



**“Fiem Industries Limited
Q2 FY2022 Earnings Conference Call”
November 15, 2021**



ANALYST: MR. ANUBHAV RAWAT – MONARCH NETWORK CAPITAL LIMITED

MANAGEMENT:

- MR. J.K JAIN – CHAIRMAN AND MANAGING DIRECTOR**
- MR. RAHUL JAIN – DIRECTOR**
- MR. RAJESH SHARMA - DIRECTOR**
- MR. O.P GUPTA - CHIEF FINANCIAL OFFICER**
- MR. ARVIND CHAUHAN – COMPANY SECRETARY**
- OTHER FINANCE TEAM MEMBERS**

Moderator: Ladies and gentlemen, good day and welcome to the 2Q FY2022 Earnings Conference Call of FIEM Industries, hosted by Monarch Network Capital Limited. This conference call may contain certain forward-looking statements about the company which are based on beliefs, opinions, and expectations of the company as on date of this call. The 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. There will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the 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. Anubhav Rawat from Monarch Network Capital Limited. Thank you and over to you Sir!

Anubhav Rawat: Thank you Rayo. Good afternoon everyone. On behalf of Monarch Network Capital, I welcome you call to the Q2 FY2022 earnings conference call of FIEM Industries Limited. We will start the call with initial comments about the results and future outlook of the company and then we will have Q&A. So without much delay, I hand over this call to Mr. J.K. Jain, CMD of the company. Over to you Sir!

J.K. Jain: Thank you. Good afternoon everyone. I welcome you to the Q2 FY2022 earning call of your company. Let me introduce the participants on today’s call. Along with me we have, Mr. Rahul Jain –Director, Mr. Rajesh Sharma –Director, Mr. O.P. Gupta – CFO, and Mr. Arvind Chauhan – Company Secretary and other members of the Finance Team

I am pleased to report that your company has been able to record very strong result posting highest ever sales of Rs.416 Crores for the quarter. This has been achieved in spite of the industry’s headwinds like commodity price increases, electronic component shortage and uncertainty around COVID-19. **(Audio cut) 03:52 to 06:11**

Finance team member: Sorry for this connection, it seems we were having some issues. Were you able to get the speech at all or would we request to start off all over again, what would you recommend?

Anubhav Rawat: Sir, I think you can give the financial highlights and then we can open the floor for questions.

J.K. Jain: *I would like to credit this strong performance to the strength of our company and ability to adapt to changing environment.*

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During Q2FY22 - Domestic 2-wheeler industry volumes grew to 5.2 million units. This was a 50% jump from previous quarter of 3.5 million units. However, this was still below 5.6 million which was recorded in same quarter last year.

Reflecting the above trends – the quarterly production volume of most of our OEM's also grew Quarter over Quarter. However, on YoY basis the production volumes were lower.

We continue to outperform the industry and our sales grew by 12.2% year-on-year basis and 52.9% on quarter-on-quarter basis. This has been achieved due to our product mix and diversified customer base.

As you are aware, there have been significant escalations in the input cost during the quarter. Our raw material and components costs rose by approximately 3.5% on sequential basis. However, due to the increased sales and better utilizations of the fixed cost, our EBITDA margins declined marginally from 13.4% to 12.5%.

Our effort in the EV segment continued and our team are working closely with both existing and new potential customers. EV segment is witnessing a number of new entrants although overall EV monthly volumes are still low. This should see significant pickup in the next 12 months.

As you are aware, we are working with most of the leading EV player and this should in fact show result in FY2023. We continue to work with our OEMs, customers in the developing new products and have a very healthy pipeline for future growth. In order to prepare ourselves for future, we are firming up capex plan of approximately Rs.75 Crores to Rs.100 Crores over the next two years. This should give us enough headroom for future growth. Given our strong cash flow position, we should be able to fund all these growth through internal accruals.

We are entering an exciting phase in our industry, with new products and technology which are making a big impact. Your company is uniquely positioned to benefit from these changes and I am confident that we will continue to retain our leadership position in the two-wheeler segment.

With this I hand over to our CFO, Mr. Gupta and the financial team to update on detailed numbers. Thank you.

- O.P. Gupta:** Thank you Sir. Good afternoon to everyone. I will present the Q2 numbers for FY2022.
- The company's sales of Rs.416.26 Crores in Q2 of the current financial year versus Rs.370.95 Crores in corresponding quarter of 20-21 registering a growth of 12.2% on a year-on-year basis. On quarter-on-quarter basis this is 53% increase from a base of Rs.272.25 Crores.
- The EBITDA was Rs.51.95 Crores translating into an EBITDA margin of 12.48% as compared to an EBITDA of Rs.49.81 Crores, or 13.43% in Q2 of previous financial year. The decline in EBITDA margin is mainly due to increase in input costs. PAT increased by 8.8% to Rs.26.84 Crores as compared to Rs.24.67 Crores in corresponding quarter of FY2021. On quarter-on-quarter basis, PAT is higher by 114.4%.
- During the quarter, the company has made a capex of Rs.6.43 Crores.
- We continue to be a net zero debt company.
- With this I end the financial brief and now the floor is open for question-and-answers. Thank you.
- Moderator:** Thank you very much. We will now begin the question and answer session. The first question is from the line of Ashutosh Tiwari from Equirus Securities. Please go ahead.
- Ashutosh Tiwari:** Congrats on good numbers. Firstly, if I look at our sales to Yamaha in the first half, and when you say doing the similar sales you have done in second half, probably our sales to Yamaha will be almost 60% versus last year and this year and also almost double of what we did in FY2020. So, my question is that how do you see Yamaha ramping up from here? Do we have more models to be added to this basically what you are supplying right now? So, how do you see the sales to Yamaha going ahead over the next two, three years?
- Rajesh Sharma:** I am Rajesh Sharma. I will just reply to you about this question. Of course, Yamaha is adding new models year-on-year and in the past, if you see in the last two years almost seven to eight models is being introduced by them, not only for **(audio cut) 12:39** for domestic, but for exports model as well, in countries like Indonesia, Italy, Thailand, Vietnam, Colombia and Japan. So we have started those developed products now to those countries and volumes are increasing month-by-month.
- Ashutosh Tiwari:** You are saying that current supply is 7 to 8 models already of Yamaha?

- Rajesh Sharma:** Yes, 7-8 models is already being introduced. If I talk about MT-15 series, MT-15 series, 7 models have already launched with respect to their global market and those all products are under mass production now and we have started supplying exporting from India to those countries.
- Ashutosh Tiwari:** How many more models can flow through going ahead say over next one or two years?
- Rajesh Sharma:** There are almost 7 *projects as of now* under development.
- Ashutosh Tiwari:** This is apart from this MT-15 you are saying?
- J.K. Jain:** MT-series also. There are a few products which are coming under MT series. MT series specific models which is first time introduced by us that is the smallest headlamp in the world, which is patented by us and our customer and this model is being used for the different model by changing the outer peripheral and styling aspects.
- Ashutosh Tiwari:** So, I think there is still a long usually ramp up possible in Yamaha's revenue wise for us?
- Rajesh Sharma:** Right.
- Ashutosh Tiwari:** Any other overseas customer order apart from Yamaha we are making good progress?
- Arvind Chauhan:** We started with Harley Davidson export.
- Ashutosh Tiwari:** This is for which geography?
- Rajesh Sharma:** Harley Davidson although they have stopped their activities in India, mass production actually, but we have already started for their 4 models in Thailand as well as in US. So, we are exporting directly from here to US and Thailand.
- Ashutosh Tiwari:** This was started when?
- Rajesh Sharma:** This we started in this quarter only,
- Ashutosh Tiwari:** 2Q basically, September quarter?
- Rajesh Sharma:** Yes.

- Ashutosh Tiwari:** This will further ramp up from here? So, I think we also have the Ola order now so I think there will be a good ramp up apart from the industry growth rate and revival over the next two, three years?
- Rajesh Sharma:** Yes obviously.
- Ashutosh Tiwari:** The capex that we mentioned, 75 Crores to 100 Crores, you said over the next two years?
- Arvind Chauhan:** Yes.
- Ashutosh Tiwari:** What would be apart from this 80 - 100 Crores capex what would be your maintenance capex per year?
- Arvind Chauhan:** This includes the maintenance capex. Maintenance capex is not much. It will be substantially the growth capex.
- Ashutosh Tiwari:** So, I think the next two years capex should not be more than 100 Crores cumulative, 2023-2024?
- J.K. Jain:** Yes, That is what we are estimating.
- Ashutosh Tiwari:** I think still we are going to be strong free cash flow during the year. Okay. The other thing is if I look at the other expenses, have basically not grown so much, is there any one-off or we can maintain these levels going ahead, obviously which is a big key, but as a percentage of sales, it is quite lower number than compared to what we have been doing over the last two, three years.
- Arvind Chauhan:** The other expenses are same, and not only other expenses, fixed costs are almost same in comparison to very high sales volume now.
- Finance team member:** I think as a percentage being lower number because of the increased sales, but otherwise, to answer your question they are not expected to increase other expense.
- Ashutosh Tiwari:** Looking at the gross margin computation, you probably have not been able to pass on the full impact of commodity to customers, so how do you see going ahead, are customers giving more pricing going ahead or we expect this to improve?
- Arvind Chauhan:** This raw material increase, it is an industry wise phenomenon. It takes around six to nine months to take on this price increase, but everybody is aware that commodity prices are increasing, so it is not difficult to get that.

- Ashutosh Tiwari:** Sir if that is the case and basically our sales also grows well, apart from the industry variable, and there maybe some pass through of this commodity inflation, the margins should actually go towards, is it possible to go towards 13%, 14% range over the next two years directionally.
- Arvind Chauhan:** You can see our margins are better than that of the industry, so what should we think about the realistic, this 12% to 13% are good margins.
- Ashutosh Tiwari:** Lastly on this if I look at the plastic molded parts sales in this quarter versus Q1, it has almost doubled. So, my question is that which are the key customers for us in plastic molding parts?
- Rajesh Sharma:** Plastic molding is primarily be used for our captive use, but there are a few products which we supply to Honda and that too for their first plant as well as third plant in Bengaluru. These are the two plants where we are supplying, and few components are for TVS also.
- Ashutosh Tiwari:** You said first plant and other is Bengaluru plant basically?
- Rajesh Sharma:** Sorry, the other is Ahmedabad plant.
- Ashutosh Tiwari:** So that is why because your Honda has ramped up well on quarter-on-quarter which is why your sales have gone up so much in this vertical?
- Rajesh Sharma:** Right.
- Ashutosh Tiwari:** Just lastly in terms of YoY growth large part of this growth is driven by price increase pass through, if you can throw some colour?
- Arvind Chauhan:** See, this YoY growth, this is majorly the mix of value as well as the volume growth. So, these are the only two factors.
- Ashutosh Tiwari:** I just want to understand what is the contribution by the value growth because of the pass through of RM compared to last year?
- Arvind Chauhan:** Majorly value. It is difficult to give break up but it is majorly value.
- Ashutosh Tiwari:** Thanks a lot. All the best. We are doing really well.
- Moderator:** Thank you. The next question is from the line of Kashyap Javeri from Emkay Investment Managers. Please go ahead.

- Kashyap Javeri:** Thank you so much Sir. Congratulations for quite strong set of topline. On the raw material side, one question how would the pass through happen and any recouping of this quarter's gross margin that could happen in the coming quarter? That is question number one. Question number two, in line with client wise breakup that we give, HMSI, is yet to get back to H2 FY2020 kind of numbers, how much of it is due to their production not coming up, back on line and if any market share loss is also part of that decline and third question is on the EV side, when is our product supposed to run out? Have any supplies happened in or would the supplies start in 3Q or would it be like 4Q next year, I mean 4Q FY2023?
- Arvind Chauhan:** So answer to your first question first, regarding this raw material pass on, this is a continuous process, means everything what is happening it is with a lag of six months to nine months, it takes place. So, it is well in the knowledge of the customer, even before increase and everything. Suppose this month, it would be for previous half-year or so. Now coming to your HMSI volumes, you are comparing the six months of previous year and six months of this year, correct?
- Kashyap Javeri:** No Sir, I am comparing six months of FY2020, before two years? September 2019 and September 2020?
- Finance team member:** To answer your question, there is no market share loss. I think this is all driven by specific product volumes. So HMSI is getting like last quarter was obviously very, very low. This year, this quarter HMSI has recovered so I think we will get back to our original volumes pretty soon. So, there is no loss on market share.
- Kashyap Javeri:** In terms of supplies to the EV player, would they start in this quarter or would they start in the next quarter?
- Rajesh Sharma:** Some of the EV have already started and some of the new models will be added in the next quarter as well this will be continued for the next year and next to next year. As it will be dependent upon gradual ramp up plan of each customer.
- Kashyap Javeri:** One last question in terms of let us say supplies to electric vehicle, and LED would there be a difference in terms of realization even when it is let us say an LED to EV versus to LED to a conventional scooter or should they both be same?
- Rajesh Sharma:** Both are same, because electrical requirement with respect to the lamp is same because these are all homologation parts, safety part, so there is no much change.
- Kashyap Javeri:** Thank you so much Sir. That is it from my end.

- Moderator:** Thank you. The next question is from the line of Sahil Jain, who is an individual investor. Please go ahead.
- Sahil Jain:** Thank you. Congratulations for very good performance especially in the topline. Now my first question continuing from the last participant, Sir roughly how much of the revenue share do we do from EVs right now, say maybe in second quarter? If you can give me a rough estimate of the revenues from EVs?
- Finance team member:** Sahil, EV as you know, is just starting the journey. Overall, if you see the numbers as a percentage from a penetration perspective also in India is not much. So, I think we are going to look at it and we are not sort of disclosing individual numbers, customer wise, but I think the point to see is that the journey is started, and over the next quarter, say over the next one year, we see a significant ramp up and we are working with most of the top EV players in India already which are there. You will see volumes coming through over the next 12 months. It would be difficult to give this quarter specific number.
- Sahil Jain:** Got it. My second question is again on the EV side only like you said that you are working with multiple EV OEMs. So, HMSI is also bringing one EV scooter by next year, so have we communicated anything here? Since it is a leader in the scooter segment and our key client so do we expect sole supplier status in terms of revenue growth from that?
- Rajesh Sharma:** HMSI has recently announced for the EV scooter to be launched and that vehicle will be of course from their.... parts which has been running inside the in Honda some of the plant and of-course the business for the Indian market is required Indian homologation so those will be developed in India and of course priority will be given to the supplier who are already engaged with them.
- Sahil Jain:** When do we start production for them, any timelines to look at?
- Rajesh Sharma:** Announcement is done, we are just waiting for the drawings and RFQs to start the business for this electric vehicle.
- Sahil Jain:** My last question is that in 2Q which OEM clients led to the growth in your topline so you have been broadly saying now that it is more of lovely days to grow but was there also some new addition in the OEMs or any particular OEM client which specifically led to our growth in 2Q?
- Arvind Chauhan:** See, this is what we have already said, this is a mix of value and volume driven growth and all OEMs have contributed but – Yamaha, yes there is a big jump in Yamaha's sales.

- Sahil Jain:** That is something will continue or how should we understand that, these volumes for Yamaha?
- Rajesh Sharma:** These volumes will be continued.
- Sahil Jain:** Sir starting September particularly 3Q have we already adding new OEMs?
- Rajesh Sharma:** We are working with all leading OEMs, as far as the new developments are concerned and new OEM potential customers are concerned, we are working, but this is not the right time to talk about it.
- Sahil Jain:** Thank you for answering my questions Sir. All the best. Thank you.
- Moderator:** Thank you. The next question is from the line of Shrishti Agarwal from Next Capital. Please go ahead.
- Shrishti Agarwal:** Thank you for the opportunity. Sir I wanted to understand how is the working capital cycle shaping? Are we facing challenges on the receivables and the inventory management? How is that shaping up?
- Arvind Chauhan:** There is no challenge on the receivables. Actually there is an offer from the customers for the bill discounting. So, our debtors are 20 days.
- Finance team member:** We deal with the top OEM customers and we have no issue in any receivables. There is no problem of any payment from anywhere, nothing.
- Shrishti Agarwal:** Sir, we have considerably reduced debt, and we are expected to generate free cash flow, so what do we plan on doing with that cash. Is there any buyback on the cards?
- Arvind Chauhan:** See, we are looking for growth in the company and whatever will be the cash generation, it will be used for the growth of the company, whatever is the capex requirement and whatever usage in the business and working capital.
- Shrishti Agarwal:** Apart from the ones that we have announced we will have planning on further capex?
- Finance team member:** Capex plan is already the one which we are saying. It will be between that range over the next two years, but essentially between the dividend policy that we have already announced and the capex, at this point of time, there is no consideration for anything else. At some point later, if there is a change in situation, we can always have a look, but at this point of we would rather sort of invest in our growth.

- Shrishti Agarwal:** Sir, CV segment is expected to grow. Are we seeing any new client addition there? Are we working with all the top clients? Can you throw some light on that on the CV segment?
- Rajesh Sharma:** We are already working on CV segments with respect to the top customers and of course there are a few models which the customer is planning for years to come and we are closely monitoring those things and we are aligning with all the customers.
- Shrishti Agarwal:** Can you name a few customers?
- Rajesh Sharma:** Of course, In CV, the Tata Motors and Ashok Leyland, Mahindra & Mahindra or their sister concern. These are the customers.
- Shrishti Agarwal:** Sir, you are working with all these top ones?
- Rajesh Sharma:** Yes.
- Shrishti Agarwal:** Sir one last question based on the current capacity, how do we expect our revenues and margins to look like not from the point of view on guidance but from the existing capacity and what we plan? How do we foresee growth?
- Rajesh Sharma:** If we talk about the utilization of our capacity, it is of course as of now we are running almost 75%, but it will totally depend on the model mix, like product mix, like what product we are producing as of now, with the same capacity which we installed, in case LED lamps are produced, then revenues of course will be more in that case. Almost 2x. Conventional to LED there are multiple by 2 or 3 or sometimes 4 also. It will totally be dependent on the volume as well as configuration of the product, which is being produced with the same capacity utilization of our machines.
- Shrishti Agarwal:** Understood Sir and LED's margin going forward?
- Arvind Chauhan:** Margins will remain the same. This is what we have already told.
- Shrishti Agarwal:** Thanks a lot. Thank you so much.
- Moderator:** Thank you. The next question is from the line of Priyadarshi Srivastava from Monarch Network Capital. Please go ahead.
- Priyadarshi Srivastava:** Good evening Sir. Congratulations on good set of numbers. Most of the questions are answered Sir. I just wanted to know what is your overall outlook on the two-wheeler

industry and by when do you see the numbers to come back to the previous levels or the normal levels Sir?

J.K. Jain: We are very hopeful and we are sure that two-wheeler industry will growth that which was growing year-on-year basis before COVID. So we expect the same thing should happen in years to come. Basically the growth we are expecting from 2022 onwards because at that time the EV sector will also come and we are very much hopeful that the things will be much better than before.

Priyadarshi Srivastava: Any broad guidance like by when you see the volumes to come back to the previous or normal levels Sir?

J.K. Jain: We expect by the beginning of next year, I think our volumes should increase and by the second quarter, this COVID situation should be over. That is the expectation.

Priyadarshi Srivastava: Sir, one last question what is happening on Hero Motocorp front? Any update from that Sir?

J.K. Jain: The development is going on many product and we are in best pipeline.

Priyadarshi Srivastava: Thank you very much Sir. Wish you all the best.

Moderator: Thank you. The next question is from the line of Anika Mittal from Nvest Research. Please go ahead. There seems to be no response from the line of Anika Mittal. We will move to the next question. The next question is from the line of Anand Kumar who is an individual investor. Please go ahead.

Anand Kumar: Good evening Sir. Is there any demand supply issue as there is chip shortage in the whole automobile industry as 89% of your revenue from the original equipment manufacturer? My second question is how much percentage the Ola business will add to overall topline in the upcoming quarters? Third question is there any new clients added in the current quarter for the EV space? That is it Sir.

Rajesh Sharma: First of all, your first question is related to semiconductor. There is shortage of semiconductors worldwide and we are managing with respect to the discussion with OEMs and we are buying few of the components which are critical from the open market and we are running our production line and this will be continue for another two, three months and hope so by next year this situation will be cleared.

Anand Kumar: Sir, are you paying any extra amount for the semiconductor as there is high demand for the chip shortage?

- Rajesh Sharma:** It is not like extra money, but it is supported by customers. Most of the time, customer is talking with suppliers directly and we are getting the support from manufacturers and suppliers too.
- Anand Kumar:** How much Ola business will add to the overall topline Sir in the upcoming quarters, as FIEM is only the sole supplier to Ola?
- Rajesh Sharma:** It just now started, because ramp up has started now and month on month, their production will be established and we are together very closely working with Ola and we hope good market in future.
- Anand Kumar:** My third question is any new clients added in the EV space other than Ola that is by the end of the FY2022 Hero Motocorp will launch the new EV vehicle is there any contribution of FIEM, our company to Hero Motocorp Sir?
- Rajesh Sharma:** Yes, we are working together but as of now, disclosing the name of customers till the time vehicle is not launched, we have to keep confidential but we are working with almost all the top leader of EV industry.
- Anand Kumar:** My final question is based on your balance sheet an investment of 90.7 Crores have been made. Is it in any new startups or any others?
- Arvind Chauhan:** No, this is the temporary parking of the available funds. It is in liquid mutual funds.
- Anand Kumar:** Thank you Sir. That is it.
- Moderator:** Thank you. The next question is from the line of Jehan Bhadha from Nirmal Bang. Please go ahead.
- Jehan Bhadha:** Sir if I look at the LED mix in total lighting that is at 39% for this quarter as opposed to let us say around 38% in FY2020. So, over last one and a half odd years the mix has actually not increased much. We were anticipating that it should move closer to 45% to 50% by now so any comments on that Sir?
- J.K. Jain:** Basically due to COVID the sales in the first quarter was down. As the sales increases automatically the LED content will increase.
- Jehan Bhadha:** Or is it that the OEM clients are not, just to keep the cost of scooters low, they are not adopting LED lights. Is that the case?

- J.K. Jain:** No. It is not the case. As you know the trend of EV is going on and on the EVs you cannot put the normal bulbs. So, it is more likely to happen day by day it is going to increase rather than decrease.
- Jehan Bhadha:** Sir second question is whatever new business that we will get from EVs to some extent that will come at the cost of our existing sales to let us say Honda Activa so has the incremental benefit will be lesser, right, because on the other hand, the existing sales to Honda Activa will come down as the EV sales go up, right?
- J.K. Jain:** You see as far as the industry is concerned, please note that we were working before COVID at 19.2 million, after COVID now we are working at 15.2 million and the expectation at that time was that we should work somewhere around 24 million. So, it has gone down because of the COVID, because it was in nobody's hand. So, as far as your question regarding the LED, this EV will come and normal existing players will be down. No. It will not be there, please understand we are not expecting that 100% changeover will happen before 2035. So, it will take so much time. So the existing vehicle and the new model of the petrol will also come along with the EVs. So that is going to remain. Our estimate is 2035. So we are not afraid that because of the EV the others, our existing customers will be disturbed. As a matter of fact everybody is preparing themselves for coming out with EVs, but at a suitable time.
- Jehan Bhadha:** Sir, last question if we look at scooters as a category and motorcycles what is the LED mix in both the categories separately?
- J.K. Jain:** Almost it is similar. I mean, you can say almost 35% to 40%.
- Jehan Bhadha:** Thank you Sir.
- Moderator:** Thank you. The next question is from the line of Ashutosh Tiwari from Equirus Securities. Please go ahead.
- Ashutosh Tiwari:** Sir on this Harley Davidson order that you have got in Thailand and US is it LED or halogen headlamps or what lamps are these having?
- Rajesh Sharma:** These are all LED. All the lamps are LED lamps.
- Ashutosh Tiwari:** Harley Davidson all are completely LED. Are you also engaging with TVS for their new EV line-up that they are planning?
- J.K. Jain:** Yes. We are very much working on that and we will announce later.

- Rajesh Sharma:** Recently, Rider model is being launched.
- Ashutosh Tiwari:** What we supply over there?
- Rajesh Sharma:** Head lamp and tail lamp both we supply to TVS, all lamps are with LED only.
- Ashutosh Tiwari:** That is all from my side. Thank you.
- Moderator:** Thank you very much. That was the last question in queue. I would now like to hand the conference back to the management team for closing comments.
- J.K. Jain:** Thank you everyone for participating in the concall. I hope we have been able to reply to all your queries adequately. Please stay safe and be healthy. Thank you very much. Good day.
- Moderator:** Thank you. Ladies and gentlemen, on behalf of FIEM Industries and Monarch Network Capital Limited that concludes this conference. Thank you for joining us. Ladies and gentlemen you may disconnect your lines.

Note: During the call, disruptions happened multiple times because of network connectivity issues. Post receipt from Chorus Call, corrections have been carried in this transcript.