv Poddar: Also, yes, we are capacity-wise ready to serve the market as and when the demand comes back.

Sabyasachi Mukerji: Okay. Okay. That's good to hear. Second question is on this ongoing Red Sea situation. What has been your experience in late December or early January in terms of the freight rates and also the container availability. How much increase have you seen in the rates or container cost?

Rajiv Poddar: So, there has been a substantial increase in the rates. We're not seeing any issue on supply of containers, but it is a rate that has gone up substantially.

Sabyasachi Mukerji: Any number you want to put? Has it gone to 2x, 3x, 4x...

Rajiv Poddar: No, I can't put a number.

Moderator: Our next question is from Viraj's line from SIMPL.

Viraj: Just one question. If you can just give some color in terms of demand environment both in agri and OTR across different markets. So, what kind of consumption and consumption growth are we seeing? And how is the inventory kind of in different markets? So, the 30 to 45 days, which markets you would see -- still see a higher level of inventory and where we are seeing a much more leaner inventory. Any more color you can give on that?

Rajiv Poddar: So, as I mentioned, there are two issues. I'll reclarify. Demand is one aspect where we are seeing stabilization and moving towards improvement. The other constraint is there sea supply because of the supply issues, which are in the shipping lines and the Red Sea and the whole political scenario being played there.

So, if you keep those two separate, the demand is still stable and is looking towards improvement as of now. So that should answer that question. Second question was on the 35 days to 40 days, which geographies. It is -- I mean overall average of the whole global scenario that our distributors are carrying now. It's difficult for us to point to particular guidance or regional services the level here and there. But by and large, everybody is within this range of 30 to 45 days at the moment.

Viraj: Sir, the reason again asking on inventory is what we understand in agri, especially, say, U.S. or Europe or even LatAm, the season has not been that great. So just trying to understand, do you see any further risk in other inventory further building up? Or any perspective you may have?

Rajiv Poddar: No, we don't have a negative view on that. So, as I mentioned, the demand, we are seeing stable to -- and moving towards improvement. So that's the line that we -- that's our view, basically.

Moderator: Our next question is from the line of Tej Patel from Niveshaay.

Tej Patel: Yes. So, I have a couple of questions. The first one, what is the current carbon black prices? And is there any oversupply situation in both Indian and global markets?

Madhusudan Bajaj: Current prices are hovering around INR100. And in India, yes, there is excess supply because everyone has extended the capacity. But globally, it is almost balanced because Russia, which used to supply to Europe and U.S.A., that supply is not coming to those countries now.

Tej Patel: Okay. Okay. And one more question is like I've seen that a lot of players are making this carbon black, also providing carbon black to lithium-ion batteries. So, are we making those grids of carbon black? Or do we plan to enter to those space also?

Madhusudan Bajaj: No, we have not yet planned for that one. That requires another technology. So, we have not yet thought for it.

Moderator: Our next question is from the line of Prakhar Soni from Value Research.

Prakhar Soni: I just wanted to ask how is the capex plan that you had placed for the year. Has that been completed? And how is the mold manufacturing facility going?

Rajiv Poddar: Going on schedule.

Prakhar Soni: Okay. And the rest of the capex have been completed except the mold manufacturing? Or do we have any further capex for the year?

Rajiv Poddar: Whatever we had announced, is all completed apart from these 2, and there are going on as per schedule.

Prakhar Soni: Can you throw some light on the impact of the mold manufacturing facility on the revenue and like PAT in the future?

Rajiv Poddar: No. As we had mentioned when we were setting it up, it will also have no impact on revenue. It is only to give us better access to make our moulds and keep our designs and all intact so that the quality impact will be there. No revenue impact.

Moderator: Our next question is from the line of Saif Sohrab Gujar from ICICI Prudential AMC.

Saif Sohrab Gujar: First question is on the hedge rate. So, what was it for the last quarter? And how much it was for FY '25?

Madhusudan Bajaj: Last quarter was INR89 to INR90. And for the next year, it is INR91, INR92.

Saif Sohrab Gujar: Okay. And second is just a follow-up from the previous question, which was asked on carbon black. Regarding this advanced carbon black of 30,000 MTP, what is status on that...

Rajiv Poddar: As I mentioned, it is going on schedule. And we will update when there is a completion or any milestone. But as of now, we are on schedule to what we had earlier mentioned for date of completion.

Saif Sohrab Gujar: Okay. And from the existing capacity, we have around 2 lakh metric ton, how much of it is utilized? What is the utilization level currently?

Rajiv Poddar: Our existing capacity is 170,000. Post this expansion of advanced carbon, we'll take it to 200,000.

Madhusudan Bajaj: And current utilization is around 85% to 90%.

Madhusudan Bajaj: Of 170,000 MT.

Moderator: Our next question is from the line of Disha Sheth, who's an investor.

Disha Sheth: Sir, I just wanted to check any volume -- if I missed any volume guidance for FY '24 and '25.

Rajiv Poddar: No, you have not missed. We've not given any guidance. It's too early to give any guidance.

Disha Sheth: Depending on your order book, how is the scenario? We- because after so many quarters, we saw year-on-year volume growth. So, according to you, depending on the order book, what do you think about the volumes? Is it improving?

Rajiv Poddar: We can't comment on this quarter, ma'am.

Disha Sheth: No -- okay, okay. And sir, and what utilization are we working on, capacity utilization?

Rajiv Poddar: Around 75%, 80%.

Disha Sheth: Okay. And sir, as volume picks up that we saw in this quarter, do we -- what do you -- do we get the operating leverage benefit that -- other expenses are currently very high because of the low volume scenario so what's the...

Rajiv Poddar: As I mentioned in my commentary, the enhanced production has led to operating efficiencies, which has impacted our margins.

Disha Sheth: Okay. And sir, like in your view, is the worst over in terms of demand? And can we see a volume pick up from your? Like the trend of 72,000, should it be maintained?

Rajiv Poddar: Yes. As I mentioned, our expectation going forward is a flattish quarter. So, you should see it maintained.

Moderator: Ladies and gentlemen, that was the last question. As there are no further questions from the participants, I now hand the conference over to the management for closing comments.

Rajiv Poddar: Thank you to everybody for coming on the call, and we'll see you next quarter. Thank you.

Moderator: On behalf of Balkrishna Industries Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.