



“Sarda Energy & Minerals Limited
Q4 FY’23 Earnings Conference Call”

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Moderator:

Ladies and gentlemen, good day, and welcome to the Sarda Energy & Minerals Limited Q4 and FY '23 Earnings Conference Call. 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 a touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Pankaj Sarda, Joint Managing Director, Sarda Energy & Minerals. Thank you, and over to you, sir.

Pankaj Sarda:

Thank you, dear moderator. Good afternoon, everyone. I extend a very warm welcome to all of you to the Q4 and FY '23 Earnings Call of Sarda Energy & Minerals Limited. Today's discussion may include forward-looking statements, which must be considered in conjunction with the risks that industry in general and our business in particular face, and actual results may vary materially.

This year, the company shall be completing 50 years on 23rd June 2023. Over the years in its journey to the Golden Jubilee, the company has grown and diversified, successfully meeting challenges posed by domestic and global economic conditions and industry cycles. As reflected in the changed name, we have diversified from steel to energy and minerals. Steel is one of the downstream products in our offering. This has helped in reducing volatility in its earnings.

To commemorate the Golden Jubilee, the Board of Directors have proposed a special dividend of 75% in addition to the regular dividend of 75%, making a total dividend of 150%. Considering the demand from investors to improve the much-needed liquidity in the equity shares of the company, the directors have also proposed to split the share from face value of INR10 each to INR1 each.

During the quarter under review, globally, the economies faced macro headwinds on account of high inflation, high interest rates, failure of certain banks abroad, war between Russia and Ukraine and imposed sanctions. Central banks adopted tighter monetary policies to rein in inflation, resulting into liquidity tightening, demand compression and high interest rates. Price of fuel, though moderate from the past, remained at elevated levels.

As a result, margins in steel and ferro alloys business remained under pressure. New capacity addition in ferro alloys and fall in demand due to stagnancy in steel production globally, adversely affected ferro alloys prices and margins. Grid power prices have been increased by most of the state utilities due to increased fuel costs on account of mixing of expensive imported coal in thermal generation.

This has further put pressure on profit margins in steel and ferro alloys manufacturing. However, we are less affected due to use of our captive coal. The operating performance of manufacturing facilities has been stable. During the year ended March '23 at stand-alone level, we recorded highest ever production of all products except sponge iron. The sponge iron production was affected on account of use of captive coal, which is of relatively lower grade for commercial considerations.

The coal mine, pellet plant and wire rod mill achieved 100% of the approved capacity. We have received permission to increase production capacity of rolling mill from 180,000 tons per annum to 250,000 tons per annum, which will be achieved through debottlenecking without any major capex.

In Q4 FY '23, we exported 34,560 metric tons of ferro alloys valued at about INR 294 crores against 26,300 metric tons in Q4 FY '22 valued at INR 300 crores and 20,554 metric tons in Q3FY '23 valued at INR 176 crores. During financial year '23, we exported 98,000 metric tons ferro alloys valued at INR 983 crores against 91,000 tons metric tons, valued at INR 998 crores in FY '22.

The 113 megawatts Sikkim Hydropower Project generated 432 million units in FY'23. At generation mass level, the plant achieved PLF of 44%. However, due to delay in arrival of monsoon and scattered rains, the Gullu Hydropower plant in Chhattisgarh generated only around 80 million units against 105 million units in FY'22. The Uttarakhand project generated 22 million units against 26 million units in FY'22.

Mines & metals - We have received consent to operate for increase in the coal mining in Gare Palma IV/7 coal block by 20% from 1.2 million tons to 1.44 million tons. We are seeking approval for a further increase of 20% during current financial year.

The Expert Advisory Committee of Government of India has recommended grant of Environment Clearance (EC) for Shahpur commercial coal mine. The Consent To Establish CTE) has been received for the mine. Mine development work will be started after getting forest clearance, which is in process.

The company has been awarded mine development and operation contract for Kalyani underground coal mine in Chhattisgarh by Southeast Coalfields Limited on a revenue-sharing basis. We have estimated extractable reserves of 3 million ton high-grade coal with estimated annual production of 1.8 lakh tons. 4.5% of net revenue shall be retained by SECL. We are required to start production from the mine in third year. Our wholly-owned subsidiary company has been formed for the purpose in the name of Kalyani Coal Mining Private Limited.

The company has also been declared the preferred bidder for Surjagad 1, iron ore block in the state of Maharashtra.

Hydropower project under construction - Construction work at 25-megawatt Rehar hydropower project in Chhattisgarh is progressing as per schedule and is expected to be operational before end of FY '25.

Now I hand over to Mr. P. K. Jain, who will brief you about financial performance and position of the company. Over to you, Mr Jain.

Padam Kumar Jain:

Thank you, Pankaj Ji. The company has achieved quarterly consolidated revenue of INR 1,076 crores during Q4 FY '23, against INR 908 crores reported in the last quarter and INR 1,058 crores in corresponding quarter of previous year. The company has reported operating EBITDA

of INR 209 crores during the quarter against INR 197 crores in the previous quarter and INR 351 crores in Q4 FY '22.

The company's profit after tax at the consolidated level stood at INR 115 crores as against INR 130 crores in the previous quarter and INR 207 crores in the comparable quarter of the previous year.

Debt position - At the standalone level, the company is net debt free with surplus funds. At the consolidated level, the gross long-term borrowing stood at about INR 1,250 crores and the short-term borrowings stood at about INR 150 crores. The total net debt stood at about INR 700 crores and total debt net of the loans given as part of the treasury operations is about INR 400 crores. Loans repayable within next 1 year is INR 180 crores. All ongoing capex, including for the coal mines and for hydropower project, have been financed from the internal accruals.

The credit rating of Madhya Bharat Power Corporation Limited has been upgraded by two notches from IndA- to IndA+ by India rating. This reflects improving performance and financials of the hydro subsidiary in which we have highest debt. The company is not exposed materially to the currency rate fluctuations. The foreign currency exposure is majorly covered by natural hedge by import and export.

I now hand over to Shri. Manish Sarda, who will brief about steel and ferro alloys industry scenario and the outlook. Over to Manish Ji.

Manish Sarda:

Thanks, Mr. Jain. During FY '23, the world steel production recorded negative growth of 2% from 1,875 million tons to 1,834 million tons. China, which produces more than half of world steel recorded growth of 3%. India recorded a growth of 5% in FY '23.

India recorded growth despite the fall of 55% in steel exports from 18.37 million tons to 8.34 million tons year-on-year and jump in imports by 45% from 4.8 million to 7 million tons. This has been possible due to robust domestic demand. The apparent consumption has also gone up from 106 million tons to 120 million tons registering a growth of more than 13%.

In Q4 FY '23, India produced 33.18 million tons of steel, recording growth of 5% year-on-year. Global steel production was 459 million tons in the quarter, recording growth of 1% year-on-year.

Energy and logistic prices, which constitute a substantial portion of cost of production and distribution of steel have receded but are still at elevated levels. As such, prices of finished steel may remain range bound. The central government initiatives on infrastructure-led capex localization and import substitution will further boost steel demand. Input cost of steelmaking, including iron ore, coke, coal and energy may also remain range bound. Steel prices may also remain range bound due to the increased conversion costs.

Manganese ore prices have also softened. Ferro alloys prices are range bound due to production cuts after correction due to oversupply on account of fall in global steel production and capacity additions.

The company is evaluating various growth opportunities in the field of its operations.

This is all about the performance and outlook. Now we leave the forum open for questions from the participants. Thank you.

Moderator: We have a first question from the line of Subham Agarwal from Aequitas Investment Consultancy.

Subham Agarwal: First of all, I would like to congratulate the entire team of Sarda on the completion of a very important milestone, I really wish best of luck for the next 50 years also. On the first question related to the mining asset, I just wanted a bit more clarification regarding what is the kind of investment that we are looking at, what is the revenue and profitability that we expect, basis the current prices that we have? And what is the total amount of investment that we are looking at for both the mining asset, the MDO contract and iron ore block?

Padam Kumar Jain: Good afternoon. As far as both the mining assets are concerned, these are long-term investments. There won't be any material investment in the near future. As already stated as far as the iron ore block is concerned, this is a virgin block where we have to carry out the exploration activity, then only we'll be able to decide how much area has full potential and based on that final mining plan will be drawn. So it will be very difficult to give any specific figure on the investment as far as the iron ore block is concerned. It will take time to explore and get the finer details on the block.

Subham Agarwal: Okay. And on the MDO contract?

Padam Kumar Jain: So as far as MDO contract is concerned, there also we have got a 3 years' time to start the production. So at least in the near future, there won't be material investment that we will carry out. we are getting the detailed mining plan prepared. Because it was an operating mine, here also, there will not be material investment, except for the land acquisition. So we are evaluating the possibility to what extent initially we have to buy the land to carry out the mining operations.

Existing mine was an the underground mine and we are exploring both the options, whether to go for the underground mine or for the open cast mine. If we have to go for the open cast mine, we may have to invest about INR 200 crores to INR 300 crores in totality for the project, but it will be the over a period of 3 years.

Subham Agarwal: Got it. And when it comes to the coal washery, the plan to raise it to 1.8 Mtpa. So by when are we planning this?

Pankaj Sarda: So in this financial year, we'll apply for getting the environment clearance. And so above 1 million ton has to go to the Central Govt. and a public hearing is also required. So we have to complete that activity as well.

Subham Agarwal: Okay. And the amount of investment in this project?

Pankaj Sarda: So for 1.8 million tons, it is not substantial, it may be around INR 20 crores to INR 25 crores.

- Subham Agarwal:** Okay. And secondly, a clarification on the Power division this time. So we reported a loss at EBIT level. So any specific reason why this happened?
- Padam Kumar Jain:** So for hydropower, this is the lean season. This is the poorest quarter for generation because during this quarter, we don't have much water flow. And our fixed costs are there, so that's why it happens in this case.
- Subham Agarwal:** Yes. But if I just consider this Y-o-Y, last year, it was 25 million. And comparatively, this year, we generated higher units? And our sales was also higher compared to last year, but we reported a massive loss comparatively.
- Padam Kumar Jain:** Yes. There are 2 factors. Last year, we had not provided for the transmission cost because that was on account of CSPDCL. Now CSPDCL has raised their demand. So as a prudence, we have provided for the transmission cost during this period. So when we compare with the previous year, that is one of the differences.
- And second is, last year, we had some sale of power on the IEX at a much better price. This time, the pricing was not that good when we compare with the imported coal cost. So that also had some bearing on the power revenues.
- Subham Agarwal:** So this transmission cost that you are mentioning, like what is the total amount provided for this? And what is the status like, do we expect this going on for transmission for the coming future?
- Padam Kumar Jain:** Transmission cost is about INR 10 crores per quarter. And the matter is under negotiation with the buyer and we are also exploring the avenues to get it clarified from the regulator, because we are supposed to get the equity return net of the all costs. So that matter is under representation. Until then, we have provided, as prudence, for the transmission cost.
- Moderator:** We have our next question from the line of Vivek Mehta an Individual Investor.
- Vivek Mehta:** I have just only one question. In our ferro business in FY '23, which was impacted due to the market scenario, but now what is your outlook for FY '24? And also, you have added the capacity in ferro. So how confident are you of utilizing the capacity?
- Pankaj Sarda:** Manish Ji?
- Manish Sarda:** Yes. The outlook for ferro alloys remains softer for the next 6 months or so. This is because of the global production capacity has also come online, which was shut due to the Ukraine and Russia war, but we have successfully started our third furnace. The additional capacity, which we've added, we'll be able to completely sell the product in the market. The pricing -- the market will only determine the pricing?
- Moderator:** We have a next question from the line of Vikash Singh from Phillip Capital.
- Vikash Singh:** Good evening sir and congratulations on completion of 50 years of your company. Sir, my first question pertains to coal blocks. Just wanted to understand that some of the other peers who have received the coal block during that period, they are now giving a guidance of their coal

block getting delayed. So just wanted to understand that have you also been facing similar problems when the approvals are getting a little bit delayed than previously what you have expected?

Pankaj Sarda:

First of all, thanks for the compliment. Our Gare Palma IV/7 coal block was the first commercial coal block to start in the country. We started the coal block in just 9 months. And our second coal block that we have got in Madhya Pradesh, I mean we are on track. It looks like some hurdles could come, but overall, primarily, it looks that we are on track. We have to start the coal block within 51 months and we'll start it before that.

Vikash Singh:

Understood, sir. So we haven't faced similar kind of the problems as of yet. Sir, in terms of our Surjagarh iron ore block, I just wanted to know a little bit more, given its nature of unexplored block. What is the time line you are expecting here? And since it's a JV. So who are the other partners basically there?

Padam Kumar Jain:

The other partner is Shyam SEL group who have joined us. So we both have partnered in this, and we have majority stake in the joint venture.

Vikash Singh:

So what is our economic interest basically or the offtake agreement, which you have done?

Padam Kumar Jain:

The economic interest is 51% with us. And offtake, being a commercial mine, there is no specific offtake. It will be basically market-driven whosoever requires otherwise, it will be sold off in the market. So, it is not on the offtake. It is basically on sharing of the revenues, anyone of us may take or we may sell in the market also. That will be market-driven transaction.

Vikash Singh:

Understood, sir. Sir, my next question towards the market dynamics right now. Just wanted to understand how the spot prices are now versus 4Q averages? And given that a lot of price correction has already happened, do you think that price correction is done likely? Or do you still see some weakness to persist over the monsoon period?

Pankaj Sarda:

Manish Ji.

Manish Sarda:

No, basically, I'll tell you something that the price correction has happened if you compare it to the last quarter, and price correction has happened primarily on the basis of the raw material prices being revised. If you've seen that the coal prices have come down and iron ore prices have also come down, and so the finished prices have also come down.

Now looking at the future scenario, if the raw material prices go down, and then the market demands are sluggish, then the finished prices will also go down along with that. The important part is we need to understand whether the spread remains the same or not. So the important part for us as a producer, as a manufacturer, is that we have to have our margins intact. That is important for us.

Vikash Singh:

Okay, sir. And sir, as imported coal prices have corrected far sharper than domestic, so I just wanted to understand, is this variation is the newly found or it has been followed from quite some time? And domestic prices does not have much legroom to correct from here. In terms of coal, basically, I'm asking.

Manish Sarda: In terms of coal, I'll explain to you what has happened is that last year, if you remember, there was a big, big shutdown in Indonesia and a lot of licenses were cancelled and the mines were not operational because of irregular activities in Indonesia itself. Now those licenses have been reissued, mines have started operating in a regular fashion now.

So we are seeing a lot of coal coming out from Indonesia as well. And also, the logistics cost, the freight cost of the bulk vessels have also come down. And that is why we are seeing the price of imported coal drastically coming down?

Vikash Singh: So sir, my question was that our domestic prices were usually at a discount to imported given that the e-auction price correction has not been that sharper, do you think that following the historical discounts, would the domestic prices have more legroom to correct or even in the domestic thing, do you think that the prices have corrected and further fall in the prices looks unlikely.

Manish Sarda: No, no, sooner or later, the prices have to be in line with the international pricing. The domestic pricing cannot be very high. But there is a lag in terms of that. A lot of linkages, which have been allotted are not being met and a lot of coal is not being shelled out of the government mines. So once that lag is over, prices will fall in line with international prices and the domestic prices, there won't be much of a variation. Right now what we are seeing is a very specific situation.

Vikash Singh: So, sir, what was our linkage for the quarter? And what are the expectations for next quarter?

Padam Kumar Jain: Most of our linkages are on the verge of expiry and some of them have already expired. Now we are not renewing most of the linkages, except for some high-grade coal. Low-grade coal and medium-grade coal, we are meeting from our captive mines and we are not going for further linkages, except for the high-grade coal.

Vikash Singh: Understood, sir. And just one last question in terms of our capital allocation, if you could give us some idea about the capital allocation policy going forward?

Padam Kumar Jain: I think we have already clarified this -- there are 2 projects. One is the Shahpur Coal Mine where we are investing. Another is the hydropower project in Chhattisgarh. These are the two projects which we have already taken up. And definitely in the pipeline, as already stated, one is the Kalyani coal mine and another is iron ore block we have taken. So, our focus of the capital allocation will be on the mineral resources as a backward integration.

And definitely, in the future, we'll definitely look forward to some bottleneck improvements or waste utilization in our Visakhapatnam project. Similar type of projects, we will be taking so as to get the value addition with a minimal investment, whatever we can get to the maximum value. Otherwise, we have not taken up any major capex for at least next 1 or 2 years so far as any greenfield or brownfield expansion is concerned.

Moderator: We have a question from the line of Rajesh Bhandari from Nakoda Engineers.

Rajesh Bhandari: Namaskar sir, and thank you. This split which has been done, normally split is painful, but this split is good.

- Padam Kumar Jain:** Thank you, sir.
- Rajesh Bhandari:** I wanted to ask one thing. Like the market of ferro alloys was very bad in between. Prices also went down a lot. But now I have heard that in African countries because of the high power prices, a lot of ferro alloy units are being shut, so units are shutting down and that's why demand and price is hoping to increase in next 3 to 6 months?
- Manish Sarda:** See, Bhandari ji, South Africa basically has raised the prices, plus they have the shortages of power, and same thing happened in Zambia. Zambia also having power shortages and there are new plants providing power, they are at a higher price. As far as production capacity being shut, yes, a major plant has been shut down, but they have increased their production elsewhere because these companies have their production units in Malaysia, in Sarawak.
- So the Ore and Metals have increased their production capacity in Sarawak. I think there will be a little bit of a rise, but there won't be a substantial rise in the next 6 months in the ferro alloys pricing. That is my personal point of view. Because there is a lot of capacity in India also, which has been built up in the last 1.5 years.
- Rajesh Bhandari:** Yes, Yes. Because Sarawak's prices were good so everyone increased a lot
- Manish Sarda:** So I don't think so in the next coming 6 months, the prices are going to go up because at the end of the day, the ferro alloys prices are also related to the steel pricing. The steel demand has to be very robust globally. And only then we can see an upsurge in terms of pricing of ferro alloys.
- Rajesh Bhandari:** But globally steel demand is picking up sir?
- Manish Sarda:** Globally, steel demand is picking up, but at the same time, we are seeing that the production centers, which were shut in Europe has also started. And one of the major guzzlers of steel producers of steel products is basically China. China's economy is not showing a good amount of strength. So we'll have to see how China's economy comes up within the next 3, 4 months, 6 months, only then we can say -- because everything is demand driven by China.
- Rajesh Bhandari:** So in ferro alloys do you have any losses? I mean, we are able to sell the total produce?
- Manish Sarda:** Yes, yes. We are comfortably selling our products.
- Rajesh Bhandari:** And at a margin, may be a little less.
- Manish Sarda:** Yes, the prices, it keeps going up and down, it's a commodity. But overall, it looks to be okay.
- Rajesh Bhandari:** Second, raw material prices have also come down. So margin normally is maintained?
- Manish Sarda:** Yes, that also has an effect.
- Rajesh Bhandari:** And sir, I saw this in last quarter also and in this quarter also consolidated is less than standalone. Profit. Why is it so?

- Padam Kumar Jain:** No, profit of Chhattisgarh hydro is already included in standalone also. And in that period, in ferroalloy, like in Sarda metals also there was a little stress. So, there was a loss.
- Manish Sarda:** We were also shut down for practically 3.5 months in Visakhapatnam. We had a turbine overhauling, which we had to do.
- Padam Kumar Jain:** And dividend effect is also there. In stand-alone dividend of INR 22 crores was also included plus Chhattisgarh hydro profit is already included. That had effect on consolidated results.
- Rajesh Bhandari:** Yes, and hydro benefit which we'll get in second and third quarter?
- Padam Kumar Jain:** Yes.
- Rajesh Bhandari:** Yes, one thing I will say, you told in your initially opening sentence, that on 23-06-23 ours 50 years will be completing.
- Padam Kumar Jain:** Yes.
- Rajesh Bhandari:** Sir this 23-06-23 is very good auspicious date. You move it from here and there, all come to six, six. Feels like it is a sixer.
- Padam Kumar Jain:** Yes. Thank you.
- Rajesh Bhandari:** So in this sixer, provide a little bit bonus. Declare it on that day.
- Padam Kumar Jain:** We will present your demand to the Board.
- Rajesh Bhandari:** It is a very auspicious day, sir. Thank you, sir. Thank you very much sir.
- Moderator:** We have a question from the line of Prashant Kumar Hazariwala, an Individual Investor.
- Prashantkumar H.:** Congratulations for completing 50 years. So my question is like have you finalized the unit price for our hydro plant package?
- Pankaj Sarda:** We have finalized.
- Prashantkumar H.:** All right. So it is above our consideration? Or is -- how it is like?
- Pankaj Sarda:** No, what is the question? Have we finalized the units for our hydropower project, right? Was that question?
- Prashantkumar H.:** Unit price for our hydropower -- for new hydropower we have some sense, and it was told that it's not finalized yet.
- Padam Kumar Jain:** No, no. That is still provisional tariff, and is yet to be approved by the regulators.
- Prashantkumar H.:** All right, not yet approved, right?
- Padam Kumar Jain:** Yes. That is in process. The regulatory process is on.

- Prashantkumar H.:** All right. My second question, I'm new to this coal industry. So how coal washeries will add value in our coal mining?
- Pankaj Sarda:** Sir, our coal is a little low-grade coal. So washeries help to reduce the ash content in the coal. So we could expect a reduction of almost 5% to 10% of ash reduction whenever we are washing coal. And it also helps to reduce the shale. A lot of blended stones come during coal mining activity. So the washeries help to reduce that also, which increased the calorific value, quality of coal and product.
- Prashantkumar H.:** So what grade of coal we are mining?
- Pankaj Sarda:** So it varies. There are different seams and different seams have different grades of coal. So it varies.
- Prashantkumar H.:** So varies means like what will be the range? Like any calorific value range you can give us?.
- Pankaj Sarda:** So the range varies from G11 to G17 grade.
- Prashantkumar H.:** Okay. And so where our coal is used?
- Padam Kumar Jain:** So our coal is mostly being used in our captive consumption in our power plant, the washed coal is being used in our sponge iron and ferro alloys unit and in the gasifiers in pellet plant as well. As this is a commercial coal block, coal is being sold also in the market.
- Prashantkumar H.:** So our coal is used for this -- all these heavy industries, right?
- Padam Kumar Jain:** Yes.
- Prashantkumar H.:** So what is the difference between the Australian coal and our coal, like how it makes a difference for like economically?
- Padam Kumar Jain:** No. Australian coal is generally of high grade, high maybe G3, G4, that grade. And that is much more costlier. And there are other chemical and physical properties of the coal so it depends upon the end use, where are you using, what exactly is your end use purpose? So there is no direct comparison because ours is G11 and onwards and whereas the imported coal is generally of high Grade.
- Manish Sarda:** Mr Jain, let me explain, let me just clarify this basic question. I think what you're asking is the economics of the Australian coal versus our coal, right?
- Prashantkumar H.:** Right. Exactly.
- Manish Sarda:** Yes. So let me tell you all Australian coal, which comes into the port and from port to Raipur, the freight itself is very, very high. So our coal is cheaper in terms of the logistic cost itself. So that's where the economics comes into picture. And whenever we require high-grade coal, we import a little bit as a sweetener and then we blend it and use it in our applications in our plant. And primarily, we are not buying Australian. We are buying South African coal RB2. So we use

that as a sweetener wherever it is required. Otherwise, in most of the applications, mostly the major guzzler is the power plant. So that's where the economics come into play.

Prashantkumar H.: Right. So where our mines are commercial mines? to whom we sell this coal because you told that Raipur is far from the port state, will be, logistics costs will be much more?

Manish Sarda: So there are a lot of plants around Raigarh where we are selling this coal. A lot of plants around Chhattisgarh and in the bordering areas, a lot of plants are there. Right now, we don't have too much to sell also because we are also utilizing our own coal, and we are putting it through the washery, upgrading it and then utilizing it in our own applications in our plant.

Prashantkumar H.: Right. So after this expansion, we can sell coal to the...

Manish Sarda: Yes, but there are many plants in and around near our mines in the vicinity, there are a lot of plants. So they all save in terms of the logistics cost. For their landed cost for them to bring anything from Paradip or from Visakhapatnam or from any other port, it will be expensive for them.

Prashantkumar H.: Right. So we have client base, if we expand our capacity, partially, all right?

Manish Sarda: Yes.

Moderator: As there are no further questions, I would now like to hand the conference over to Mr. Pankaj Sarda for closing comments. Over to you.

Pankaj Sarda: Thank you. We thank all the participants. The company has been able to report a consistent performance on the strength of backward integration and diversification into mining and hydropower, which will continue to be our core strength and focus of the company. The presentation made and the discussions held in the conference will help the investors to evaluate the performance in a better way.

We hope we have been able to address most of your questions. Please feel free to reach out to our IR team if you have any further questions. We look forward to connect again in the next call. Thank you all.

Moderator: On behalf of Sarda Energy & Minerals Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.