Fineotex Chemical Limited

Earnings Conference Call
Q4 FY2022

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Management:

Sanjay Tibrewala	CFO and Executive Director
Arindam Choudhuri	CEO
Aarti Jhunjhunwala	Executive Director

Moderator: Good morning, ladies and gentlemen. I welcome you all to the Q4 FY2022 Earnings Conference Call of Fineotex Chemicals who will present their quarterly and annual financials for FY2022. 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 "*" then "0" on your touchtone phone. Please note that this conference is being recorded. From the management we have with us Ms. Aarti Jhunjhunwala, Executive Director, Mr. Sanjay Tibrewala, Executive Director and CFO and Mr. Arindam Choudhuri, CEO. They are going to represent the company today. I shall now hand over the call to Ms. Aarti Jhunjhunwala for opening remarks. Thank you and over to you Ma'am!

Aarti Jhunjhunwala: Thanks a lot. Good morning, everyone. It is my pleasure to welcome you all to Fineotex Chemical Limited Q4 FY2022 Earnings Conference Call. With the financial statements and earnings presentation already available on the exchanges and our website, I hope you all had the opportunity of the serious perusal of the same. Let me start with an overview of our present state of business and the strategic outlook for the upcoming quarters. As you are already aware, Fineotex is India's leading specialty chemical producer with a major presence in both domestic and international textiles market. Our constant focus is broad basing the market and to create visibility of our brand. Our constant endeavour on value added services like providing technical solutions in the specialty chemical sector is a step in this direction. Biotex our Malaysian subsidiary is in charge of R&D and of overall product development. Leading global organization like Blue Sign and ZDHC has recognized us for our environmental initiatives. Fineotex and Biotex both complement each other's strengths and our value proposition is recognized by customers all over the world. Our firm is well diversified with operations in south and north America, Europe and Asian countries and our goal is to increase market share among existing and new customers in both the Indian and international market by using the strength of Fineotex and Biotex. We take a cautious approach to finance expansion ambition through internal accrual and goal is to keep our capital structure net debt neutral. Sustainability is at the core of our business and hence we strictly adhere to environment friendly manufacturing practices. Our belief for long term success is maintaining high standards of ESG and delivering value to our shareholders. We actively drive operational efficiency, financial jurisprudence, innovation and people focus through best-in-breed practices. I would now like to call upon Mr. Arindam to take over and given an overview of our operations.

Arindam Choudhuri: Thank you Aarti. Very good morning to all. Let me begin by saying that we are a well-diversified company as you all know, with a range of products across the textile industry, processes and also, in hygiene products and oil industry. This apart, being the leading specialty chemical manufacturer, we also provide high end customer solution to our core customer base and that is our main value for the acceleration in the market for more wallet share. It will enhance the customer confidence and thus our brand equity in the market. Presently, our geographical

coverage in key international textiles hubs will further strengthen our repute. In the long run this strength will help us to foray into new virgin markets where we want to explore our sales more and more and we aim to leverage brand value of Fineotex and Biotex to further our hold in the market. Our expansion into new high growth categories like home care and hygiene and also the drilling specialties saw a tremendous opportunity to corporate with a leading branded detergent makers for their polymer requirements in home care and hygiene and also a great opportunity for giving solutions to India's premier oil and gas companies within drilling specialties. Our existing strategic partnership with HealthGuard Australia for our antimicrobial and hygiene range. Our European channel partner Eurodye-CTC Belgium for the technical upgradation in our product line for more supports to our customer globally and also our premium institute components like Sasmira for our research and development for our future goal has continued to remain cordial and thus found beneficial to both the partners. Such alliance experiment will continue in future also. May I now request Sanjay to take us through the overall performance of the company. Thank you.

Sanjay Tibrewala: Thanks Arindam. Good morning to all of you. FY 2022 has been a water shed year for Fineotex in the recent times. We have a commendable corporate results for Q4 FY 2022 which is the result of our firm belief in the future on the industry and in specific, Fineotex. Our current quarter growth is at par with a growth seen in the previous quarters of financial year for 2022. Our Q4 growth is much beyond our expectation which will hearten our stakeholders. We are also happy to inform you that our new facility at Ambernath built in state of the art technology, complying to the highest standards of sustainability is a great success and is a best case for our portfolio expansion and capacity equalization efforts. Due to the increased demand and order booking we are planning for an additional 21,000 metric tones capacity increase which is expected to commence its production soon. Let me highlight about the specialty chemical industry. We see a bright future for Fineotex on the various important global factors in the outer industry. Economic activities has been on uptick and many industries are reporting pre COVID volume figures of productions and sales. There has also been an overall global optimism in the Indian economy resurgence leading to many high value global capital investment moving to India as it seen to offer stable, social and political environment, federal structure competing with each other to attract industries, favouring investment policies, low cost, affluent demographies etc. This will augur well for chemical industries as India enjoys the status pharmacy of the world. The government of India recently announced extension of PLI scheme to few more sectors. This will significantly boost the domestic manufacturing capacities and exports at very competitive prices. Our twin focus of building a world class brand and market expansion will be based on manufacturing of quality products through sustainable manufacturing practices. On the fundamentals of our Fineotex financial performance, our operation revenue rose to 121.4 Crores which is up by 62% year on year basis in Q4 FY 2022 and in the entire FY 2022 the revenue is at 368 Crores which is up by 69% year on year basis. Similarly EBITDA has shown uptick of 21.5 Crores which is up by 68% Y-o-Y basis in Q4 FY 2022 and 71.2 Crores which is up by 76% year on year in FY 2022. The

EBITDA margins is at 18% expanding by 60 bps in Q4 FY 2022 and 19% expanding by 77 bps in FY 2022. The PAT stood at 170 million which is up by 42% Y-o-Y. Margin stood at 14% in Q4 in FY 2022 and 569 million up by 28% Y-o-Y basis in which the margin stood at 15% in FY 2022. This is the PAT margin. The cash flow from operations has gone up to 133 million which is up by 43% year on year in FY 2022. Our operational efficiency has resulted in improved working capital cycle and we aim to continue to focus on the same. This outstanding result will serve as a fresh barometer for us, encouraging us to seek out new prospects. Across all the business segments, we will continue to scale strategic new benchmarks, diversify our customer portfolio and thus increase our wallet share and offer more diversified product range. In addition, we are implementing new measures to look internally in order to optimize various operational areas. We aim to continue to meet the expectation of our stakeholders in the future. With this opening remarks, we will open the call for interactive question and answer session. Thank you and I will pass on to the moderator please.

Moderator: Thank you very much. We will now begin the question and answer session. The first question is from the line of Rikin Shah from Omkara Capital. Please go ahead.

Rikin Shah: Hi, given your company's revenue is majorly dependent on textile chemicals, I believe the product mix has changed in this quarter so if you can give some clarity on that and how do you see the product mix in FY2023?

Sanjay Tibrewala: Thanks Mr. Shah I would like to mention like already we have been discussing in our previous quarters, also in the earnings calls. There are basically three verticals which we have, one is the textile, the other one is the cleaning and hygiene which for having the surfactant and detergent business and the third one is a small one which is oil and gas, which is for limited customers and limited areas so basically we have been for the last couple of years we have been marching towards the cleaning and hygiene businesses also and let me tell you that this cleaning and hygiene business is itself touching almost in the quarter four, it is almost touching 35 to 40% of our business right, now in the cleaning and hygiene itself. Now coming to the textiles, yes we have already been focusing upon sustainable solutions in which we have been able to reduce the affluent treatment of the customers and that has been our major focus areas for developing more products and processes which is the need of the textile industry right now. Along with that we are focused more on the finishing packages. In textiles broadly there are four different processes, pre treatment which is the cleaning. There is a dyeing process, coloring. There is a finishing process and a printing process to it. All these four processes require almost 25 different functional chemicals and all these together constitute only 3% cost to the user so basically every product is contributing let us say 0.15% cost to the user and the finishing is the sector which is our main highlight always, because this is the place where the entry and exit barriers are very, very high. The textile companies generally do not change the finish of the fabric or the yarn or whatever subsidiary they are doing at the same time we are also having a lot of value addition product lines which we are working on, so basically for textile we have been diversified and focused upon

sustainable solution as well as the finishing packages, which is almost let us say 60 to 70% our textile and dye business.

Rikin Shah: So on the product mix in FY2023 would you be able to comment?

Sanjay Tibrewala: From Q2 onwards the company has been investing a lot on product certification, plant orders in the last couple of years. The idea was that the sustainability was to pick up and that is the way even the Q2, Q3, Q4 where our company has grown by 64% in Q2, 81% in Q3 and now we are again with almost 69% in Q4. So, broadly this all the growth part which has been laid is because of the new product lines and the new focus area, understanding the need of the textile companies, which is mainly for sustainable solutions in which we are using the energy levels, the water requirement of the customers and also providing them solutions for finishing, which is entire package which we are providing from beginning till the finish. So those has helped us a lot. I think 60% of our revenues right now belongs to that area.

Rikin Shah: So we can expect the same in 2023?

Sanjay Tibrewala: There is a big change which has happened in the textile business in the last couple of years and this was quite anticipated and expected and we could always visualize that many years back and that is the reason we have started moving towards that direction. We have Blue Sign certificate which is one of the most difficult stringent ESG kind of an environment friendly certification. At the same time our plant have been audited by German company Hohenstein because these kind of ZDHC level three, OEKO-Tex, ECO passport and the various certification which our company has today, is all on the direction of sustainability and sustainability is the way the textile is going to change up in the future as well and we are totally focused and we are much prepared than the European multinationals who are still not in that kind of focus yet.

Rikin Shah: In one of your calls you have guided that your Ambernath plant has a much better gross block turnover compared to the Mumbai plant so if you can expand on that and why that is so high?

Sanjay Tibrewala: So I will come to the point that we have just started in December 2021, we just started a few production in the Ambernath facility which has picked up until March now and further we have expanded more operational efficiencies in Ambernath. So the 36,000 tons expansion which we have done, which can produce in fact 40,000 tons today and in fact after that again there is another expansion of 21,000 tons which is ongoing and should be up by the next month. Now together this investment has been done by internal accruals only. The kind of product lines and the kind of technology is in a way the reactor batch sizes are much bigger which helps us to have better operational cycles here. Plus the cleaning and hygiene product lines are also making us make a better asset turn over ratios on this new facility. So this facility, as such all our product lines what we are producing are all fungible capacity. In the same capacity we can produce the textile chemical, the cleaning and hygiene, raw materials and special chemical and additives at

the same time the oil, specialty chemicals, they are all fungible capacity and now we have started getting quite strong orders for the cleaning and hygiene businesses and due to that we are able to save a lot of efficiencies and we are able to increase the productivity also, because the orders are repeated. In textile chemicals like we are doing almost 500 product range. In that what the general SOPs are that once you get an order of a different product you have to have a separate SOP in which you need to clean the vessels very well to avoid any minute contamination even in parts per million basis. Whereas in the business of cleaning and hygiene where we are diversified and we are getting very strong in that, in that product line the order quantity are quite high and repeated order so we save a lot of time in operational and SOPs. So that is also leading to better asset turnovers and it is quite a right piece of plan and we have ample of space for future expansion, so the 21,000 tons has also been done at that same location.

Moderator: Thank you. The next question is from the line of Ashi Rati from Lucky Investments. Please go ahead.

Ashi Rati: Hi thanks for the opportunity, Sanjay ji congrats on good set of numbers. Indeed we have seen some stupendous growth in FY2022 but how much of this should be actually attributed to say price increases and what is the kind of the volume growth that we have seen as a company and if you could help us understand some outlook on what shall be the next two, three years top line growth and bottomline growth on the strong base that we have already built in FY2022.

Sanjay Tibrewala: Okay thanks Mr. Rati for your kind words. So basically the volume growth in the financial year is almost 85% over the previous year, year on year basis and the Q4 is contributing mainly to the volumes and the new businesses which we have got in the cleaning and hygiene. Now the cleaning and hygiene sector is quite a massive sector as such and we have just have our foot prints for the couple of years step by step and now we have been able to crack bigger accounts and bigger orders which are lined up and due to which we are expanding. In fact when we started this 36,000 tons capex plant we expected that this will take us almost three years or two and half years to ramp it up because that was almost doubling our capacities then. Right now if we see, in fact in Q4 I think almost 50% of the Ambernath plant is almost utilized for the existing ones and already we are on the next level of increasing to another 21,000 capacity. We need to have that kind of a space and capacity to cater to those orders. So the volume growth has been the more significant. The price rise was not more than 5 to 7% in the Q2, Q3, based on their raw material prices and fuel prices and passing on the cost increase which we have done in the Q3 to the consumers. So broadly we have been very much excited with the opportunity we have. Going forward to next two years, I think from the capex point of view we still have been expecting more capex which will be planned up in the coming year. Let me also mention to you these capex are all funded by internal accruals even the 36,000 tons which is now in fact 40,000 tons in operation and the 21,000 tons which we are setting up together will also be all done from internal accruals and it has being done by internal accruals right now and like in Q2 we had a growth of almost 64%, Q3 we had a growth of 83%. This quarter we have a growth of almost 69% so all these

things we can expect future trends to be in the same lines and also cleaning and hygiene is going to become one of the major areas of the growth which is going to give good returns to the company.

Ashi Rati: Great thank you, can you quantify the capex numbers Sir.

Sanjay Tibrewala: So basically, we have done almost for the 36,000 tons we had done a capex of almost 31 Crores broadly and for this 21,000 tons the capex value is only 17 Crores. The point here is, that time the Ambernath plant was a brown field project, so there was a lot of cost involved in setting up the building and things like that. At the same time now, the expansion based only on the machine increase and that is the reason the capex quantity will be funded by 17 Crores which will be done by internal accrual itself.

Ashi Rati: Fantastic. Wish you all the best Sanjay ji. Thank you so much for the opportunity.

Moderator: Thank you. The next question is from the line of Ankit Bansal from AB Private. Please go ahead.

Ankit Bansal: Hello Sanjay good performance. My question is that Sir, on World Malaria day, Dr Soumya Swaminathan former WHO chief scientist in an interview emphasized on new technology for eradicating malaria. Sir you have a product called Aquasec GCS, which also deals with stopping of **larvae cycle** and all that. Sir, now it is a win win situation, now WHO is more emphasized on these kind of diseases to eradicate. You have a billion dollar product. Sir why you are not pushing for it. After Q2 I have not ever since heard a single news about this product. Sir what are your views or what is your positivity on this?

Sanjay Tibrewala: So here it goes. As we have also see in the last two years there has been a lot of changes in the company itself in terms of expansion, capex expansion and we are turning around to a different level and I believe this is one of the most transitionary phase where the company is right now and as we have been expecting in the last one year, we have been also delivering substantial growth and I think our entire team, the management is also spread on the current opportunities which are already working in our favor in terms of the cleaning, hygiene businesses, the textile product line, the sustainable, the kind of strong team which we have built, the kind of documentation, the product orders, the plant orders, the FDA certification and things like that so going forward the product line which Mr. Bansal addressed the idea was that, yes we still have that but that is the not main focus about it because at the end of the day these are connective with authorities and governments. Right now we are more focused on things which are easily doable, which are in control. The kind of request of the production and the order levels which we are seeing, it is beyond expectation in fact to be more precise at the moment. So right now, our main focus is to capitalize on our core business which is textile chemical, specialty chemical for detergents and oil also. At the same time, yes that product is also available which is on the so processed right now but we cannot expect or we cannot anticipate any kind because it is connected with

authorities and things like that and once you are connected with authorities or government of India or WHO, things does not work in this process. So that is for all the participants.

Moderator: Thank you. The next question is from the line of Jatin K from Alpha Capital. Please go ahead.

Jatin K: Thank you for taking my questions. Sir my first question is on margin reduction, so Q-o-Q we saw a bit lower margin so can you please elaborate on that please?

Sanjay Tibrewala: Yes Mr. Jatin let me also tell you historically or also in the previous quarters you will see average EBITDA margins of the company has been 17% to 18%. Now even in for the entire year if you notice the EBITDA margins for the entire financial year FY2022 has been 19% broadly. Now we all are witnessing there is no industry left out globally in which there has not been an increase of the raw materials. Various factors like fuel or may be war like situation or geopolitical, the container cost, the Shanghai issues, Shanghai again closing down this and that, so we all are witnessing something which is beyond the control of people and of the companies whereas at the same time I would like to mention that we are in a very niche market, in the sense, the cost of the product to the customers is not substantial at all. What I mean to say by that we also have regular updates and price increase with our consumers and customers which have been started doing from April 1, 2022. At the same time, the kinds of fluctuations in the raw material prices and things like that it always takes at least a month or two months to pass on that much increase for any point, most of the companies operating whether it is chemicals or specialty chemicals or pharma will have this thing. At the same time what is important I would like to mention about, if you notice the Q2 or Q1 or Q4 of the FY2021 we are surely at par even with the quarter FY2022 margins so I do not take it as a challenge. More importantly I would like to highlight to Mr. Jatin and also the participants, what is the key what we are looking at is to gain the size of the company. Today if you calculate Q4 of this last quarter financial year we have touched Rs.122 Crores, which is annualized basis Rs.500 Crores or let us say Rs.485 Crores which has been almost achieved without even having full utilization of the Ambernath capacity plus not calculating another 21,000 in Ambernath what we are doing and also this itself is from a Rs.220 Crores we had already touched almost Rs.500 Crores in the one year's period which had numerous challenges for every industry broadly and especially chemicals and petrochemicals and crude and shortages and everything needless to mention we all are watching it. I think more important for the company is the volume increase, the scale where we are touching up and what our aspirational levels are. EBITDA margins are still almost in line 0.5% plus or minus I would not say that will be a challenge as long as the company is growing at 80% growth or 69% to 70% of the volumes also going ahead on that basis. Keeping in point that the company is still debt neutral and we are funding everything by internal accruals. At the same time, the kind of product lines which with we have introduced in textiles is going to shape up in a very rapid way even in the coming times, so I think Jatin I have answered to. I do not see that as a drop. More important is to see the overall trend and Q1, Q2, Q3, and Q4 all together have contributed 19% which is surely higher than our

previous years EBITDA margins also which was based on Rs.220 Crores whereas today we are annualized at Rs.480 Crores.

Jatin K: Sure Sir I completely agree with your fund. We had a very good FY2022. I just wanted to check whether for next year we should build in say 18% to 19% type EBITDA or should we build in the Q3 FY2022 type EBITDA is what I was trying to get here?

Sanjay Tibrewala: So also let me also mention to our participants in Q4, if you can also notice the kind of the manpower cost increase which has been taken place. Now see basically in textiles and any kind of a new business especially in our field, everything is like the seed and then there is a fruit so the seeds are sown. We have been having a solid team, planning and addition is ongoing which always will be reflected in the future earnings of the quarters which you will see in this coming years also. So that is the way I would like to take it up and try to explain to our participants so all these things are strategically done. The cost has gone up not only on the raw material price or the fuel or something on the freights. More important these are like deliberate strategic investments done in manpower also in the Q4. At the same there is another capex which is happening of 21,000 tonnes again by internal accruals itself and that is also going to help us to reach to a good value by making sure the EBITDA numbers are also similar to what we have been seeing always.

Moderator: Thank you. The next question is from the line of Alisha Mahawla from Envision Capital. Please go ahead.

Alisha Mahawla: Good morning and congratulations on a great set of numbers. Sir my question is regarding the cleaning and hygiene segment, so did I hear you correctly that currently it is about 40% of our revenue and may be if you could also highlight what is it that you are doing in this segment? Are we are contract manufactures or do we do this under our own branding? May be if you could just throw some light on that?

Sanjay Tibrewala: Firstly, let me tell you about the Q4. The volumes of Q4 is almost 11,000 tonnes, 10,500 tonnes. On that almost 4000 tonnes has been for the cleaning and hygiene businesses so that is the basis I had said on the numbers of the volume as such, number one. Number two we are not getting into any contract things. It is totally or brand, our product lines, and our performance specialty chemicals, which is adding value to the consumer's product in which this has been introduced, so those are the ways. There is no contract manufacturing ongoing. That is for sure and what was your next sorry Alisha I missed your third question.

Alisha Mahawla: So basically you are saying that it is our own brand and our own product and we are selling to our own distribution network?

Sanjay Tibrewala: Absolutely.

Alisha Mahawla: Also during the call you mentioned that you have done about 80% kind of volume growth for the entire FY2022? Going forward what is the kind of volume growth that we are expecting?

Sanjay Tibrewala: I would like to also mention we are now comparing FY2021 with FY2022 and that is the reason you are seeing 85% growth. Going forward also there will be surely a great volume growth on quarter-on-quarter basis. Even the Q4 volume growth was also above 15% on Q3, so going forward the kind of, we had the orders we have in hand and the kind of new capex which you are looking at, I think we will be able to ramp up our Ambernath facility which will easily with this 21,000 tonnes I can put it in a different way, that we can always touch Rs.800 Crores to Rs.850 Crores of the business lines with this capacity once it comes in place. That is what we can touch up. Now how quickly we do it, what we are expecting, will we be on a right pace, similar pace I can say. So that is what we are anticipating in future.

Alisha Mahawla: Sure if I may just ask a clarification. The Rs.800 Crores to Rs.850 Crores you are saying is after the 21,000 comes is the peak utilization and when is the 21,000 expected?

Sanjay Tibrewala: That will happen from the next month.

Alisha Mahawla: Ok great thank you so much. I will come back in the queue.

Moderator: Thank you. The next question is from the line of Sunil Jain from Nirmal Bang. Please go ahead.

Sunil Jain: Thank you for taking my question Sir. My question relates to the more of a standalone revenue? If I see your other expenses, it has increased from Rs.7.5 Crores to Rs.11.8 Crores, so is there any exceptional or one off in that?

Sanjay Tibrewala: No nothing of that sort. This is also including our sales promotional expenses, product certifications, exhibitions, audits, manpower, salary and also I would like to inform the participants actually which is how we are looking at it is, Indian business. In India business we are calculating and considering Fineotex standalone along with Fineotex Indian subsidiary which is Fineotex Specialty Private Limited which is FSPL we call it. Now the Ambernath facility and the other businesses, the new detergent and the businesses which we have emphasized and we have started getting into is all through the Indian subsidiary which is known as FSPL. So in our declaration to the stock exchange, if you could go through that covering on the covering highlights of that in which we have bifurcated the consolidated business and Indian business. Now that is the way to look at us. That is the way we will prefer you can do you analysis about.

Sunil Jain: Yes, great to clarify that. Sir another question relates to more of an industry perspective, so from here onward, where do you see higher growth, whether it is in textile or more of a consumer hygiene products?

Sanjay Tibrewala: From the industry perspective let me tell you what is happening in the industry in my opinion or in our opinion. Textile and governments have somewhat become little bit seasonal I can say. So the point here is, it catches up to the previous entire years demand but not happens in anticipation of every quarter and quarter. Let us say for today there has been a drip in the bed sheets international market just for an example I am saying, so naturally the Wal-Mart, the Wal-Mart's of the worlds and the big companies are not the bed sheet companies, home textile companies are not able to have that much volumes as much as they had in October, November, and December, those times due to Christmas purchases and things like that plus there was Omicron fear which had also deteriorated the demand in January month broadly speaking. Most of the Indian bed sheet companies, but if you see the entire year they are still higher than the financial year FY2021, so basically there will be some fluctuation. Sometimes if there is some a spark of this kind of COVID-19 or things like that but broadly speaking the consumers, the markets, the kind of performance chemicals demand which has increased in the textile there is no doubt that this business is going to have still growth levels always. Now if you also consider our Q2 and Q3 let me tell you almost entire 95% of that business, 90% to 95% of that business is contributed by textiles, so the growth of Q2 which you have seen of 64% and the growth of 81% in Q3 totally denotes our textiles specialty chemicals. o basically I can only mention here right now January was not too strong for the international markets and few customers orders have been postponed for the current quarter which is ongoing today. If you notice textile has been overall having this kind of small waves kind of a demand that is fine acceptable, because at the end of the day it is something which cannot be avoided. Detergent market is also picking up more because also the consumer demands for cleaning has increased a lot on better kind of cleaning chemicals and things like that and as now the summer has proceeded just now the cleaning chemicals pick up and demands are always seen more in the summers rather than the winters, that is what happens generally also. Now I am talking of the company's perspective. From the company's perspective I can mention detergents and cleaning hygiene businesses will be growing at a much, much, much faster pace. We have also got some important orders in hand which has been from well known companies and that is also going to significantly contribute to our EBITDA, to our turnovers and that will catapult us to a different level in which textile will not be the only area of our major businesses. That is the way we are looking at it. At the same time, textile has its own entry and exit barriers and that is our core businesses. Let me also tell you that detergent business is not too far from the textile market. Let me tell you how. In textile also we have the pre-treatment chemicals in which we need to clean the fabric and things like that. That is same kind of product lines, surfactants and the cleaning addictive's which are used in textiles in the processing as well and the similar kind of businesses are used for the detergents. So basically the product chemistries and things are quite similar and as I have said this is a fungible business where we have fungible capacities and that is why our asset turnover ratio should always be quite significant. At the same time in textile we have a different way of working. We are like a trouble shooter. We are like a solution provider company. This is very important. Now in textiles, what happens day in and day out they are having a lot of troubles and problems in their processing. It

is not only the product which helps them. It is the kind of solution and the kind of technical services which we provide. Today we have our technical team members at almost all the spots and textiles cities of India and they are like a doctor on call. In fact that is the way it works and the customers keep calling them, today we are facing some different issues can you help us out, so we are solving it out. Keeping in mind I would also like to mention all our participants, the textile chemicals which we onto is not a COA driven business. It is not like a commodity. It is not like a soda ash or acetic acid. In soda ash and acetic acid all the chemicals or the chemical from all the companies whether it is from GANFC or imported or any companies the same, it is glacial 99% acetic acid. However in our product line it is only the performance which counts. I always mention to a few of our audience and participants that we are like a homeopathy solution provider. The chemical which we provide is like a solution of a homeopathy, the consumers has it. It solves their problem and they pay for it. It does not matter to them whether our product has, what is the active of it or what is not the active of it. That is the way we have been proceeding ahead and that is why you can see our EBITDA margins will always in the last 11 years als,o you can see our EBITDA margins has always been more or less intact and that is the way we are looking at it so we are very approached in a different way so we approach on sustainability. We approach on solution providing and we approaching on finishing things, so textile itself we are going to always grow. There is no doubt about that part. We will be always growing up in the textiles. At the same time, detergent business is something which we are going to be very much looking at and we are very much excited on the kind of business and orders which we are working upon.

Moderator: Thank you. The next question is from the line of Dhruv Muchhal from HDFC Asset Management. Please go ahead.

Dhruv Muchhal: Thank you so much. Sir you mentioned about a few certifications that you have gained in the last year or the last couple of quarters, which have also aided to our growth. If you can help us understand how critical these certifications are? How complicated the process is to get the certifications? Plus also just to get some sense of this, is also if you can help us understand how many companies in India probably would have these kind of certifications given the industry has a very long tail. The textile chemical industry has a very long tail so this will help us understand the technicality of these certifications?

Sanjay Tibrewala: So let me inform to you let us say our major competitors are either European companies as such. Now these European companies are already working very closing with the buying houses like Wal-Mart, Target, Turner Bianca, Mark Spencer, H&M and things like that and they have been working on sustainability. They have been working on concepts which can reduce the water consumption and then help in the textiles to be more eco friendly kind of a concept and that is the way the brands have already emphasized on their suppliers, which are our customers to adapt to those kinds of product lines and things like that. If they want to sell their products to their stores. So there is a rate requirement of moving towards that direction. For that matter we have Bluesign with us. Bluesign is one of the most stringent certifications. If I am not wrong there should not be

more than two or three companies in India must be having Bluesign certification and we have also got a Bluesign in our Malaysian facility actually, so I do not want to get into too much technicalities how they are doing their audit. It is like a six months audit by the way. They fly from Europe. They sit in the plant for seven days. It is like 3,000 questions and it is quite a difficult process and that is the way and at the same time, we have like Bluesign is one of it. We have Eco passport, which is also a German European certifications. The company sends their people to the Indian plants. They audit it on various points, which include the environment, the products, what shape, the documentation part of it and lot of things. Once we are certified in that then, we are able to the companies who are again exporting their products to Wal-Mart, H&M and things these buying houses. Now HealthGuard Australia is also, we have an exclusive collaboration with them as an international marketing chain channel partner. Now let me tell you how does this business work just for an example. HealthGuard products is already approved in Target and Turner Bianca. Now in Target and in Turner Bianca wherever they are processing their fabric let us say for Trident and Welspun. So Trident has to compulsory have to use a HealthGuard chemistry of antimicrobials on their substrates because Target has told them and Turner Bianca has told them that you need to use HealthGuard, so it is a reverse way of marketing. You go to the customers customer, convince them and then our customers are, I should not say forced to use it but they have to be inclined to use it, so that is the kind of strategy which we have built on and that is something which is helping us. As you have rightly also said, there can be a long tail in the textile chemicals but the kind of market we are targeting is all the corporate sectors. Now in India we are working with almost all the biggest corporate customers of India. You can say whether it is yarn, towels, suiting's, bed sheets, shirting's, bottoms, anything right from Chenab, JCT, Oro Textiles, Deepak, Birla, Reliance, Himatsingka, Welspun, Raymond, Bilwara, Baswada, you name it and they have to using our packages and we have spread out to all of them. So if we want to work there is top notch of the Indian textile companies, we need this certification in place. That is the way the chemicals can move out because ultimately their products can only be sold to their customers if you have those certification. So this is a long-term process. We started this activity in 2019 by the way or 2018 I think and then there was the COVID times and we could not derive the best outcome of it because by the time there was COVID out and again last year we have many more certification. We have the GreenScreen, we have the BeeHive we have EIM software which is very important for the Government of USA. So coming back to the point these are very, very critical things to differentiate and that is the places where the brand works and that is the position where we are at the moment and the investment in this is very high let me say for that matter. So we have done it and it is already debited to the books in the last one year also. So that is the kind of importance we have on this certifications, the ZDHC level 3 and things like that.

Dhruv Muchhal: Perfect Sir. This is extremely helpful? Just one quick followup? Is it possible to broadly share say for example Bluesign, Eco passport two critical certifications? How much percentage of our textile business sales is coming from because of these certifications and I understand there will some

cross selling also? For example if you get a customer and you try to sell him other products where probably certification is not required, but just to get some sense. If these two particular products, how much kind of direct sale benefit is coming because of these certifications? How much percentage of our total textile business is out of this?

Sanjay Tibrewala: Basically we are not bifurcating individual certification because certain brands require this and certain brands require that based on their geographical requirement. In Bangladesh if you do not have Bluesign I think you are out of 30% to 40% of the market. Without knowing the product and without knowing the price that does not matter for them. Without Bluesign they will not even discuss further all. It is something like that. I am just giving you an offhand example. I am just trying to explain how this is the psychology of the textile work. The ZDHC 3 is also similar to it. If you do not get it you have to forget supplying to the either you are talking of Bangladesh or you are talking of Pakistan or you are talking of European markets or US market, ZDHC 3 and Bluesign is the most important thing. Without these, things will not work. Even Himatsingka will not buy. They are our key customers by and large so they know this is the most important thing so we cannot imagine not having these certifications right now. It is more important. It is like a capex. It is like more of a machinery that we will require the certifications for selling them.

Dhruv Muchhal: Got it Sir. Thank you so much and all the best.

Moderator: Thank you. The next question is from the line of Arpit Shah from Stallion Asset. Please go ahead.

Arpit Shah: I just wanted to understand, what is the quantum of revenue that you can expect from the commercialized specialty chemicals of Eurodye-CTC in the current fiscal and has there been any contribution in the last fiscal, that is question number one? The ROC which got reported this year was around 28% do you think you will be able to improve it in the next couple of years or it will be something will come back to 21% to 23% and 28% would be an out outlier? Those are two my questions?

Sanjay Tibrewala: I will first take the Eurodye question at the moment. Let me explain to you what is Eurodye about. Eurodye plant was earlier the Unilever plant. Eurodye acquired the Unilever plant in Belgium, which is quite in the centre of the entire European markets. They produce specialty textile chemicals so what they have been doing is they buy the raw materials from Asia, make in Europe, again supply to Asia, which is Bangladesh, Pakistan, India, and also Vietnam and also in the LAC countries, Latin American counties. By and large they need the certification and things like that. In the last one year we all have witnessed a big change. The freight cost and the container shortages cannot make you profitable to buy the raw materials from one part of the world and again supply the product in that part of the world. You need to have their facilities in India or Asia somewhere. That is the one place. Number two, Eurodye had acquired the business of Stephenson in UK two years back which is one of the best wool working chemicals company in UK. So those product lines are also very important so what kind of business we have with Eurodye

let me tell you. It is not one sided business. There are two kinds of businesses we are doing. We are also helping them to produce the products in India and Malaysia and start supplying it to the various customers in this part of the world in Asia. This will save and help us a lot in the EBITDA. If you notice our average realization price is less than $2, if you keep moving the raw materials from one part of the world to another continent and back to this continent, we have been spending at least 40 cents in that with there is not going to work out for any company as such, so they understood that they need a partner in Asia, we are the best for them, that is the way we started this relationship and then we are also doing multiple things, we are also buying specialty products from Europe, keeping it here in India and supplying to various customers and gaining the wallet share, so basically we look at us in a different way. We are here to provide a platform to all the textile company as a single stop solution, if they need specialty health guard antimicrobials, we have the stocks here. If they need specialty chemicals for world, which is out of the world kind of a quality for specific customers like Donears from Raymond from Jayshree we will buy from us and we started immediately those businesses whether it is NSL or Jayshree in Kolkata or Raymond for that matter, so we are basically providing like a platform here in which we are able to make the textile customers dependon and buy more products from us. Let me also tell you there is no incremental cost for that. I will tell you how, as it is we have 100 distributors in India broadly, we have our technical team of almost 35, 40 people all over India, we have the same people who are trying the moving to the customers for supplying Fineotex products or Biotex products for Eurodye or HealthGuard, so basic analogy if I can give you it is like grocer, the grocer needs to have all the range, so once you have all the range you will be definitely attracting more wallet share and getting more and more customer dependability. So the idea here is to join certain key companies with us and to make a synergy amongst it like Fineotex and Biotex had been done, so that is the way we are bringing HealthGuard, we are bringing Eurodye to us on the table. So the idea here is not just to have okay, of course it is only the two quarters that we have been able to do it, so the size is picking up and we are also supplying from India certain products which Eurodye need not introduce it in Eurodye because of the cost of the reach, because of the cost of the fuel, because of the cost of the shortages of the raw material with they are facing in Europe currently. So basically we are exploring all the ways of two side businesses, the presenting each other, so you can say it is like an extended plant which is available to us and that is the way we are finding solution and helping our customers and gaining wallet share. Now HealthGuard also for that matter we are supplying from HealthGuard to Pakistan and these are like expensive product lines which are almost $35 a kilo kind of a product, which is almost 10x our average less in prices and with HealthGuard also our prices are fixed and then we decide and we have our strategies, we appoint the distributors for HealthGuard and Fineotex globally and that is the strategy we have in hand we decide the size, the selling price of that product in that market, so this is something it is more strategic driven, it is a blended way of looking at the things and the kind of our more emphasis is on what we can take it to a different level. Let us say we are exhibiting everywhere in the world, we will be there in Brazil, we will be there in Spain, ITMA, China, for us. For them having HealthGuard, having a booth rather we have this booth with us

and we are representing Eurodye also there, this makes more sense in which we have an operational efficiencies and we can work more in a very strong partnership kind of a way. Now coming to your other questions actually, the ROC part of it. Let me tell you, the kind of businesses, the kind of orders, we are anticipating and rather not anticipating which is ongoing I should say, it is something which makes us quite comfortable mentioning that yes, this could be the kind of new transitionary ROC % which you can expect going forward. Keeping in mind we are not adding any debt, everything is from internal accrual itself and I think this is the kind of the return which we have in generating on the base of the volume growth, the new capex and new orders which we are looking at, so that is the point to you.

Arpit Shah: Currently, we saw this quarter cleaning and hygiene become a very large share of our revenue. Let us say from less than 5%, it is grown to 35% to 40% and probably one…

Sanjay Tibrewala: In volumes.

Arpit Shah: In volumes, so broadly one of the large contracts may be let us say detergent, they are add-on contract, but this 35%, 40% volume quantity you expect, it to continue for FY 2023 or this is more like a one-off play?

Sanjay Tibrewala: No, this will continue to grow up and that is why we are building up more volume capacities and we are pretty much excited about that. At the same time in Q3 also this was constituting to 5% broadly in terms of volume and turnover also in Q3 actually.

Arpit Shah: Got it and you are aspiring, your company to become Rs.800 Crores to Rs.850 Crores revenue company, so what kind of capabilities over kind of bandwidth would need to build, best for the one or two years to achieve the target?

Sanjay Tibrewala: Basically, I would like to breakup this question into couple of things. Number one, the aspiration is not Rs.800 Crores to Rs.850 Crores, it is much higher than that but I was mentioning in my previous questions and replies that the current capacity expansion which is ongoing of 21,000 tonnes it will take us to 104,000 tonnes per year in this times now, it can get us to a turnover of easy Rs.850 Crores broadly, that is what it was mentioned about, that is one. Now that is the reason and also I would like to mention to all the participants, the new Ambernath facility it was planned for in the first quarter of the first COVID, I am talking of April quarter, April to June 2020. April 2020 was the first time when we envisaged that we will be expanding that was the most unbeatable quarter by the way and when we look of the expanding the plant in which we can always triple our businesses or to get it for different level and that is was the year 2020 in which we acquired the plot and then we started working on it in 2021 by November, December that was the time we could start the commercial production. So by and large this is the kind of, we are already envisaging that we will be achieving this kind of businesses in future. Coming to the management capacities and things like that we are already hiring the best of the manpower that

is also you can see reflecting in our expenses in the Q4 and that is also will be happening in the future as well. There will be lot of product additions and product certifications, attribution, more geographies which we are adding on, so there can be a lot of more joint venture tie-ups also which will help us to reach to our levels which we are looking at in the coming years.

Moderator: Thank you. The next question is from the line of Levin Shah from Valuequest Investment Advisors. Please go ahead.

Levin Shah: Thanks for the opportunity. My question is on the gross margin, so if you look at our margins over a five, six year period, those have actually come down to around close to 40% what we used to do and now has come down to around 35, 36 level, so when we say that this cleaning and hygiene is the growth driver in Q4 and also moving forward, the growth would be much higher versus textile business, so how do you see this gross margin, does living in this segment has lower gross margins as compared to textile?

Sanjay Tibrewala: I would like to mention firstly, the way to look at our company will always be on the EBITDA percentage and also on the EBITDA absolute terms growth rate. That is the way we should be looking at it, I will tell you why. Let us say like I said we are working like a solution provider like as a platform in which we will have the entire range of all the chemicals bringing in more gaps whichever it is not yet filled, so the gaps have been filled by Eurodye, by HealthGuard things like that. Now it is not possible for any company who has such a big and of a product line have the seen gross margins for all of them. Let us say even for like a departmental store, a kind of profitability on the swing garment, they cannot match up broadly, what is more important is how do we get the wallet share higher, number one, how do we get the customer's trust and dependability on us, number two and look at the bottomline numbers that is what is very important. I also would like to mention the four years which you are mentioning about, in that already the company has grown three times, whereas the gross margins are almost similar and the EBITDA margins for the last FY 2022 stood at 19% which is after the increase of 60% of the business, we are still able to have a better EBITDA margins broadly, so the way to look at our company should not be exactly a gross this margin kind of a networking. Let us say a consumer needs the product and what we are looking at they need 25 different products from us, so may be in one product if the gross margin is let us say 40% or 35% does not matter, what is more important, what we can get out of that relationships in future and how can we bring engagement and permanent business to our table, that is the way we look at the businesses, so that is what I would like to mention on that.

Levin Shah: I completely understand that I think I put my question wrongly may be, I understand that growth is what we are trying for and even it is coming at the similar kind of EBITDA margin, so moving forward as well this is broadly the EBITDA margin range that we should despite the mix changing that is what I understand right?

Sanjay Tibrewala: Apart from coming to your gross margin questions also, we all have witnessed a big change in the international crude raw material prices, we have witnessed the fuel cost, the transport cost, the freight cost, the shortages of chemicals and also in the last two quarters you might have also noticed as you were into many specialty chemicals gross margins would have dipped substantially if I am not wrong Q2, Q3 in that also we have been able to sale out and give up to this level. So I do not think that is much worry for us as long as our bottom lines are met and also the kind of growth which we are looking at in a volume growth, this is our focus area right now, but again having said that, this is the gross margins which we can anticipate always as a base also broadly.

Levin Shah: Understood and last question on what we have said that during this quarter we did around 10,500 odd tonnes of volume and on that we have done around Rs.120 Crores revenue, now if I look at the volumes and our total capacity is broadly 50% capacity utilization on the volume, so is it that once we reach peak capacity, we can impact such around close to Rs.900,000 Crores of turnover with the existing capacities itself I mean 83,000 tonnes capacity actually?

Sanjay Tibrewala: With 83,000 tonnes and 23,000 tonnes which is going to be setup by next month, we are touching 104,000 tonnes, number one. Number two, also would like to mention the average realization prices have been always on the upscale also, because the kind of product mix which we are offering and the kind of solutions we are providing, at the same time from April last month we have started passing on the price increase, because naturally the price increase which is happened in the raw material prices in February month that could not be easily passed on because you already have one month contract with the customers and everybody wants to start the new prices from the financial new year, so that has been postponed to the financial new year which has been starting taking effect, so broadly speaking if you talk about that considering that I think 850, 800 which I mentioned about, it can be taken as a base then it also depends upon how fast we can get onto more sustainable businesses, the finishing packages in textiles and at the same time how much more prices and the price increase we can get in the market. So that can two factors which can lead to much higher numbers with the same facilities at the moment.

Levin Shah: Thank you Sir and all the best.

Moderator: Thank you. The next question is from the line of Aditya Mehta from GK Capital Management. Please go ahead.

Aditya Mehta: Congrats on a good set of numbers. Just coming back on the goal margin front, so last quarter guidance was that we can maintain 24% EBITDA margins going ahead and I understand that there have been some raw material price issues and escalation. So even now when we have started to take price increases, so what is stopping us to given the guidance again reaching the 24% near to work at that level in EBITDA front?

Sanjay Tibrewala: I will tell you, there are couple of things involved in that. Number one, the 24% EBITDA margins was one of the quarters, if you see all the quarters in place for the last 10,12 quarters as well number one. But having said that that was also there is a lot of manpower expansion which we have done which you can also see in our current quarter, there has been lot of expansion in, we are investing, in the exhibition, in the product audits and other things which have been happening in the last quarter, Q4, so that obviously will be effective in the EBITDA margins. At the same time, we are not mentioning that this is out of site, that this cannot happen ever that is not the point we are trying to mention, but if you are trying to say whatever has been shaping up even now in the FY2022 is 19% which is far ahead of our average quarters of all the previous two, three years by the way, so that is what we had mentioned in the light of it.

Aditya Mehta: Our utilizations increase, we can expect to go back at the higher levels?

Sanjay Tibrewala: We cannot deny that it will not go up of course this is what is the point, but always the point is that once we have an expansion there is a revenue seed cost, more manpower, more expansions and things like that which takes times to spread out and shape out, so now that is the point where we have reached now that every expansion after every such kind of an expansion we will see a lot of investments have been done on manpower and up keep the facilities and revenue expenditures which are on the books already, so that is something which I can say it is not an cost, I think it is a seed. The fruits generally take some time in the textile businesses to shape up in the coming quarters, three, four quarters you will see that things will start moving up in the right directions.

Aditya Mehta: Okay, got it and just follow-up. You mentioned that the 40% contribution in Q4 was from detergent business?

Sanjay Tibrewala: For the volume.

Aditya Mehta: For the volume okay, so was there any degrowth in the textile business?

Sanjay Tibrewala: I will not see it is a degrowth, actually if you notice, January month are the softer generally, because most of the buying houses in the world, they have already placed their orders in October, November, December, obviously also there is a Diwali season to it and the demand in Q3 was quite good enough, because it was the only quarter I think which without delta or without any such kind of things which is stopping people to go in the markets and buying and in December onwards already the Christmas orders and things have already been done by most of the exporters, so January was not in a great shape I can say so, like I said in my conversation few minutes back. You have to take textile, it is not a perennial kind of thing, but you will see slight wavy things happening on and off, but at the end of the day it will cover up and lead to the growth, it will be quite not exactly a seasonal, but something sort of it every shortfall of a quarter gets covered in the next quarter and thereafter so that is the way you can look at it.

Aditya Mehta: Great Sir. Thanks for the clarification and all the very best.

Moderator: Thank you. The next question is from the line of Aman Vij from Astute Investment Management. Please go ahead.

Aman Vij: Good afternoon Sir. My question is on the finishing textile chemical segment which we are one of the leaders, if you can talk about what the market size is and what is the market growth as well as who are the other big players in this? And my other question is on the other segment, which is the detergents and home care?

Sanjay Tibrewala: I will share these things right now, but as such it is not about the earnings result topic, but let me tell you something which have been betting our investors and participants in the previous things also. So let us tell from the point that the textile came to India in 1980s, most of the textile chemical companies belonging to Europe also started coming to Asia, in India, in Bangladesh and in Indonesia, so basically Fineotex has been always a backdoor suppliers to them in the previous times and in the last 10, 15 years Fineotex started supplying in its own brand and own value that is the way we have been growing ahead as such. Our European companies, European customers, the textile chemical companies which are today our competitors are namely Archroma, Clariant then it is Huntsman, Ciba then there is Henkel which is now known as Pulcra, there is Croda erstwhile ICI UK, so these are the European joint companies who have already diversified to various cleaning, lotions and personal care items then product line which have a much better, basically this kind of business was always having 300%, 400% margins once upon a time and then when textile got competitive in 2002 and 2003 due to the changes in the price and the geographical changes, so the margins those days had come to 40%. So basically this entire industry has been dominated by European companies by and large and they are still control most of the buying houses requirements and things like that, so the entire market how do we put it together will be around Rs.25,000 Crores broadly, that is the way this entire market works too. So that is the global market size where we are addressing at the moment and coming to the detergents and cleaning, it is quite massive compared to the textile requirements as such and it is quite massive, the kind of businesses we are looking at, should be sizable kind of companies like Levers, like P&G, like Ghadi, like Patanjali so some of them we are already working now and we are aspiring to enter most of these biggest names even the coming times, so broadly this is how the market shapes in the international macro level.

Aman Vij: I was saying the broad numbers you have already discussed in previous call, I was specifically asking for the finishing specialty textile chemical segment not the whole industry of….

Sanjay Tibrewala: Basically generally speaking, finishing is one sector where there is a lot of things happening in terms of requirement of technical textiles and Biotex and Fineotex are quite ahead in that segment, the consumer preferences have changed like in COVID times, people have started asking for antimicrobial, antiviral, antifungal, mosquito repellents and also for water repellents,

stain repellents kind of product line, all repellents and things like that all these kind of specialty finishes cannot be done mechanically, they have to be treated by chemicals and that is the place where we have entered upon and that houses those area. So going forward we can say almost 50% of the total demand should be finishing and that is the place where the consumers also ready to pay your better premium and better kind of turnover is expected in finishing. For us 55% is finishing by and large and that is the place where we would always like it.

Aman Vij: You are saying roughly Rs.10,000 Crores to Rs.12,000 Crores.

Sanjay Tibrewala: Correct.

Aman Vij: Are there any other big Indian players in this like Color tex is one of the companies and they are…

Sanjay Tibrewala: Color tex is into dyestuffs, so let me tell you dyestuffs is not what we do, we are into specialty chemical production in which we are providing products which are used along with the dyes as such. So Color tex is known players in the dyestuff market which is a complementary product line to the same kind of an audience I should say. The closest competitor to us in the listed space should be Rossari in that matter, but there is a big differentiation between us and them, they work on products which are more volume and turnover rather than gross margins, they have products more driven in a COA driven in every month pricing kind of a thing, whereas we are working on providing solutions for the textile. Now when you provide solutions obviously the EBITDA margins, the EBITDA, the profitability and the kind of respect is much better in terms of the audiences rather than providing products which are quite me-to kind of a product that is the differentiation we have with in our product lines from Rossari.

Aman Vij: Any place in unlisted space were big?

Sanjay Tibrewala: In the listed there are some more like Atul is there, which are tied with Rudolph, one of the segment of Atul is with Rudolph which is into textile, dyes and specialty chemicals, Pidilite is there, unlisted I would not mention much because there is Resalin in South India which has been pretty doing well in South India, so that is one of the companies as such I can say.

Aman Vij: Who are the two, three players you have mentioned have Blue sign apart from us.

Sanjay Tibrewala: Bayer chemical will have, Bodel will have but in terms of specialty chemicals I would not know, there is no one I should say in Indian markets, because if I say Huntsman has it, but Huntsman is not exactly in Indian commission, European company, so how can we classify it in India, of course they can sell in India using that certification also, but that does not mean they are Indian company as such.

Aman Vij: Sure Sir. Thank you for answering.

Moderator: Thank you. I now hand the conference over to the management for closing comments.

Sanjay Tibrewala: Thank you everyone for listening to us and we are very much excited and enthusiastic from where we are today. Going forward we are always open for any more questions and any more meeting request which comes to us you can always contact Churchgate Partners our investment advisors, investment consultants, so over to you. Thank you so much everyone for listening to us. Thank you so much.

Moderator: Thank you very much. On behalf of Fineotex Chemicals Limited that concludes this conference. Thank you for joining us and you may now disconnect your lines. Thank you.

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