



Alkyl Amines Chemicals Limited

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November 15, 2022

To,
BSE Limited
P. J. Towers,
Dalal Street, Fort,
Mumbai – 400 023.
SCRIP CODE: 506767

The National Stock Exchange of India Limited
Exchange Plaza,
Bandra Kurla Complex, Bandra (E),
Mumbai – 400 051.
SYMBOL: ALKYLAMINE

Sub.: Intimation under Regulation 30 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 – Submission of transcript of earnings conference call

Dear Sirs,

With reference to our letter dated October 28, 2022, please find enclosed the transcript of the earnings conference call held on November 9, 2022.

Kindly take the same on your records.

Thanking you,

Yours faithfully,

For **ALKYL AMINES CHEMICALS LIMITED**

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DATTATRAY | CHINTAMANI
A THATTE | DATTATRAYA THATTE
Date: 2022.11.15
19:17:13 +05'30'

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



Encl.: As above



Alkyl Amines Chemicals Limited

“Alkyl Amines Chemicals Limited
Q2 FY23 Earnings Conference Call”

November 9, 2022



Alkyl Amines Chemicals Limited



MANAGEMENT: **MR. YOGESH M. KOTHARI – CHAIRMAN AND
MANAGING DIRECTOR, ALKYL AMINES CHEMICALS
LIMITED**
**MR. KIRAT PATEL – EXECUTIVE DIRECTOR, ALKYL
AMINES CHEMICALS LIMITED**
**MR. CHINTAMANI THATTE – GENERAL MANAGER
(LEGAL) AND COMPANY SECRETARY, ALKYL AMINES
CHEMICALS LIMITED**
**MR. K. P. RAJAGOPALAN – CORPORATE ADVISOR,
ALKYL AMINES CHEMICALS LIMITED**
**MS. KANCHAN SHINDE – CHIEF FINANCIAL
OFFICER, 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 Q2 FY23 Earnings Conference Call hosted by HDFC Securities.

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. Nilesh Ghuge from HDFC Securities. Thank you, and over to you, sir.

Nilesh Ghuge: Thank you, Tanvi. Good afternoon all. On behalf of HDFC Securities, I welcome everyone to this Alkyl Amines Conference Call to discuss the results for the quarter ended September 2022. It is 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 (Legal) and Company Secretary, Mr. K. P. Rajagopalan – Corporate Advisor and Ms. Kanchan Shinde, – Chief Financial Officer.

Without further ado, I will now hand over the floor to the management for making opening comments. Over to you, sir.

Yogesh Kothari: Thank you, Nilesh, and thank you all the investors listening. I just want to start by saying that last few quarters were very challenging, and we hope that things will be better now.

I would like to say that we have a few projects, and already some work has been done on them. One of them would be high-capacity ethylamine plant, which will be coming up by May or June 2023, and we expect that this will help us in our future sales. We are also going to then utilize the plant which may be free after this new expansion, and the new products, which we are planning, may be produced on the existing plant. I am quite confident that the new products which we are planning are likely to be positive for the company, and in future this will contribute a large amount to the company.

This last few quarters were a little bit challenging mainly because Pharma industry in India was going through a dull phase. I would say, several of our raw materials and our main utility- coal - had seen substantial price increase. Prices of some of the raw materials have started coming down. However, some are still at high rates. Adding to this, of course, is conflict in Europe, which is going on, and that has added to cost increases in some areas. The investors can ask questions now.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Neerav Jimodia from Anvil Research. Please go ahead.



Neerav Jimodia: So, I have two, three questions to ask. Sir, first on your opening remarks, you mentioned that the new products could substantially increase our turnover going forward, and for which we may be planning to put up around 25,000 to 30,000 tons of capacity. So, if you can just elaborate on in terms of the opportunity size of the number of products which we are planning to put up? And are these import substitute products or are they meant for the export market?

Yogesh Kothari: Well, let me say that this new capacity which we will be adding would be for some new products which would be largely import substitutes, and these are developed within our R&D, and they are at a stage where they will be commercialized in the next few months, as well as, maybe in a few years' time. Some of them are derivatives of the amines, but mainly, most of them are new products. And our current expansion which is going on will be on ethylamine that will be finished by May, June next year.

Neerav Jimodia: So, sir, in terms of the opportunity size, in terms of the sales potential of each of these products, not today, but whenever they would be fully utilized, how much could be the sales potential of the products which we are going to introduce from the expansion what we have announced very recently?

Kirat Patel: Niles, this is Kirat here. Kirat Patel. The sales potential at full capacity of these products, say three, four years down the line when full usage of our assets is being made could be between Rs. 600 to 800 crores on the top line though the market opportunity is much bigger.

Neerav Jimodia: Correct. And are these products similar to our existing user profiles in terms of Pharma Agro or these products are developed for some new user industries?

Kirat Patel: Largely, the market is the same.: Pharma and Agro. There is a range of products. So, there are different uses for different products, but the same industry which we now **cater to**.

Neerav Jimodia: Sir, my second question is like in past of one of our annual reports, previous like some 13, 14 years back, so when I was going and reading them, one of the key issues which we are facing earlier was the power cost. Of course, it was internal to us, and then we gradually improved and reduced our per ton consumption also. So, like currently, when in our board meetings and discussions, what do you feel? Do you feel that are there any such other costs which where there is a scope for improvement or like some of the key intermediates which currently we are buying from the outside world and could be added through process innovation in our product portfolio which could help us to improve the margins further? So, which again could be internal to us in terms of cost efficiency as well as including the intermediates to our finished products.

Yogesh Kothari: See, what we are doing now is we are adding up solar capacity, which will be definitely a lot of saving in the electricity cost. Our coal requirement is mainly for generation of steam, which is one of our main inputs. So, that is something which we have not able to get down. So we have to use the high temperature boilers, to use turbine to make more power. In this way, that will also contribute to our bringing down the cost of power.



- Neerav Jimodia:** Correct. But sir, are we adding any or thinking of putting up some of the key intermediaries which currently we may be not producing or buying from the outside world which could help us in improving our process side innovation? Because products that you mentioned, we have been already introducing the products, which are, some of them are import substitutes. So, that would be taken care of, but are we also planning to put up some of the intermediate clients along with this, something of that sort and understanding from that point of view?
- Yogesh Kothari:** See. I'll tell you the raw materials which we use are mainly various alcohols and ammonia and similar types of products. Now these are produced in large plants, you know, and we don't have intentions in going into these type of plants because that's not our expertise. And there are many plants all around the world from whom we can buy this. Ammonia, of course, is a separate thing because most of it is imported from abroad, and some is made for fertilizer industries in India. And actually, the ammonia prices have really hit us in quite a significant way. We only hope that this conflict in Europe gets over fast because that is to some extent driving the cost.
- Neerav Jimodia:** And the last question to this is do we still maintain our long-term volume growth of 15% CAGR for the next five, six years which we have been already earlier indicating? Or do you want to change that guidance based on the Q2 numbers or probably the outlook of the disruptions going on at the global levels?
- Kirat Patel:** Yes. So, at the last Con-Call, we had indicated that we look at a long term period for 10% to 15% growth, which we have more or less achieved in the last 10 years. However, this year I don't think we will be able to. We may be on the lower side of this estimate. And it looks bit of a struggle given the environment right now. So, yes, it could definitely be a struggle for this year. But I think as things settle down, we can go back to that 10% to 15% growth rate in the volume, especially with new products coming in and, you know, the old products also have an organic growth.
- Neerav Jimodia:** And sir, this Europe what you told about in your opening remarks, the destruction is going on, Amines is predominantly produced in Europe also. So, could that throws an opportunity to get some additional volumes if the disruption sustains for a longer period of time? Could those volumes which are currently being produced by Europe come to us and thereby, we can capitalize on those volumes and fill up our capacities faster than expected? Do you see, sense those sort of opportunities?
- Yogesh Kothari:** Well, we do not see too much opportunities like that, but there is always a possibility if the conflict drags on for more time.
- Moderator:** Thank you. The next question is from the line of Pujan Shah from Congruence Advisors. Please go ahead.



Pujan Shah: Sir, my first question would be on aliphatic amines, which we have investment around 400 crores, and we would be around like I was reading the annual report and saying we would be commissioned in next quarter. So, could you just share your progress on that part for that?

Kirat Patel: As Yogesh bhai mentioned a little earlier, the 400 crore aliphatic amines plant coming up in Kurkumbh will be commissioned somewhere May end, June of the year 2023, which is say about six to eight months from now, you know. And mechanical completion is planned around April. So, we are on schedule more or less and well within the budget.

Pujan Shah: So, the Dahej plant which we have been commissioned and been like planning to get on the good route in March 26, is it on the streamline or it's been like some early stage on or like....

Kirat Patel: No, the Dahej plant is methylamine plant, the Kurkumbh plant is ethylamine plant.

Pujan Shah: And my second question would be what is the current utilization that we are operating because of this Pharma scenario? And how like as we have been reading on the US structure, the destocking currently now, and Pharma is getting now some traction on to the products. So, how you have been setting your order book? And how you are seeing this next H2 for your specific company?

Kirat Patel: So, if I get it right, you are asking was the Pharma Industry's difficulties affecting us? Is that the question?

Pujan Shah: No. My question would be, see, the Pharma co., or the Pharma industry is currently being like the tail is behind us right now, so where we are leading in the Pharma sector. So, are we seeing a better traction for H2 compared to H1? And what are the scenarios probably which would increase? Like is it for H2 or we have been eyeing for FY24 there?

Kirat Patel: So, yeah, see the Pharma sector has three problems related to it. One was an inventory build up. One was difficulties in export, and the other was a supply chain issue with China. Yes. They all are saying that slowly, slowly it is getting sorted out, and then they hope to do better in the second half. And we are also hoping that they will do better in the second half as they say, in which case we are, of course, very positive about the outcome. But, you know, there are always some unexpected things that happen. So, we must put some kind of cautionary note on that. Hopefully, the Pharma industry has sorted out their high stock situation. The exports and the supply chain issues may, you know, recur.

Pujan Shah: And what is the current utilization is like the scenario is bit of a sluggish?

Kirat Patel: The current utilization of our plants?

Pujan Shah: Yes.



Kirat Patel: We have about 15 plants. And you know, there are some working at full capacity and some at reduced capacity. But on the whole, I would say, we would be about 70%, but we keep adding capacities because there are specific products and specific items for which there is a shortage, and there's somewhere else where we are having capacity with a poor demand situation. But yes, on the whole overall for the company may be between 70%-80% capacity utilization. We do have headroom in most products.

Pujan Shah: And sir, for the agrochemical, if you can share the industry view and your position in that part? How is the industry going on currently?

Yogesh Kothari: Well, as far as the agrochemical industry in India, they appear to be doing quite well, largely because of the needs within India as well as for the export markets. And some are, of course, herbicides. Some are pesticides. So, depending on the product, some of the amines do go into that. Like for Glyphosate, our Isopropylamine goes, which itself is a quite a decent value. And in many other agrochemicals our products are going. So, hopefully, that remains, I mean, it continues like that, and some new capacities also might be coming up, which will help us.

Moderator: Thank you. The next question is from the line of Harsh Shah from Marcellus. Please go ahead.

Harsh Shah: Sir, question on the Pharma side. So, incrementally, quarter-on-quarter, we are seeing quite a bit of decline in the top line. However, in the Pharma side, the issues around export issues and supply chain issues have only improved in this quarter compared to Q1. So, in that context, why are we seeing such a sharp decline in the top line?

Kirat Patel: Top line decline is largely value driven, not volume driven. There's been a drop in prices because even some of the raw materials have stabilized and partly, of course, competition.

Harsh Shah: So, can you give us some numbers around the volume growth for Q2 as well as for H1?

Kirat Patel: We don't talk about specific volume, but the volume has been more or less flat. We don't give exact numbers.

Harsh Shah: And for H1 FY 22, that is last year, other numbers are also higher because we are supplying for the COVID-related drugs, which we are not supplying right now.

Kirat Patel: See, what I was referring to volumes being under stress is quarter-to-quarter while over the half compared to last year as you are referring to, there is a growth, you know. And in spite of the fact that there were some products which we were supplying for COVID related medicines, which are no longer there, you know. And the Pharma industry is getting back to what we might call normal, but they have had inventories which they have to run down.

Harsh Shah: So, could you be able to quantify volume growth in H1 year-on-year?



- Kirat Patel:** No, we don't actually give the numbers. We just give you an indication of the growth. So, the growth H1 to comparable half year, there has been a growth. About one-third of the growth in the top line is volume, and about two third is price.
- Moderator:** Thank you. The next question is from the line of Rajiv Rupani, individual investor. Please go ahead.
- Rajiv Rupani:** I have a question. My first question is apart from ethylamine, so you have said you are adding new products from specialty chemicals and amine derivatives. So, could you give us the names of the products, please?
- Yogesh Kothari:** We do not disclose the new product names, but one of them is likely to start sometime by end of this year. So, I mean, it's the new product. It's not made from any amine. So, this will be known only when we start production and start selling.
- Rajiv Rupani:** And my next question is on ethylamine and methylamine. So, what is our existing capacity of methylamine? And how much are we adding? And how much is the capacity of ethylamine? And how much are we adding? The current expansion?
- Kirat Patel:** This question we have answered about six months ago. But I will repeat it. In ethylamine, we do have a dedicated capacity in Kurkumbh of about 50 tons per day, and there is a plant in Patalganga which is also capable of making ethylamine, which is at 25 tons a day. But that plant is a multi-purpose plant because it also makes methylamine. The plant in Dahej makes methylamine of about 150 tons a day, and the Patalganga plant is capable of making methylamine of 50 tons a day. So, you have overall capacity of approximately 200 tons per day of methylamine and 75 tons a day of ethylamine, but within that there is a commonality in the Patalganga plant. If you use it for one, you can't use it for the other. Have I answered the question?
- Rajiv Rupani:** And how much are we adding now, ethylamine?
- Kirat Patel:** We are adding ethylamine of 100 tons per day. So, the Kurkumbh plant of 50 tons per day will become free for other products where one of the new key products is going to be made after some modifications, of course.
- Yogesh Kothari:** We will be adding a new methylamine plant after some time.
- Rajiv Rupani:** That was helpful. My other question was regarding DMF. Now our competitor is producing DMF. So, do we have any plans for producing DMF and Tetrahydrofuran?
- Yogesh Kothari:** In principle we do have a plan. When we make it, we will let you know.
- Rajiv Rupani:** Sorry, sir. Can you repeat?



Kirat Patel: One of the products which we have and you may have seen our EC application and it is one of the listed products where we have in mind. At some stage perhaps we will get into making Dimethylformamide.

Rajiv Rupani: And my last question was on ACN, Acetonitrile. What is the current outlook on the prices of CAN? And what is the total capacity right now?

Kirat Patel: As mentioned earlier, we have now two plants of Acetonitrile. One in Kurkumbh plant which we have had for years. And recently, last year we commissioned the plant in Dahej. The Kurkumbh plant was about 12,000 tons capacity, and the Dahej plant is 16,000 through 18,000 tons capacity. So, between the two, we have about anywhere between 28,000 to 30,000 tons capacity.

Rajiv Rupani: And the outlook on prices?

Kirat Patel: Well, the prices have been reasonably steady. I mean, there was a little pressure about a quarter ago, but that seems to be easing off. Of course, it's not the prices which prevailed a little earlier, you know, a year-and-a-half ago or something, but they are easing on. The raw material Acetic acid has been little stable and has come down to reasonable levels.

Moderator: Thank you. The next question is from the line of Jaiveer Shekhawat from Ambit Capital. Please go ahead.

Jaiveer Shekhawat: So, firstly, the question on the capacity expansion that you are undertaking. Could you specify the overall domestic demand for the new products, the imports that are coming into the market, and if you would be the sole manufacturer in India for these products?

Kirat Patel: See, let's start with the first one which we have already talked about ethylamine plant which is coming up. That is a well-known market, mostly domestic. A bit of the products will go to export markets, but that is not significant. We were running out of capacity of ethylamine and methylamine. So, we had to expand, and that's why we have put up this plant. There's a steady growth in the ethylamine market, and we hope it will continue to grow because on the back of the Pharma doing well.

The other five products, we have a planned capacities aggregating between 25000 to 30,000 tons, which may take a little time to kind of get into this market. The markets are both domestic and exports. One or two products are export oriented, and the others are domestically focused. So, it is going to take us time, and they are going to be launched from, as Mr. Kothari said, from maybe December this year, the first one, and rolled out over the next 18 to 24 months, for every quarter or six months, one or two products. And we will talk about the products once they are in the market.



Jaiveer Shekhawat: Understood. And sir, what kind of ramp up are you looking? What kind of gives you the confidence to ramp up capacity utilization for these new specialty chemical and amine derivatives products that you look to launch?

Kirat Patel: Well, we choose products where there are no more than one or two people who are making it. We would like to be among the top three producers in the world, you know. So, we choose some specialties and amine products. And of course, in the domestic market, as you know, that is, in the amines and the derivatives and the specialty, there are hardly any players.

Jaiveer Shekhawat: And sir, on the top line growth itself, what we have seen is even your competitor has seen pressure on their top lines. So, is it because of the competitors that we have to also pass on the benefit to the end users, because we have seen the RM price correction?

Kirat Patel: Yes, you are right, because who decides the price? As we keep saying, the price is decided by the market, and the market is decided by the competition. So, it's very rare that, unless you are a monopoly, you will get the chance to decide this. So, you are right. It's the competition which is deciding the price.

Jaiveer Shekhawat: Because, sir, what I remember is even in say prior calls, what the management had guided for is that, probably, they may not look to pass on the entire benefit to the end users given the RM brunt was not passed on to the end users. So, is there a change that's happening over there?

Kirat Patel: Well, you know, as you can see, the capacities are there in the country. The markets has not grown as fast as expected in some of these products. So, there are going to be pressures until the markets catch up. It always follows a kind of a wave function, you know. Sometimes it gets very tight and sometimes it's, you know, you have a long situation.

Moderator: Thank you. The next question is from the line of Anurag Patil from Roha Asset Managers. Please go ahead.

Anurag Patil: Sir, in the second half, how do we see the margin trajectory panning out?

Kirat Patel: Well, you know, it's a bit difficult to predict the market and margins but we are always trying to being able to defend a certain set of margins. Of course, a couple of years ago, we had enjoyed a very wide increase in margins, and we are now back to the normal. And I think the margins is something which we will be able to probably defend because what we have in terms of raw materials prices; our competitors have the same consequence. And hopefully, sensibly, the market will settle to a reasonable price and cost equation, but it's very difficult to predict what tomorrow's margins are going to be as you can see that it's difficult to predict even the cost of the largest commodity in the world, oil, you know.

Anurag Patil: And sir, second is just a clarification on this recently announced expansion, you mentioned the revenue potential s 700 crores to 800 crores. Am I correct?



- Kirat Patel:** That is for the new products, not including ethylamine. The other new five, six products, which we are launching over the next 24 months.
- Anurag Patil:** So, that is the market opportunity?
- Kirat Patel:** No, the market opportunity is greater. This is what we think we will be able to capture.
- Moderator:** Thank you. The next question is from the line of Neerav Jimodia from Anvil Research. Please go ahead.
- Neerav Jimodia:** So, if you can let us know, like, in terms of how many new products we have introduced on the derivatives and the specialty side over last five years through our product team? And if you can highlight like in terms of its sales contribution, have those products contributing currently 4 to 5% of our sales? So, does some of the products what we have introduced over the last five, six years have now been contributing around 4% to 5% of our sales? So, have those products matured to that level?
- Kirat Patel:** Well, you know, I don't have the exact numbers, but if I look at a slightly longer period, a 10-year period, though products which we have launched in that period definitely contributing to both top line and bottom line quite large amounts. Of course, there has been the last four years we haven't launched too many new products. In fact, I can think of hardly any, but earlier than that we had launched. And going forward, these five, six products is predicted to be adding maybe almost 20, 25% of our top line, and add significantly on the bottom line if markets hold up.
- Neerav Jimodia:** So, sir, generally, when we introduce the products, what sort of payback periods we take into consideration? Because once we start introducing the products, then we try to capitalize, try to do debottlenecking some of those products, and then those incremental volumes also start giving us those incremental turnovers. So, what generally we think of a payback period when we sort of introduced four, five products at once as a basket of products in the market?
- Kirat Patel:** So, for a new product, the kind of expectations on the paybacks are a little higher because of the risks are higher before we, you know, spend money on it. But an existing product, obviously, the payback tend to be longer because we know the market, and the risks are less. So, we are satisfied with a longer payback. But if you look over maybe a 10-year period of our company or even in the last five years, you will find that our return on capital employed is about between 20% and 25%, and that is something the minimum we expect.
- Neerav Jimodia:** Sir, second question is on the acetonitrile. So, if you can make us understand the market of acetonitrile in India and globally, what is it at currently?
- Kirat Patel:** Well, the Indian market was in and around about 28,000 to 30,000 tons last year. It seems to have not grown. In fact, it may have had a small degrowth because the Pharma industry has had



a problem. The international market size, it's a bit of a guess, because there is no data available fully. But we expect over 100,000 to 120,000 tons. Probably more than that. may be 150,000 tons.

Yogesh Kothari

Specifically in Acetonitrile, a lot of used materials comes into India, and people recycle it and use it. Even though industries are not supposed to use, like the Pharma industry and all, apparently, some of them are using it, you know, which is to some extent affecting tonnages. But it is something which is not going to stop. It will remain like that. So, there is a lot of waste material available all around the world.

Neerav Jimodia:

And sir, last on just a small clarification in terms of the plant of ethylamine which is going to get commissioned next year. How much time generally it takes for us to achieve the full utilization of this plant before we again go for some debottlenecking or some addition to the existing capacity of 33,000 tons?

Kirat Patel:

This is a little difficult question, you know, because sometimes we go completely wrong. If you remember methylamine, which we commissioned in 2017-18, and we had not expected to debottleneck it for another five years, because we had gone from 50 to 100 tons. But within three years we had to debottleneck it from 100 to 150 tons per day. But that may be a kind of an outlier, but normally, one would expect the first debottleneck exercise to come up about five years to seven years from the time you put up the plant.

Moderator:

Thank you. The next question is from the line of Pujan Shah from Congruence Advisors. Please go ahead.

Pujan Shah:

Thanks for the follow-up, sir. One of my question would be in our new products side. So, are the competitive intensive landscape which we are focusing on specifically on the Indian demand of our new products, and are we seeing an intervening from the government in specific of import tariff for this product and that could be a more, more win advantage to our company?

Kirat Patel:

Sorry. You are saying how will we be competitive in the new products?

Pujan Shah:

Yeah. So, competitive landscape for the new products. And the second is, is there any import tariff applicable for the new products which could be a growth demand for consumption of a domestic demand?

Kirat Patel:

Well, the first question about competition. As I mentioned earlier, you know, when we do our shortlisting of new products, we try to see if there are not too many players in the field. And normally, two, three, four people, they are especially in the specialty chemical business, because it's a global. And therefore, the competition is restricted because technologies are difficult. The other part of the question about the import restrictions planning There are no such specific import restrictions which help us in the domestic market. We have to compete in the marketplace with all the normal tariffs.



Pujan Shah: Sir, my second question might be a very basic question. But I wanted to understand what is the products has been like why our products are so efficient that the competitive is limited to one or two such companies, like we have been restricted to bi-poly or monopoly of the companies or this product has been more of a CAPEX driven product or like it's been an economies of scale where you have been profitable if you achieve a breakeven minimum capacity utilization? So, what makes this competition limited to each and every for this industry specific?

Yogesh Kothari: I think the issue is why are we going into these products? First of all, we do a significant amount of work on it to develop the product after finding our feasibility of the product. Then we will look at our manufacturing expertise in some of the processes which are there, and if it helps us to use the expertise which we have in some of the processes, we try to see that by producing this new chemicals in the new plants maybe, but that would help us because we already have some of the experience. Our R&D is very strong. We try to make sure that what we develop comes to a level which would be competitive all around the world. So, the cost part of it, of course, we do study it. Otherwise, we don't go into it, you know. So, we would go into products which is showing, decent amount of profitability. Then we plan all these products.

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

Yogesh Kothari: I think we had a very good interaction with the people who wanted to know more about the products and all. Very confident that the new products which we are getting into will be very successful, and our company will do better in future. We had some issues because of the market conditions as well as the raw material cost being so high. But hopefully, gradually, the problems will also peter away. We hope that the Pharma industry in India has a better positive upturn both from the local sales as well as from the exports. Well, I think, I want to thank everybody who has been listening to this.

Moderator: Thank you.

Kirat Patel: Thank you, everybody.

Moderator: Thank you. On behalf of HDFC Securities, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.