MEGHMANI
ORGANICS LIMITED

Chemistry of Success at Work

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To	
National Stock Exchange of India Limited "Exchange Plaza", Bandra-Kurla Complex, Bandra (East) Mumbai 400 051 **SYMBOL:- MOL**	**BSE Limited** Floor- 25, P J Tower, Dalal Street, Mumbai 400 001 **Scrip Code:- 543331**

Dear Sir,

Sub.: Transcript of Earning Conference Call held on October 27, 2021 for Q2 and H1 FY2022 Earnings Conference Call

Dear Sir,

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith transcript of earning conference call held on October 27, 2021 wherein Unaudited Financial Results for Q2 and H1 FY2021-22 were discussed.

The said transcript is also available at www.meghmani.com in the investor section.

You are requested to kindly take the same on your record.

Yours faithfully,
For, Meghmani Organics Limited
(Formerly known as Meghmani Organochem Limited)

MEGHMANI ORGANICS LIMITED AHMEDABAD

Jayesh Patel
Company Secretary & Compliance Officer
Mem.No:A14898

Encl: As above

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(Formerly Known as Meghmani Organochem Limited)

"Meghmani Organics Limited
Q2 and H1 FY2022 Earnings Conference Call"

October 27, 2021

ANALYST: **MR. ROHIT NAGRAJ - EMKAY GLOBAL FINANCIAL SERVICES**

MANAGEMENT: **MR. ANKIT PATEL – CHIEF EXECUTIVE OFFICER - MEGHMANI ORGANICS LIMITED**
MR. GURJANT SINGH CHAHAL – CHIEF FINANCIAL OFFICER - MEGHMANI ORGANICS LIMITED
MR. BHARAT MODI – INVESTOR RELATIONS ADVISOR - MEGHMANI ORGANICS LIMITED

Moderator: Ladies and gentlemen, good day and welcome to the Q2 FY2022 Results Conference Call of Meghmani Organics hosted by Emkay Global Financial Services. Before we get started, I would like to remind you that the remarks today might include forward-looking statements and actual results may differ materially from those contemplated by forward-looking statements. Any statement made on this call today these are based on assumptions as on date and we have no obligations to update these statements as a result of new information of future events. 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. I now hand the conference over to Mr. Rohit Nagraj from Emkay Global Financial Services. Thank you and over to you, Sir!

Rohit Nagraj: Thanks. Good evening, everyone and I hope everyone is in good health. I would like to welcome the management of Meghmani Organics and thank them for giving us this opportunity to host the concall. We have with us today the senior management team of Meghmani Organics represented by Mr. Ankit Patel – Chief Executive Officer, Mr. Gurjant Singh Chahal – Chief Financial Officer and Mr. Bharat Modi – Investor Relations Advisor. I shall now hand over the call to the management for their opening remarks, over to you, Sir! Thank you.

Ankit Patel: Thank you Rohit. Good afternoon, everyone and sorry to keep you waiting. There was some technical glitch. Thank you and good afternoon, everyone and a very warm welcome to Meghmani Organics Q2 and H1 FY22 Earnings Call.

First, let me give you a quick overview of our Q2 FY22 results. Despite the challenging business environment, Meghmani Organics topline surged by 28% to Rs. 545 Crores and this was due to strong performance in both the divisions.

Our export sales grew by 44% YoY whereas the domestic sales declined by 11%. Export contributed by 80% of our revenue and the balance 20% is contributed by the domestic sales during Q2 FY22.

Our EBITDA for the quarter stood at Rs. 78 Crores and the EBITDA margin stood at 14.2% during Q2 FY22. Profit after tax for this quarter stood at nearly Rs. 65 Crores.

Highlighting our H1 FY22 performance, our revenue registered a robust growth of 45% YoY to Rs. 1,041 Crores which was aided by both pigment division as well as the agro division. Our export sales grew by 60% YoY. The export and domestic sales mix stood at 80:20 for the H1 FY22. EBITDA during the first half grew by 5.8% to Rs. 165 Crores and EBITDA margin is 15.9%. Our profit after tax registered a strong growth of 41.5% at Rs. 133 Crores.

On the balance sheet front, our cash and cash equivalent stood at Rs. 212 Crores as on September 30, 2021. The Company continues to maintain the low-rate status with a comfortable debt to equity ratio of 0.33:1. Meghmani Organics return ratios like ROCE and ROE remain healthy at 17.4% and 21.9%, respectively as on September 30, 2021.

Looking at our segment performance, our pigment business delivered revenue growth of 16.7% YoY at Rs. 171 Crores due to better realization in the Q2 FY22. Our sales volume for the quarter grew at 2.7% YoY to 3,700 metric tons while the EBITDA stood at Rs. 16 Crores with a margin of 9.1%. Exports contributed 83% to the topline in Q2 FY22. Our utilization for the plant remains 90.7% in Q2 FY22 against 75% in Q2 FY21.

Agrochemical business delivered the revenue growth of 34.5% YoY to Rs. 375 Crores. I am happy to share with you that Meghmani Organics achieved ever the highest export sales in the quarter by clocking 53.6% YoY growth at Rs. 305 Crores. The export sales contributed 83% in this quarter. EBITDA for the quarter stood at Rs. 72 Crores while the EBITDA margin stood at 19.3%. Agrochemical division capacity utilization stood at 80% in Q2 FY22. I am delighted to share with you that our recently enhanced 2-4,D plant capacity is currently functioning at above 75%.

On the capex front, the agrochemical ongoing capex of Rs. 310 Crores is progressing as per the plan and the commencement of the commercial production is expected to begin in Q2 FY23. It will additionally contribute about Rs. 600 Crores revenue in the topline.

Additionally, we are exploring multiple opportunities to enter into new pigment colours. The development towards the same would be shared with you in appropriate time. As we all know that India's chemical industry is at an inflection point as the multinational companies opting for China plus one strategy. Meghmani Organics is well placed to tap these growth opportunities by being committed to maximize its return on investment and create value for our esteemed stakeholders. With this, we would be happy to take any questions that you may have. Thank you.

Moderator: Thank you very much. We will now begin the question-and answer session. The first question is from the line of Rahul Veera from Abakkus Private Limited. Please go ahead.

Rahul Veera: Ankit, just a quick question in terms of these raw material pressures are we seeing this in Q3, Q4 as well or in terms of passing on the price to the end customer you see that thing happening over the next couple of quarters?

Ankit Patel: Rahul, let me explain to you for both the divisions agro and pigment, we have a sizeable export business. In the export business normally, we have pending orders for nearly two months on average and we do not go back on our contracts and on our commitments. At the same time, the raw material supply sudden increase in the raw material pricing, majority of the raw material pricing that has been a challenging time for the industry as a whole and we are very hopeful and now everyone in the world understands that this is the global situation nobody is spared from this situation. The prices have started increasing which is a positive sign and we hope that in the coming quarters our margin should improve.

Rahul Veera: Okay, perfect Ankit. This is helpful. Thank you so much.

Moderator: Thank you. The next question is from the line of Raghav from Deloitte. Please go ahead.

Raghav: Good evening, Sir. Can you give some guidance on the margin for H2 FY22, although you have just answered that it will improve, just a small sort of guidance exactly what is the expansion that you are witnessing?

Ankit Patel: Raghav, if we see the margin point of view this year between two divisions, Agro division is still in the range of 20% EBITDA margin. If you look at the industry as an average for the Agrochemical it varies between 16% and 18%, so we are above the industry average even in this quarter and will try to maintain it. For the pigment division yes, we are down in terms of the EBITDA margin, which is below 10%. On an average as an industry pigment industry generates 13% to 15% EBITDA margin and it has been very challenging for the pigment division in this quarter, but we are very hopeful that in the second quarter we should be able to improve to make it in double digit.

Raghav: Thank you, Ankit. Sir, the second question is on the capex front, you have guided like in pigments Company would target revenue of Rs. 1,000 Crores by FY24 and similarly in Agrochemicals Rs. 2,000 Crores revenue by FY24. So, can you just guide exactly what type of products or what type of business that you are planning to deliver?

Ankit Patel: Sure, for the Agrochemical division as we have mentioned that we are doing the capex of Rs. 310 Crores which will generate revenue of more than Rs. 600 Crores. So, with this kind of revenue and the current capacity what we have we will be crossing Rs. 2,000 Crores topline in the Agrochemical division. The kind of the project which we are doing, kind of the product we are bringing in the new project of Rs. 310 Crores, I am sorry I am not able to disclose at this point. We will be disclosing the details about these new products while we will start the commercial production in Q2 FY23. The reason for not disclosing the products and the intermediate name we would like to keep it low profile because these are new products and not being manufactured by many companies in India. So, secrecy point of view we are keeping it a little low profile, but these are the new products in the Meghmani's basket, and it is going to be a very good situation in the coming days' time for the Agrochemical division. Now, coming to the Pigment division, we have already mentioned that we will be crossing the Rs.1,000 Crores topline by FY24. With the current planned capacity in the phthalocyanine, and pigment green and pigment blue we are reaching about Rs. 700 Crores – Rs. 750 Crores. We are working on a new kind of pigment, which will help to change the complete situation of the pigment division. We are working on some big projects, and it is being we are not able to announce at this juncture, but we are very hopeful that in the next concall of next quarter we should be able to make a proper announcement for the pigment division as well which will give the growth plan to achieve more than Rs. 1,000 Crores topline for the pigment division as well.

Raghav: Thanks, Ankit. Thanks for the guidance and congratulations once again for delivering a good result in such a tough time.

Moderator: Thank you. The next question is from the line of Dipesh Sancheti from Manya Finance. Please go ahead.

Dipesh Sancheti: Just a couple of questions, what is the gross debt of the company?

Gurjant Singh Chahal: We have long-term debt of Rs. 300 Crores and our working capital remain in the range of Rs. 125 Crores to Rs. 150 Crores and as on September 30, 2021 as just pointed out we have Rs. 213 Crores of liquid investments in hand. We are very much comfortable as far as debt is concerned, so our debt equity is 0.33:1 as on 30 September 2021.

Dipesh Sancheti: What has been the investment done so far in the new project for Agrochemicals?

Gurjant Singh Chahal: Around Rs. 85 Crores of capex has been spent in the new project.

Dipesh Sancheti: So, the debt or whatever it has been taken has already been included in the figures which you told me, right?

Gurjant Singh Chahal: Debt is inclusive of all, and we have spent money out of that. So, MOL5 is the new project we are talking about and Rs.85 Crores of cash flow has been done so far on this project.

Ankit Patel: We will be very watchful also it will keep our debt equity less than 0.5:1. So, this is where we would be working very hard, so we will be able to generate enough free cash flows as well in times to come as the capex will be implemented and start generating revenue.

Dipesh Sancheti: As you mentioned that new products you cannot disclose, but what will be the margins for the new products similar to 20% to 25% range or you are expecting better margins?

Ankit Patel: Agrochemical on an average as I mentioned generates about 16% to 18% EBITDA margin. Definitely, it will be a little better than that. As I mentioned that we always would keep our EBITDA margin above the industry average. The new products will relatively have a better EBITDA margin it will help to boost our margins in the coming years.

Gurjant Singh Chahal: The process of identification of a new product, we always do a lot of study about it. We study the market potential first vis-à-vis the natural capacities and the capacities as well at the same time we always work on the sustainability of the margin that we are trying to estimate about it. Generally, what would happen that we have a plant which is already in operations and therefore we will be able to take lot of advantage in terms of improvising our margins when we really identify new products.

Dipesh Sancheti: Okay, and for these new products the backward integration will also be taken care of as well we still are dependent on the raw materials from China?

Ankit Patel: Even today Dipesh, our dependence on China is not that much and definitely as Meghmani our capability is always to be the backward integrator and in the new project also the product which we are bringing are having the backward integration.

Dipesh Sancheti: Just last question, will we be having a separate concall for Meghmani Finechem or in this Con-Call only we can ask the questions for Meghmani Finechem?

Ankit Patel: Meghmani Finechem is a separate listed company now. So, it has a separate concall, and it was held yesterday.

Dipesh Sancheti: Thank you so much.

Moderator: Thank you. The next question is from the line of Abhay from Sanmati Consultants. Please go ahead.

A. M Lodha: Mr. Ankit Patel, this is A. M Lodha here. Sir, I have seen your results, I have two or three queries regarding to accounts. I think Mr. Chahal will be able to give the reply of all my queries. Number one, other expenses on year-on-year it was Rs. 82 Crores, on quarter-on-quarter it is Rs.101 Crores and now in this quarter it is Rs.127 Crores. What is the reason of this steep increase in other expenses?

Gurjant Singh Chahal: If you see there are three main components to other expenses which come in this one is the logistics cost, so due to this global supply chain disruption this has significantly increased. Second is power and fuel which we use, so now you know with increasing coal price, so steam price and power prices have also gone up. Apart from that, now we have capitalized our 2,4-D plant, this is a new capacity which has come in and additional production if you see is also up by 40%, in case of Agro division. So, that is in line with the increase in production, so these are the three main reasons for the increase in other expenses.

A. M Lodha: While your inventories have gone up from Rs. 373 Crores to Rs. 527 Crores in this six-month ending September

Gurjant Singh Chahal: In the case of inventories, the major reason as we just mentioned, one is Q2 has been always season for Agro division, number one. Number two, due to supply chain disruption all the sales which are on CIF basis their transit time little bit increased so that is why stock in transit is higher by Rs. 100 Crores this quarter as compared to March which is a spillover from this quarter to next quarter.

A. M Lodha: My last question is to Ankit Patel, we listened to the concall of Meghmani Finechemicals yesterday and according to them their project is 70% complete since caustic soda price, chloromethane price, hydrogen peroxide as well as caustic potash all are reeling at their lifetime peak. So, they must be having good cash accrual, so why do not we ask Meghmani Finechem to refund Rs. 222 Crores odd something which is parked in the convertible debentures. We should bring back the money to the company, we should ask them to refund the amount Rs. 225 Crores to the Meghmani Organics?

Ankit Patel: Thank you Lodha Saab for your suggestion. We will discuss internally about this, and we will do whatever best we can do. Thank you.

A. M Lodha: Thank you, Sir.

Moderator: Thank you. The next question is from the line of Rohit from Emkay. Please go ahead

Rohit Nagraj: Thanks, and good afternoon, Sir. My first question is on the Agrochemicals front, we have seen that from China the availability as well as prices, have gone up significantly probably partially reflected in our numbers as well. How do you foresee the situation in the next couple of quarters on the availability front as well as on the pricing front whether the existing high price environment will remain for the time being and then it will start correcting and have we faced any challenges in terms of getting any material from the import route? Thank you.

Ankit Patel: Rohit as far as raw material dependency on China are concerned as 65% of revenue is not dependent on China, yes for certain raw material we are dependent on China. We are well aware of the situation which was going to arise. We made plans in such a way that we do not face any issue as far as our production is concerned. So, far there is not any issue from the supply from China point of view. Yes, the lead time has been increased and you need to maintain little high inventory. Second thing yes, the China disruption has increased the price of the various chemicals directly or indirectly and it is giving a tough time to everyone in the industry to analyse it but if you tell me the kind of the information what we are getting from China and from various other sources we feel that the situation will not going to improve until March 2022. So, for the next five months to six months the situation is going to be little tight because China is going to have the Winter Olympics and followed by the New Year in China. We have seen in this particular time there is always pressure on the industry. So, this is one thing, yes after that there will be some reduction and supply will also improve as well as the prices will come down, but it is not going to come down very soon. In a way it is helping the Agro division from the topline point of view, so not just our company but every other company's topline is going up but because of the drastically raw material price increase the margins are under pressure a little bit. So, far we have been able to maintain the margin to a reasonable level.

Rohit Nagraj: Thanks. Second question is on the pigments business if you look at the Q2 numbers actually the utilization level or production level has increased as well as the revenues have increased; however, the margins have compressed. So, if you could just give us a colour on which and all are the user segments where we have seen a contraction in terms of demand and where the demand is now probable back to pre-COVID levels and how is it shaping up for the foreseeable future given the orders that we are currently having in hand? Thank you.

Ankit Patel: As far as the pigment division is concerned, demand has improved and we see that the COVID effect has gone back to normal and people are asking for the material globally in different market. As far as the margins are concerned, there is a pressure because the key raw material for the pigment division is phthalic anhydride, urea, cuprous chloride, aluminium chlorides. Now, two of the raw materials are copper and aluminium based which is we know that metals are very high, and which has increased the input costs at the same time the industrial grade urea which used to be in the range of about Rs. 20 to Rs. 25 today it has crossed Rs.60 which is a significant increase in the cost. Phthalic anhydride, I am sure you must be aware the prices have gone up and as I mentioned in the call that we normally have a two month to three months order on hand and we do not go back on our contracts.

But now in this quarter, we are able to pass on the price increase to our customer and in the coming days' time I think our margins will improve in the pigment division as well.

Rohit Nagraj: Thanks, for the answer. If I have any question I will come back in the queue. Thank you.

Moderator: Thank you. The next question is from the line of Abhay Lodha from Sanmati Consultants. Please go ahead.

A. M Lodha: Mr. Chahal, one follows up question, this finance cost in this quarter has been shown as a credit?

Gurjant Singh Chahal: Lodha Ji, as you know in our case, we have more than 80% exports and due to depreciation in the currency that is the benefit which we get. So, in this, there is a MTM gain that is why in our foreign currency borrowing there is a gain it has come in the quarter as credit.

A. M Lodha: Okay, then how much is the foreign currency loan in the books as on date?

Gurjant Singh Chahal: Our entire long-term and short-term is 100% in foreign currency borrowing and we have a very standard forex management policy as a natural hedge also so, we take in foreign currency.

A. M Lodha: Okay, what is the cost to the company is this foreign currency loan which you have taken against the natural hedge of the export?

Gurjant Singh Chahal: This is a natural hedge we have receivables also and this is the payable on the loan side and we have borrowing cost between 2% and 2.5%.

A. M Lodha: Thanks a lot. Thank you very much.

Moderator: Thank you. The next question is from the line of Pravin Sharma an Individual Investor. Please go ahead.

Pravin Sharma: Thank you for giving me the opportunity. Sir, on the pigment side, I just wanted to know there is a drastic fall in the margin and you said that you have contracts in hand for two months and we cannot go back to customers. I was just wondering what is our philosophy as far as raw material hedging and procurement is concerned when your two months order, do we book raw material simultaneously so that such type of situation does not come?

Ankit Patel: Yes, we do book the raw material in advance but some of our suppliers have gone back on the contract, but as a company policy we try to do not go back on our contracts. If there is an exorbitant increase in situation or there is some supplier related disruption but this time as a management we took a call that we do not want to go back on our contract because we knew that in the coming days' time our customers will support us and now, they have started supporting us, they have understood the situation, because it is a long-term win, win situation on both the part. So, we need to understand from both the sides.

Pravin Sharma: Sir and the second question is we intend to go to Rs. 1,000 Crores which is like the addition of around Rs. 300 Crores from Rs. 700 Crores which we can do from the current gross block. I was just wondering at least in the agrochemical side, we have done some investment and it is on the pipeline and it will kick in but on pigment side we are still in a very, very nascent stage as an investor you definitely would have been future outlook. I could not understand do we have an environmental clearance for this particular new kind of pigment which we are planning because the current pigment, I understand is 13% to 15% margin which is hardly anything I think we wanted to diversify this is what I could get from the last concall in new set of pigments. So, when can we see something concrete coming out on it and will it not be too late as far as because earlier if I remember in old days, we used to talk of Rs. 2,000 Crores, each of the three business lines Agro, Finechem and Pigment, now we have a scale down to I think Rs. 1,000 Crores for Pigment?

Ankit Patel: Pravin, let me correct in between it used to be Rs. 1,000 Crores each and that I think in the Agro and Caustic Chlorine division we have already surpassed that. In the pigment division, it is little bit delayed but at the same time we have already made the growth plan for the Agro division, Caustic Chlorine is already a separate division now, in the pigment division we stick to the Rs. 1,000 Crores guidance and we have an action planfor that, and it will not be delayed any further. I am sorry I would not be able to disclose much on the new project or the new pigment at this juncture, but yes every step is being taken at the management to achieve the topline and improvement in the bottomline for the pigment division.

Pravin Sharma: Okay, Sir. Thank you very much.

Moderator: Thank you. The next question is from the line of Dipesh Sancheti from Manya Finance. Please go ahead.

Dipesh Sancheti: Just one question, how much, are the sales or purchases do we do from Meghmani Finechem?

Ankit Patel: Meghmani Finechem supplies caustic and chlorine because Meghmani Organics is the next-door campus from the EHS, environment, health and safety point of view caustic and chlorine come by pipeline. So, that is the major consumption and in terms of value even I need to check, I think about Rs. 5 Crores to Rs. 7 Crores per month.

Dipesh Sancheti: Okay, not very significant fine. Thank you.

Moderator: Thank you. We have the next question from the line of H. S. Dhodi an Individual Investor. Please go ahead.

H S Dhodi: Sir, I have a question on the promoter holding. Now if you see the NSE bench side this quarter also they have been market purchases done by the designated persons which include Mr. Chahal also and recently 50,000 shares purchased by Mr. Popat Meghbhai. So, my question is, that does the promoter group does it to indicate that they have confidence in the business or there some serious thought of increasing the promoter holdings because in Meghmani you have 70 plus there are here because after the IOC exit and all you have remained in the 50s only. So, is there any serious thought of increasing the promoter holdings in Meghmani Organics?

Ankit Patel: Mr. Dhodi, thank you for your question. So, on an individual basis yes, we have very good confidence as management on Meghmani Organics Limited we are very much committed and we feel that our company is undervalued so, every individual from the promoter on their own they keep on purchasing and in the coming days' time also they will keep on purchasing. So, that will continue because we find our company undervalued looking at the growth plan what we have and looking at the industry what other companies PE multiple is.

H S Dhodi: Thanks for the answers. Now my second question is this has been asked to you about lot of people regarding the pigment. Now, if you go to Youtube you find there is such in kind of pigment also titanium and the company also earn, it can all guessed but my thing is last time you said two months you will declare it definitely. So, why is this delay and what is the secrecy involved in disclosing the pigment, if you could elaborate on this?

Ankit Patel: Mr. Dhodi it is difficult to answer, I am sorry that last time also we mentioned that in two months' time we will be announcing some project for the pigment division because we are on the verge of working on one project and technical clearance is pending once everything is done, we will be making the announcement. So, due to some technicality and the technology tie up point of view the things are pending, once everything is done, we would like to make a concrete announcement. We do not want to make the announcement just for the sake of announcing the project. Whenever we make an announcement we are very much committed to it. So, we want to have that kind of surety at the management level, and we are very sure about the project and in coming days' time definitely, we will make a strong announcement for the growth of the pigment division.

H S Dhodi: Thank you so much.

Moderator: Thank you. The next question is from the line of Rohit Nagraj from Emkay Global. Please go ahead.

Rohit Nagraj: Thanks for the follow up. Sir, the question is on Agrochemicals, you said that Q2 FY23 will have the capacity commissioned in terms of the potential revenues of Rs. 600 Crores FY24 is the first year when we will have the entire Rs. 600 Crores or it will take two–two and a half years' time to reach the peak potential?

Ankit Patel: Rohit, thank you for your question. As you know, Agrochemicals is a regulated business, so it is not just the manufacturing and selling of the product at the same time we need to do the registration of this various product into different markets so, the good thing about the registration is we started parallelly doing the registration of all the product which we are going to manufacture. So, in the first year, it will not be possible to utilize the plant at the full capacity which is FY23. We feel that we should be able to utilize the plant to the tune of about 65% to 70% in FY24 and later on it will increase further. If the market condition improves and the regulatory support comes then definitely yes, utilization will be better.

Rohit Nagraj: Right, again the same question on the pigments front that we will be announcing the new project sometimes during the current quarter and then we have kept a target of Rs. 1,000 Crores for FY24. So, how confident are we that we will be able to put up the steer on the ground, start the project to probably smoothen the operations and then get additional revenues of Rs. 200 Crores to Rs. 300 Crores. Will that not be slightly aggressive in terms of guidance for FY24? Thank you.

Ankit Patel: In fact, for the pigment division, as the pigment is not a regulated business. The second thing is the product which we are looking at it, it is going to be the import substitute there is already a huge market in India and the third thing is we have all other technical clearance. The only thing is we are working on the technological related matter. So, things will be much faster even in the case of pigment division, so we are very confident for the pigment division numbers as well.

Rohit Nagraj: Right, and one last question on our EHS side, so how are we currently spaced on the environmental safety aspect and given that there has been significant uproar from the global companies in terms of compliances, what are the steps that we are taking over the next foreseeable future so that we will be able to take on more opportunities from the China plus one and particularly from the exports market? Thank you.

Ankit Patel: EHS is the topmost priority at Meghmani and at the management level. We have been giving at a most priority and upgrading our site continuously and for the understanding of the investors, because they are not able to visit in this COVID time we have made the corporate action where they can understand and see the sites what we have the kind of the infrastructure what we have. That is what our vision is and as far as upgrading the standard at the EHS level you might be knowing the responsible care is one of the very high-level certifications for EHS and at Meghmani Agrochemical division we have started working on it. We are hopeful that with the kind of improvement and kind of work that we are doing we are targeting the Responsible Care certificate in next one and half years' time. So, that is a very prestigious certificate and that gives the confidence to the global customer that the company has the responsible care certificate, so we are working on it.

Rohit Nagraj: One just last question, we have aggressive plans for both our divisions in terms of revenue growth. How are we placed in terms of our business development team and whether we will have to further invest into it which will probably take the cost higher in the next couple of years or we are sufficiently currently having people to take care of the incremental business? Thank you.

Ankit Patel: Yes, the business development team is a very important area for the growth of business and so far, we have a good young people team and as and when it is required, we keep on adding the members in the team. But the kind of growth what we are estimating for the next two to three years' time, we have a good team.

Rohit Nagraj: Thank you so much and best of luck.

Moderator: Thank you. As there are no further questions from the participants I now hand the conference over to the management for closing comments.

Ankit Patel: I thank you all for taking your valuable time and joining us on this concall. The Company is on a strong growth trajectory coupled with a healthy balance sheet position. Meghmani Organics is confident to create a sustainable value for all the stakeholders. Please reach out to Dickenson World or us, directly should you have any further queries. Thank you very much.

Moderator: Thank you. On behalf of Emkay Global Financial Services that concludes this conference. Thank you for joining us. You may now disconnect your lines.