July 2, 2020

To,

BSE Ltd.	**The National Stock Exchange of India Ltd.**
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Dalal Street, Fort,	Bandra Kurla Complex, Bandra (E),
Mumbai – 400 023.	Mumbai – 400 051.
SCRIP CODE: 506767	**SYMBOL: ALKYLAMINE**

Sub.: Intimation under Regulation 30 of SEBI (listing Obligations & Disclosure Requirements) Regulations, 2015

Dear Sirs,

With reference to our letter dt. June 20, 2020, please find enclosed the transcript of the earnings conference call held on Thursday, June 25, 2020.

Kindly take the same on your records.

Thanking you,

Yours faithfully,
For **ALKYL AMINES CHEMICALS LTD.**

CHINTAMANI DATTATRAYA THATTE
Digitally signed by CHINTAMANI DATTATRAYA THATTE
Date: 2020.07.02 19:51:03 +05'30'

Chintamani D. Thatte
General Manager (Secretarial) & Company Secretary
& Compliance Officer

Encl.: As above

"Alkyl Amines Chemicals Limited Q4 and Full Year FY20 Earnings Conference Call"

June 25, 2020

MANAGEMENT:	**MR. YOGESH KOTHARI – CHAIRMAN & MANAGING DIRECTOR, ALKYL AMINES CHEMICALS LIMITED** **MR. KIRAT PATEL – EXECUTIVE DIRECTOR, ALKYL AMINES CHEMICALS LIMITED** **MR. CHINTAMANI THATTE – GENERAL MANAGER, SECRETARIAL AND COMPANY SECRETARY, ALKYL AMINES CHEMICALS LIMITED** **MR. K. P. RAJAGOPALAN – GENERAL MANAGER, LEGAL, ALKYL AMINES CHEMICALS LIMITED** **MR. RAHUL MEHTA –GENERAL MANAGER, FINANCE & ACCOUNTS, ALKYL AMINES CHEMICALS LIMITED**
MODERATOR:	**MR. NILESH GHUGE – HDFC SECURITIES LIMITED**

Moderator: Ladies and gentlemen, good day and welcome to the Alkyl Amines Chemicals Limited Q4and Full Year FY20 EarningsConference Call hosted by HDFC Securities Limited. 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 '*' and then '0' on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Nilesh Ghuge of HDFC Securities Limited. Thank you and over to you, sir.

Nilesh Ghuge: Thank you,Bikram. Good evening all. On behalf of HDFC Securities, I welcome everyone to this Alkyl Amine Conference Call to discuss the results for the quarter and full year ended March 2020. It is a pleasure of having with us top management team from Alkyl Amines represented by Mr. Yogesh Kothari – Chairman and Managing Director; Mr. Kirat Patel – Executive Director; Mr. Chintamani Thatte – General Manager, Secretarial and Company Secretary; Mr. K. P. Rajagopalan – General Manager, Legal and without further ado, I will now hand over the floor to the management for making the opening comments. Over to you, sir.

Yogesh Kothari: Thank you, Nilesh. Thank you, HDFC Securities and thank you all the people listening. First of all, I hope that all of you are well and healthy after this COVID issue and keeping yourself healthy. This may last for few more weeks. Mr. Kirat Patel is with me, our Company Secretary is also there, and Mr. Rajagopalan is also there and our Finance Chief is also there. So what I would like to do is I will just mention that we had a very good year this year. We have recorded good profit. Our markets were also quite good. We had some issues in the monthsof March/Aprilbecause of this COVID issue, but that did not last long, and we were able to manage to start production, even though in smaller capacity. Since April, things are quite in line and we expect that we will absolutely be normal by July.I would suggest that we can start question and answer and discuss if there are any particular issues you have in mind. We feel that many people who would like to know how we have been able to do so well this year, even though our sales had not been that high.

Thank you. So may be question and answer can start now.

Moderator: Thank you very much sir. Ladies and gentlemen, we will now begin the question and answer session. We have the first question from the line of Rahul Jain from Credence Wealth. Please go ahead.

Rahul Jain: Sir, what kind of volume growth do we have for this second half and for the full year FY20 and what is the expected volume growth for the coming year?

Yogesh Kothari: I think you are talking about the last year or which?

Rahul Jain: Sir, the second half of FY20 and the full year FY20 and what could be the expected volume growth for the coming year FY21?

Yogesh Kothari: In the last 6 months, the growth was very stagnant, didn't really grow except for a few percentage. So in this coming next few months, we expect better growth and that I think will be known by end of this month, how we have done in the first quarter but because of this COVID issue, we are not able to make any realforecast as of today.

Rahul Jain: Sir, in your opening remarks you mentioned about because we missed the end part of it, you mentioned that we started in April and the operations became normal by and then we lost the audio sir, I am so sorry about that?

Yogesh Kothari: No, our operations started in April, so we geared it up and now it is coming up to a level which is our normal level but still it is not up to our expectation.

Rahul Jain: Sir, you had mentioned about Methylamineadditional capacity debottlenecking about 15,000 tonnes to be commenced in quarter one of the current year, you had mentioned this in your last concall, so is it on track or is it delayed or when do we expect this to start?

Yogesh Kothari: It is slightly delayed because of all these issues because we did have manpower issues and logistics issues for the equipments and machineries and all but more or less by the second quarter we should be in line to start the expanded capacity.

Rahul Jain: And sir, with regards to CAPEX for the current year and next year, what kind of CAPEX have we planned and last time you had mentioned that the CAPEX which you are planning for the current year will have some products on the derivative side and also some specialty chemical products, so if you could share some details on that?

Yogesh Kothari: This Methylamine expansion will be going through., We are putting up a plant for Acetonitrile which will be coming up, which is also slightly delayed now because of this COVID issue but we expect that it should be ready by end of this financial year, so then there are some small projects which are on the line but they have been delayed also slightly but over the period of this year, some of them will come on time.

Rahul Jain: So do we expect about 100 crores of CAPEX this year or it will be slightly less than that?

Kirat Patel: Rahul, last year we spend about 80 crores in capital expenditure mostly on expanding our derivative portfolio debottlenecking and adding capacity, next year we expect to spend about 170 crores, a large portion of that is the Acetonitrile plant coming up in Dahej and as Mr. Kothari mentioned the Methylamine sanction has got late because the equipment has not arrived, the fabricating shops and all have got delays because the people are not there, so we expect, they are promising now deliveries in September but it could be October, it is a question mark, between September and October, I think we will be able to complete it.

Rahul Jain: And sir, with regards to this Acetonitrile expansion, I believe it is a 15,000 tonnes per annum expansion and given the prices today because of supply constraints, what is the expectations in terms of, when do we expect this global supply constraints to ease off or till what time do you feelit can continue?

Yogesh Kothari: The Acetonitrile price is volatile and changes depending on the capacities which are available. As of today, we feel that there is some more time for any of the new capacities coming up, I mean the plant whichwas shutdown abroad isnot likely to start up immediately.Because the growth of the automobile industryhas not gone up and requirements ofABS plastic will be subdued, that means acrylonitrile/acetonitrile in the market.So it is possible that at least it could extend for the next 6 months to 9 months and may be more also. Our capacity increase is also to make our customers have to separate locations from where they can get materials. Our productsare also goingto the pharma industries, it is very important that they have an alternate supply from a reliable supplier but from different location. That was the idea of putting of extra capacity and our efforts in looking at the export market also is very important, it has been quite positive and we expect that will increase.

Moderator: Thank you. We have next question from the line of Bhargav Buddhadev from Kotak Mutual Fund. Please go ahead.

Bhargav Buddhadev: Sir, I wanted to know in terms of how much of our Acetonitrile would be exported as of now or everything would be consumed in the domestic market?

Yogesh Kothari: These type of information we don’t part.

Bhargav Buddhadev: Secondly, in terms of utilization with our pharma and agrochemical customers, would it be fair to say that their utilization levels have essentially not been impacted during this COVID situation?

Yogesh Kothari: What I said because of this China issue, the pharma industry depends a lot on chemical intermediates from China. Now because of this there could be some sort of break in the supply chain and that may affect us but not for everywhere, in some of the products it may get affected.

Bhargav Buddhadev: So broadly sir, what could be the utilization at your customer’s end, is it possible to quantify or very difficult to say that?

Yogesh Kothari: Yes, it is difficult to say and we may not want to also quantify.

Moderator: Thank you. We have next question from the line of Siddharth Mehta, Individual Investor. Please go ahead.

Siddharth Mehta: First of all, congratulations, we are very happy to be with your company as an investor and shareholder for the last may be 6-7 years and we have watched this company grow and bloom and I really credit you for having the integrity, the focus, the governance and the quality. This is very rare in today's world, so thank you for that and congratulations for that and would like to suggest that may be you can have a meeting one day with the analysts and the investors, so that we can thank you in person and also get a chance to meet the management and the key people. My question relates to what you see in the demand because of the situation today with the virus, how do you see this demand folding out? Do you see adequate demand, sufficient demand and also what you see in terms of pricing if when the fluctuations happen, does the price also move rapidly up and down? Does that affect our sales and our margins?

Yogesh Kothari: There are pluses and minuses because even in this COVID issue, some of the products which are going to be used as inputs like the one which some of the companies have already started manufacturing in India, there are some of our products going into that, so there is a positive sign from that angle but overall the pricing will again depend on demand and supply. So as long as the imports are not coming and rupee remaining weak is a good situation for us.

Siddharth Mehta: As far as you are foreseeing, it is a mixed picture if I understand you correctly?

Yogesh Kothari: Correct.

Siddharth Mehta: And what is your sense that if this mixed picture continues at the end of the next FY, do you see a 20 or 30% increase for your company in sales and profits and so on?

Yogesh Kothari: It is difficult to say anything just now because lot of uncertainties. I don't want to make any comments on that.

Siddharth Mehta: Okay and please kindly consider my suggestion, we would like to meet you in person also.

Moderator: Thank you sir. We have next question from the line of Amandeep Singh from Ambit Capital. Please go ahead.

Amandeep Singh: Sir, firstly can you help us with the utilization levels for FY20?

Kirat Patel: Utilization levels are very difficult because we have 12 plants and they vary very widely but I would say on the whole about 80-85% capacity utilization would be there which is quite on the edge for some plants because 80-85% is fairly high, so that is why we need to expand things like Acetonitrile, Methylamine and these kind of plants because capacity utilizations have gone up.

Amandeep Singh: And sir, on Acetonitrile, can you help us with the current realization for the product and with competition now commencing their Acetonitrile production, has there been pressure on the realizations?

Yogesh Kothari: I think these are all depends on the demand supply again. The pricing today is not dictated by a competitor in India, it is what is coming from USA or from Europe or from Japan or from Korea or China because in the end, customers have choices, so they would rather buy from people who are very confident of giving them best quality material available and at a price which is competitive, so we have been very successful in that and we have been able to capture the market which was run by all the foreign companies earlier.

Amandeep Singh: So as a follow-up on that sir, I mean we have seen Acetonitrile prices holding up to high levels for almost 1-1.5 years now and the last time Acetonitrile prices held up at such level for a sustainable period was post the GST in 2018, so how much longer do you anticipate this prices to sustain at current level and are you hearing of any capacity addition in Acetonitrile globally?

Yogesh Kothari: I have not come across any capacity addition that way expect most of it was coming as a byproduct of making of Acetonitrile which has come down because of variousplastics issue because of automobile industry, so that way there is a breather for the time being.

Moderator: Thank you sir. We have next question from the line of Rajeev Rupani, Investor. Please go ahead.

Rajeev Rupani: Sir, I had a question, we have seen a very good performance improved results for the company, so would you attribute it mostly to the Acetonitrile product?

Yogesh Kothari: To an extent, yes, but we have some other products which are also contributing more than what they were contributing earlier and we have improved our processes which also helps us inbreaking up, all this combinations today is helping us.

Rajeev Rupani: And I would like to know, what is our current capacity for Acetonitrile?And how much are we adding?

Yogesh Kothari: We have already a plant in Kurkumbh near Pune, where we have a capacity of 40 tonnes per day and we are putting up a new plant in Dahej which is going to be almost 50% more than this, so we are going to be quite comfortable with the availability of the material and since our process has been, I mean we have been very confident with the quality of products which we get, we do not foresee any issues in marketing our products.

Rajeev Rupani: Also a followup question, earlier investor asked, I think our competitor is adding a lot of Acetonitrile capacity, I think they have environmental clearance for about 18,000-19,000 tonnes, so will that affect the Acetonitrile end prices and they have started productions?

Yogesh Kothari: Definitely, any new capacity coming in the market definitely affects, so we don't know how it is going to affect but in the end if there is a growth taking place to some extent plus there is an export market, the totality, we do not really fear this, so we are quite confident that we will be able to succeed in this.

Moderator: Thank you. We have next question from the line of Omkar Kulkarni from Sri Invest. Please go ahead.

Omkar Kulkarni: In the new capacity which is coming up at Dahej, what is the maximum revenue you can generate from that?

Kirat Patel: I presume you are talking about the Acetonitrile plant which will come up in 21-22?

Omkar Kulkarni: Yes.

Kirat Patel: So that is another 15,000 tonnes to 16,000 tonnes.

That would be about 300 to 350 crores on the top

Omkar Kulkarni: At the maximum capacity, full utilized capacity?

Kirat Patel: Full utilized at current price.

Omkar Kulkarni: This is about the capacity which is coming on stream in 21, right?

Kirat Patel: Correct, 21 - 22.

Omkar Kulkarni: And what about the recent one which you did?

Yogesh Kothari: We already have a plant in Kurkumbh which is manufacturing say, 40 to 50 tonnes a day so which is anyway going on. This is only a flexibility on top of our existing plant, thus growth in the demand which will take place, so the pricing and the revenues will all depend on the final price. Today, the price is very attractive but may be it may not remain that high.

Omkar Kulkarni: And in terms of, I know you cannot give any guidance because of this corona issue but structurally how do you see your industry shaping up or how it will be doing in terms of the favorable factors for the industry, say next 2-3 years?

Yogesh Kothari: Our products are fortunately, a large portion goes into pharma industry, Agrochem industry also and pharma industry is definitely doing quite well. As I said earlier that only issue could come up is if there is a restriction on the imports from China about products which pharma industry imports us their inputs, then we may have some issues but today, this is again a guess work because these are important chemicals which they have to have.

Omkar Kulkarni: Correct but I am asking more about from a 2-3 years point of view, how do you see the industry as well as your company doing in that?

Yogesh Kothari: It is going to go up only because whatever you say pharma industry with our population and requirements which are there and the healthcare, which is needed, it is bound to go up.

Moderator: Thank you. We have next question from the line of Kewal Asher from Investment Options. Please go ahead.

Kewal Asher: I had two questions, so the first is, we had grown good margins this time, so are the margin sustainable and can we grow the margins in times ahead?

Yogesh Kothari: Well, we hope that they will remain sustained but it is again a question mark, again lot of issues surrounding this COVID plus imports can also come, we have other producers in India also, so it is combination of things but hopefully this margins will remain in this level or improve.

Kewal Asher: Are we planning any major CAPEX this year?

Yogesh Kothari: It is ongoing CAPEX just now, one is Methylamine expansion plus the Acetonitrile new plant in Dahej plus we are putting up some small projects which is needed in some of the specialties which we have. Then we have also in one of the places, we are making the plant more useful by producing more chemicals, so it is a continuous process and CAPEX is going to be there.

Moderator: Thank you sir. We have next question from the line of Viraj Mehta from Equirus PMS. Please go ahead.

Viraj Mehta: Sir, just had two questions, one with the amount of CAPEX that we are seeing, the pharmaceutical companies doing in the recent last 6 months and the announcement over next 2 years, this CAPEX is higher than what they have done cumulatively over last 3 years, are we getting any indication or do we have any sense from our buyers that the growth that they have provided us in last 1-2 years, it is going to be significantly higher across products going forward because what I understand last one year or two years have been good for us because of agrochemicals and not really pharmaceutical products but going forward that segment can also?

Yogesh Kothari: That is not correct. More pharma and less agro. It is not only agro, it is more pharma and less agro.

Viraj Mehta: So sir, again, have we got any front ended indications from our end clients?

Yogesh Kothari: We are also finding new customers. At the same time, the existing customers are also wanting more materials, so that itself is an indication that requirements are going up.

Viraj Mehta: And sir, second question, last year we have talked in the AGM that over 3-4 or 4-5 years, we should be able to do 2000 crores revenue, how much total CAPEX do you think we will require over this 3 years to reach that target?

Kirat Patel: I think minimum 300 crores or so over a period of, after finishing these projects what we already have in pipeline, others will be at least 300 crores or so which also we have some ideas in mind, so once these projects are done, we will take them up immediately.

Moderator: Thank you sir. We have next question from the line of Umang Shah from AMSEC. Please go ahead.

Umang Shah: I have two questions, sir the first question is that considering there are only two players in India who have such large capacity of Aliphatic Amines, what are the entry barriers which stop other players from getting into the industry considering the high margin?

Yogesh Kothari: There are no entry barriers except of course the capital cost are now higher plus it is a continuous type of process, so mentality should be there to get into something which is of continuous nature. I am sure other people might be planning projects looking at this type, but then they have to also see. The newcomer is always going to have issue in entering this type of a market which is a well-established market by two players and internationally also if you see there are only 3-4 big players in the range of products which we and our friends in India make. So it is not so simple or rather it is not so easy, nobody would take up an investment because something is going well because it took us so many years to come up to this level.

Umang Shah: And also I think your initial technical collaboration withUSCompany has also helped?

Yogesh Kothari: Yes, of course, we had our first two projects that is for Ethylamines and Methylamines were with American technology. Subsequently, then we developed it more improved on the processes and we also then set up our R&D center and we developed many new other products based on amination with ammonia and these alcohols and all and we have been successful. This Acetonitrile project, it took us 3 years to develop from pilot frontto the end level and it has helped us a lot.

Umang Shah: And the second question on this, sir if I look at the long-term financials of 17-18 years, I think what has significantly improved our margins is the decline in its power cost which has been structural and which has the combination really well in managing the power cost which is significant, so going forward next 5 years or so, are there any other measure that you are looking at which will help in increasing the margins, it could be better product mix or it could be more of specialty chemicals or it could be at the cost structure level also, if you could comment something about it?

Kirat Patel: It is going to be mainly, of course going on improving the process so that you improve your yields, consumption of your raw materials and utilities, the energy and other things, so that is a continuous process. The same time, we are always looking out for new products, specialty products which will add value to our existing set of products and give overall improvement in our topline as well as bottom-line.

Moderator: Thank you sir. We have next question from the line of Siddharth Mohta from Principal Asset Management. Please go ahead.

Siddharth Mohta: Sir, two questions, sir you have mentioned that our Methylamine additional capacity will come by September 2020, sir so is there enough demand for this?

Yogesh Kothari: Breakeven, we hope so, because still there are issues because of this COVID.

Siddharth Mohta: Yes sir, might be 1-2 month difference?

Yogesh Kothari: Yes.

Siddharth Mohta: So sir, is there any enough demand for this additional capacity either in our existing or the new product application as a standalone Methylamine product or in some of our derivative or downstream product?

Yogesh Kothari: Some of the Methylamines we use internally for making some of the derivatives and we are going for some new products which will be also using in Methylamine plus the existing consumers are also increasing the requirements and Methylamine is one product which is not easy to transport, so that is definitelya plus point for us.

Siddharth Mohta: Sir, in case of Acetonitrile, our additional capacity is going to come next year, so is there any new application that we have developed because again what I understand that purity label, it plays an important role in this particular segment, so are you able to crack the highpurity label application in this segment sir, so which will help us to develop the new market or the new product?

Yogesh Kothari: Yes, we have always attempted to, rather we have been producing the best, very good quality productsbecause we are exporting also our product as well as selling to people who are exporting the products, so it is something which we have achieved, but we are going on improving thepurity levels.

Siddharth Mohta: And sir, final question from my side, sir would it be possible for you to give some direction on new product or derivative which is there in our R&D pipeline which is going to be launched in the coming 12 to 15 months or any new chemistry where we have seen some initial sectors at the lab scaleso that would be really helpful?

Yogesh Kothari: I will not be able to give you that information. First we are out with the product, we will inform.

Siddharth Mohta: But in the sense, are you satisfied what is happening within your R&D pipeline, whatever you have expected couple of years back and whether you are near to that target?

Yogesh Kothari: We are but just last 3 months have gone waste because it is all closed just now, the laboratory is closed now but we are starting immediately now.

Siddharth Mohta: And sir, something on this raw material front, most of your raw material whether ammonia, acetic acid, methanol or ethanol, whether you have seen any spike in the prices, or it continues to remain at the subdued level?

Yogesh Kothari: Yes, it is remaining at the subdued level, so that has helped us a lot.

Siddharth Mohta: And as of now, they continued to remain at a lower level, whatever visibility we have?

Yogesh Kothari: Correct.

Moderator: Thank you. We have next question from the line of Siddharth Rajpal from Reliance PMS. Please go ahead.

Siddharth Rajpal: I just wanted to ask regarding the gross margins of the company. On a sequential basis, we have seen an improvement in the gross margin, so I just wanted to ask, if the raw material prices become more favorable especially since we use ammonia and ethylalcohol for making our product, so have you seen some reduction in ammonia prices and do you think that this is going to continue further as well and we will reach probably 50% in terms of gross margin levels in the future?

Yogesh Kothari: Yes, the ammonia prices and methanol prices and acetic acid prices have definitely been stable and currently they are on the downward side, but you never know how long this will last.

Siddharth Rajpal: And sir, additionally on the margins, I mean in the last two quarters and this quarter, we have got the highest margins that we have about 28.8% kind of margin levels that we have seen in this quarter, so have these margins been because of good product mix or is it because of reduction in raw material prices and going forward, are these kind of margin sustainable or what will be the normal case margin if at all this margin is not sustainable?

Yogesh Kothari: This definitely is the combination of both, raw material is giving us support as well as very good product both have helped in this.

Siddharth Rajpal: So are these margins sustainable going forward or?

Yogesh Kothari: It will all depend on the end markets as well as raw material prices, because of various reasons just now prices are quite attractive.

Moderator: Thank you sir. We have the next question from the line of Nirav Jimudia from Anvil Research. Please go ahead.

Nirav Jimudia: I have two questions. Sir, if you can just share us broad breakup in terms of our sales to various sectors like pharma, agro, or of chemicals, foundries, personal care products that would be helpful sir?

Yogesh Kothari: I would say pharma would be around 50%, agrochem would be around 15 to 20%, rubber chemicals 5 to 10%, and the rest would be quite like (foundry, water treatment, dyestuff industry, many applications.

Nirav Jimudia: Sir, second question is on like earlier participant mentioned about the power cost like how we have reduced our power cost from 15% to 10% in last almost 16 years, so this being a consolidation year and with coal cost also coming down, have we initiated some cost optimization measures internally in order to probably some of the sales might get impacted as you mentioned, so any cost optimization measures which we have initiated this year?

Kirat Patel: Nirav, you are right over the period of may be 10 years or so, we have reduced our power, fuel, water cost by almost 4% points when you look with respect to the sales. Now, most of this has come from the benefits of volume because power and fuel not go linear with volume. They are a little semi-fixed kind of nature, so a lot of that is because of that. The second is as more volume is there, then many small projects of energy savingsbecome viable. For example, about 3 years ago, we added a solar site, we have a turbine which means we self generate 50% in the electricity which we use in Kurkumbh. We are looking at future wind and solar energy sources for electricity in Patalganga, Kurkumbh, Dahej. So we are always constantly improving. In fact, Dahej also we are looking at steam turbines to generate our own electricity, so we are constantly looking at energy as a field, not just to save money, but it is environmentally the correct thingto do. As a Responsible Care company, we need to focus on conserving energy and not spending it freely, so it is not just the cost, it is also a matter of environment.

Nirav Jimudia: And sir, normally from January to March, we generally get our required quantities of ethyl alcohol, so have been successful this year also to get the required quantities at best of the prices that we normally procure because we generally find that this ethyl alcohol is also getting applications for that IPA which goes for sanitizer, so has there been any availability issues in terms of ethanol as well as pricing escalations?

Yogesh Kothari: What has happened is now the usage of the alcohol made in India has become less, we are mostly importing it, so this is not now become seasonal, it is all because there it is made from corn and earlier we used to buy it locally. That is why the seasonality was there and we buy large quantity and stock it up which is not necessary now.

Nirav Jimudia: Sir, last question if I may, sir if you can just help us in terms of the broad sales breakup in terms of Amines derivatives and specialty that would be helpful?

Yogesh Kothari: It is again difficult because some of the products are such that they again may fall in Amines, as they may fall in derivatives also. Kirat, it would be what about 50% Amines?

Kirat Patel: Yes, about 50% Amines, about 25% derivatives and may be 25% specialty.

Yogesh Kothari: It is in that region, may be a few percentage points here and there.

Moderator: Thank you sir. We have the next question from the line of Rohit Sinha from Emkay Global Financial Services. Please go ahead.

Rohit Sinha: In line with last participant's question that is about the mix between the Amines derivative so would be possible to just give a volume, rough figure aboutwhat kind of volume growth was there in these 3 segments?

Yogesh Kothari: I think we would not like to give details.

Rohit Sinha: And sir, so broadly if you talk about the Methylamine and Ethylamineindustry as a whole, which segment you see higher growth in Methylaminespace?

Yogesh Kothari: We are also making other amines, we are making also Isopropylamine, we make 2-ethylhexylamine also, so ours is a larger range of products and to some extent, yes, it is like some of them go more into agro, some go more into pharma like that but overall pharma is a larger user.

Rohit Sinha: And that it is largely are Ethylamines right?

Yogesh Kothari: Yes, Ethyl is larger, even Methyl also larger because if you see DMA-HCL is made from Methylamines and it is going for Glycomet.

Kirat Patel: Metformin.

Yogesh Kothari: Metformin, yes.

Rohit Sinha: And sir, would be possible to share overall export and domestic mix as a whole of your revenue?

Yogesh Kothari: Approximately, I will say this is again a round figure, these exports vary anyway from 15 to 20% and the rest is domestic.

Moderator: Thank you sir. We have next question from the line of Ayush Chalan, Investor. Please go ahead.

Ayush Chalan: It is a followup question on something the participant asked earlier, you had given a guidance that you would be planning mostly around 300 crores CAPEX to achieve a revenue target that you had given at your concall or AGMs, I just wanted to know how much of this would be debt and how much of it would be in internal accruals?

Yogesh Kothari: I think it is little bit early to give this because we hope that large amount of our internals will take care of it, but still we will go for debt especially if we are importing anything for that.

Ayush Chalan: And one more question I had on Ranitidine for the DMA-HCL, in the last concall, you had said that there was some issue with certain clients but it seems to be below the FDA level, so do you have any closure on that issue or is it still being investigated, could you help us with that?

Yogesh Kothari: To the best of our knowledge, there is no issue remaining now because most of the customers are buying from us, so we do not feel there are any issue remains but I need to check it up again.

Kirat Patel: As far as Ranitidine is concerned, I think the issue seems to be closed with US FDA and the Metformin thing is being resolved.

Moderator: Thank you. We have next question from the line of Kunal Mehta from Vallum Capital. Please go ahead.

Kunal Mehta: Sir, you mentioned that our capacity for Acetonitrile was around 40 to 50 tonnes per day for the entire year, so this was operational throughout the year, you were operating at this level?

Yogesh Kothari: We operate throughout the year at an average of around 40 tonnes per day but I would say it is again this plan needs a lot of cleaning and repair work and all, so that is why this 40 tonnes.

Kunal Mehta: And sir, just one follow-up question on this one, we are announcing a CAPEX of 15,000 tonnes in Acetonitrile which start from FY22, so I wanted to understand that once we are off this peak in prices and the prices normalize after 12 months as you mean, so are you confident that this additional 15,000 tonnes which we are setting up, at least we will be able to use the capacity over a period of, I would say 3-3.5 years, is that your fair estimate?

Yogesh Kothari: We are very confident and we are in a situation, so that we are doing also for several of our customers who are insisting that we must have two locations, so that anytime they don't have a problem of getting a material, so the idea is to give our customers a comfort level as well as increase of capacities because the growth is also there.

Kunal Mehta: And we see this visibility despite when the I would say it is 24 months down the line and we have huge amount of Acetonitrile coming from the normal Acetonitrile group, despite that

Acetonitrile coming into the market after 18 months, would you still be able to maintain or we should be able to do justice with the plant which is setting up thecapacity?

Yogesh Kothari: One thing you remember that what Acetonitrile we produce is from acetic acid and ammonia and it gets classified as a green product because there are no real byproduct in this while the Acetonitrile which comes as a byproduct of Acetonitrile does have impurities which may not be suitable for industries. So it is after a lot of thoughts and people are really very happy that we are able to produce this in such large capacity on a continuous basis.

Moderator: Thank you sir. We have next question from the line of Vaibhav Badjatya from HNI Investments. Please go ahead.

Vaibhav Badjatya: As far as the replacement cost is concerned, you have also earlier in the call indicated that capital cost has gone up and your competitors also indicate that capital cost has gone up substantially in last couple of yearsor so, so what is unique to our industry that is leading to this high replacement cost, it is something to do with pollution control norms or what is the reason behind it?

Yogesh Kothari: I have not understood your question properly but when you say capital cost of the plant and equipment or of the whole project?

Vaibhav Badjatya: Yes of the whole project basically that creates an entry barrier for any new player in terms of making the products in the same pride. If the capital cost is high as compared to us, then definitely they are at a disadvantage position, so I just wanted to understand that why this cost has gone up so much?

Yogesh Kothari: Let me tell you, our size is such that it is too small for very large people and it is big for very small people, so we are in between, so we are able to manage in this. Now, why the cost has gone up, I don't know what do you mean by that?

Vaibhav Badjatya: Okay, probably I will take this offline and sir lastly, earlier in the call you alluded that earlier you used to kind of procure ethanol within India, then you shifted to outside India which is made out of corn, so why this is not happening in India? Why the corn has not been used to make ethanol in India? Any reason for the shift? Is it price competitive or why the trend is not in India?

Yogesh Kothari: Alcohol in India is made from sugarcane molassesbecause there is ample sugarcane in UP as well as Maharashtra, Government is helping the sugar industryby allowing them to sell Ethyl Alcohol as a blend to the petrol and fixing a price which is quite high.

Moderator: Thank you sir. We have next question from the line of Nav Bhardwaj from Anand Rathi. Please go ahead.

Nav Bhardwaj: Sir, short question on the availability of land, is there enough land available for expansion in Pune as well or all new capacities are going to come in Dahej?

Yogesh Kothari: No, in Pune we have some space, we have got our environment clearance for some of the projects and Dahej we have also enough space for the time being but we will look for some more space in the short term, may be after these projects are over.

Nav Bhardwaj: And also sir, quick question on, could you share some light on the quantum of capital usage forMethyl and Ethylamines and how much do we sell it outside?

Yogesh Kothari: Off hand,I am not able to tell you this but we use Methylamines for 2-3 products like DMA-HCL which goes for Ranitidine and Metformin. We also make DMAPA which goes for manufacture of betaines which goes in the shampoos, then we make Ethylamine for manufacture of DEHA which is Diethylhydroxylaminewhich goes for water treatment and some other polymer applications also. We also have some other specialty products based on Ethylamine.

Nav Bhardwaj: And lastly sir, on our export mix, do we see this changing in the near future, foreseeable future, do we see that 15-20 turning to more of a 30 to 50% kind of a range based on the visibility, one or two years?

Yogesh Kothari: I am often not able to look at, but I think that the Indian market growth as the customer base increases, our products will be needed in India itself, I would rather make them sellin India rather than export them.

Moderator: Thank you sir. We have next question from the line of Ronil Dalal from Ambit Asset Management. Please go ahead.

Ronil Dalal: Sir, my question was that given that even your competitors adding a lot of Ethylamine capacity, are we still going to go ahead with the stitching over of Methylamine to Ethylamine at Patalganga?

Yogesh Kothari: That is already there.We are already manufacturing this in Patalganga. We have already spent money on whatever necessary things are there and that is the continuous process, we go on adding new equipments to improve the process. This capacity is much more than what is at Kurkumbh.

Ronil Dalal: You are going to add 6000 to 7000 tonnes?

Yogesh Kothari: Approximately would not be able to tell you.

Ronil Dalal: And sir, the proposed ban on the chemicals, so there were some government notification on that to propose ban on some chemical products, so are any of your business is affected by that? Any of your revenue mix affected by that?

Yogesh Kothari: Which ban you are talking about?

Kirat Patel: You are talking about the agrochemical ban?

Ronil Dalal: Yes.

Yogesh Kothari: That is still a draft.

Kirat Patel: Yes, draft, proposed ban.

Yogesh Kothari: And the government has already indicated that exports will still be allowed.

Ronil Dalal: I mean given the direction in a year or may be more than a year, may be some of those could get banned but would you be impacted in anyway if that happens?

Yogesh Kothari: Yes, to some extent yes, but not very significantly.

Ronil Dalal: Would it be a single digit revenue in that, something like that or low impact like that?

Yogesh Kothari: None of our product goes, I mean every into any one singular product but some products we used to manufacture for a long time and they have short of over a period of time faced out in any case but this is personally I don't think is going to affect us much. Yes, it will be in single digit type of percentage.

Moderator: Thank you. We have next question from the line of Alisha Mahawla from Avendus Wealth. Please go ahead.

Alisha Mahawla: Earlier in the call, I don't think you get these details out, for FY20, can you split your growth into volume growth and value growth?

Yogesh Kothari: I can do one thing,Kirat can you just?

Kirat Patel: Yes, I will just take that. The value growth is about 17% as you can see from the numbers and volume growth is plus or minus 1% of that. So it is almost the same, though within that volume there may be some major ups and downs but the overall is, 17-18%.

Alisha Mahawla: And just for my understanding, sir I believe it was mentioned that in H2 of FY20, the volume growth was almost flat with very little volume growth, sir is this because of limited capacity being available?

Yogesh Kothari: No.

Alisha Mahawla: Was it a capacity constraint issue?

Yogesh Kothari: No, it wasn't a capacity issue and it was not significantly lower. Overall if you say that first half we grow at 20%, second half we grew at 16-17%, then average came to 18% that kind of number and the last week of March, we lost sales because of the shutdown. One week we lost.

Alisha Mahawla: One last question sir, this Methylamine capacity that is expected, all of it is going to be used to produce derivatives right? Any indication of what is the kind of revenue that we can look for from this capacity?

Yogesh Kothari: Not all of it is going to be used for derivatives, it is both merchant and internal use and increase of about 15,000 tonnes at peak, then all of the 15,000 tonnes increase is used up at the price of about Rs. 80 or so I think it is would be about another 150 crores.

Alisha Mahawla: And any indication, how long will it take to reach the peak capacity?

Yogesh Kothari: It won't take long.

Moderator: Thank you. We have the last question from the line of Amandeep Singh from Ambit Capital. Please go ahead.

Amandeep Singh: Sir, can you help us with margin guidance for the next two years assuming that Acetonitrile prices start reverting to FY19 levels in FY22?

Yogesh Kothari: Difficult to answer your question because at this stage we would not like to think of future in a negative way, so let us keep it the way it is today.

Amandeep Singh: And sir, are you witnessing any pickup in demand from the international markets in the recent past and if yes, can you highlight the products and how competitive are Indian players in the export markets?

Yogesh Kothari: Our products are made internationally in Europe, USA, China and Japan and Korea and all, so there is competition everywhere, so we have to be in a situation that we are able to compete as well as the customers over there, they will want your products just in time, so all that logistics and all has to be worked out very well but we have been successful over a period of time which has helped us a lot.

Amandeep Singh: And lastly, one book keeping question sir, so sir the tax rate during the year was around 18%, so can you help us with normalized tax rate going ahead?

Yogesh Kothari: The normalized tax rate will be about 22%, the regular one, because of the deferred tax assets which we have had to use up. The tax rate changed from 39% down to 25% and the deferred tax had to be recalculated.

Moderator: Thank you very much sir. Ladies and gentlemen that was the last question. I now hand the conference over to the management for closing comments. Sir, over to you.

Yogesh Kothari: Thank you very much HDFC Securities and all the participants. I am very thankful for you giving us an opportunity to explain to you what we are doing and how we are doing it. Hopefully, we will continue to do well and may be better and I just want to thank our people who are in this call, Mr. Rajagopalan; Mr. Rahul Mehta; Mr. Kirat Patel and Mr. Chintamani Thatte. Thank you very much everyone. Be safe and be healthy.

Moderator: Thank you very much sir. Ladies and gentlemen, on behalf of HDFC Securities that concludes this conference call. Thank you for joining with us and you may now disconnect your lines.