



THE SUKHJIT  
STARCH AND CHEMICALS  
LIMITED

EVOLVING WITH NATURE

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To, The General Manager-Listing Department BSE Limited 25th Floor, P.J. Towers, Dalal Street, Fort, MUMBAI- 400 001  Ref: Security Code: 524542	To, The General Manager-Listing Department The National Stock Exchange of India Limited Exchange Plaza, 5 <sup>th</sup> Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (E), Mumabi- 400 051  Ref: Symbol: SUKHJITS
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**Reg: Transcript of Earnings Call hosted on November 16, 2023**

Pursuant to Regulation 30(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the transcript of the Conference Call / post Earnings Call hosted by the Company on November 16, 2023 to discuss Q2 & H1 FY24 results, is attached herewith.

You are requested to kindly take note of the same.

Thanking You,

Yours Faithfully,

For THE SUKHJIT STARCH & CHEMICALS LTD

VICE PRESIDENT (FINANCE)  
& COMPANY SECRETARY

Encl: as above





“The Sukhjit Starch & Chemicals Limited Q2& H1 FY'24  
Earnings Conference Call”

**November 16, 2023**



**MANAGEMENT: MR. BHAVDEEP SARDANA – SENIOR VICE PRESIDENT  
& CHIEF EXECUTIVE OFFICER, THE SUKHJIT STARCH  
& CHEMICALS LIMITED  
MR. DHIRAJ SARDANA – SENIOR VICE PRESIDENT &  
CHIEF EXECUTIVE OFFICER, THE SUKHJIT STARCH &  
CHEMICALS LIMITED  
MR. AMAN SETIA – VICE PRESIDENT (FINANCE) &  
COMPANY SECRETARY, THE SUKHJIT STARCH &  
CHEMICALS LIMITED**

**Moderator:** Ladies and gentlemen, good day and welcome to The Sukhjit Starch & Chemicals Limited Q2 and H1 FY24 Earnings Conference Call.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing '\*' then '0' on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Aman Setia. Thank you and all to you, Mr. Setia.

**Aman Setia:** Thank you. Good morning, ladies and gentlemen. On behalf of The Sukhjit Starch & Chemicals Limited, I would like to extend a warm welcome to all of you who have joined us for the Q2 H1 Earnings Call. We appreciate your time and interest in our Company's performance. I hope that everyone had an opportunity to go through the financial results which have been uploaded on the stock exchange.

As we present the financial and operational performance for the first six months of FY24, we also take this moment to wish you a Very Happy Diwali and a Prosperous New Year.

While we maintain a positive outlook for our Company's prospects, we also remain committed to delivering the value to our shareholders. By prioritizing the key areas, we are confident in our ability to drive sustainable growth and generate long-term shareholder value. Our legacy for the past eight decades provides a solid foundation for the future success.

I will now share the Highlights of our Financial Performance for Q2 and H1 FY24. For H124, the Company has reported a total revenue of Rs.647 crores against Rs.705 crores in H1 FY23. EBITDA stood at Rs.63.40 crores against Rs.76.41 crores in the corresponding previous half year. Profit after tax stood at Rs.27 crores against Rs.39 crores in H1 FY23.

Now, coming to the quarterly performance for Q2 FY24, the Company has successfully maintained its revenue at Rs.323 crores against Rs.324 crores in Q1 FY24 despite 15 days annual maintenance shutdown at its largest manufacturing facility. Company has also maintained its EBITDA margins at 10.05% with an improvement of 51 bps in Q2 compared to Q1. EBITDA stood at Rs.32.46 crores as against Rs.30.94 crores in Q1. Net profit margin has also improved by 21 bps from Q1. The profit after tax stood at Rs.13.66 crores in Q2 FY24 as against Rs.13.04 crores in the previous quarter.

Dear friends, from the management, we have with us, Mr. Bhavdeep Sardana -- Senior Vice President & CEO and Mr. Dhiraj Sardana-- Senior Vice President, CEO of the Company.

Now, I hand it over to Mr. Dhiraj Sardana to give a brief about the Company and its operations.

**Dhiraj Sardana:**

Hello, everyone. Sukhjit Starch & Chemicals, incorporated in 1943 is an agro processing Company that specializes in the production of starch and its derivatives. With a rich history as one of India's oldest and largest starch producers, Sukhjit Starch & Chemicals Limited has forged enduring partnerships with major brands and end users. A diverse product portfolio includes Starch, Dextrin, Liquid Glucose, HMS, Malto Dextrin Monohydrate Dextrose, Anhydrous Dextrose, Sorbitol 70% Solution and various byproducts, catering to a wide spectrum of industries. The products are used in diverse industrial and commercial applications such as food and beverages, paper and board, personal care and pharmaceuticals and textiles, FMCG, animal and pet foods, etc.,

I now hand it over to Mr. Bhavdeep Sardana for more insight on the Company's performance.

**Bhavdeep Sardana:**

Good morning, investors and stakeholders. Briefly, in the quarter ending September 2023, our Company navigated a challenging period marked by pricing pressures on finished goods and subdued demand for certain higher value seasonal products.

While raw material availability and pricing remained stable, the impact of weak demand persisted, particularly for some high value seasonal items affecting our Q2 revenue from operations. This was also mirrored in FMCG majors citing weak rural demand. Regional constraints emerged due to erratic monsoons and floods impacting the demand for specific products. Responding to these challenges, our Company proactively secured an ample supply of basic raw material at an optimal cost considering the unpredictable climatic conditions affecting the sowing of kharif crop. This strategic approach positions us for improved operating outcomes in the upcoming quarters, notably, our revenue from operations remained robust during Q2 FY24, even amidst our 15-day maintenance shutdown at our larger facility in Punjab... this was also highlighted by Mr. Aman Setia in his remarks on the financial performance.

Looking ahead, we are actively progressing with plans to expand our installed capacity by 25%, aiming for completion in the coming quarters. The exploration of expansion avenues, including Greenfield projects and Brownfield. Brownfield facility acquisitions is underway contingent upon market dynamics and internal assessments.

Our commitment to enhancing the product portfolio and advancing operating margins remain steadfast. We adhere to a business model focused on serving key customers and markets near our plant locations. This philosophy aimed at sustaining growth across existing locations while exploring new avenues for expansion continuously drives us to enhance overall business and create value for our stakeholders.

Our strategic placement of facilities in our local domain allows us effective client service, expanding our presence across different geographies remains the key objective, strengthening our market share and gaining a competitive advantage.

To address evolving customer demands, we optimize our product mix, emphasizing high value offering. This approach enables us to stay competitive amidst changing market dynamics. Aligned with the strategy, we have allocated capital expenditure to enhance the capacity of existing plants, increasing daily installed production capacity from 1,600 MT per day of corn grind to nearly 2,000 tons over the next few months. Importantly, these investments are entirely funded through internal accruals, underscoring our financial strength and Company sustainability. In line with our commitment to efficiency and volume enhancement, we are prioritizing higher capacity utilization, striving for optimal performance and maximizing operational efficiency and productivity. Despite margin pressures from higher raw material cost and energy cost due to geopolitical conflicts, we partially offset these impacts by passing on cost to the market.

Our forward-looking strategy involves prudent market entries, planning to diversify into new product segments and adding new and diverse customers as we ascertain demand visibility. With a resilient foundation, we are poised to harness emerging opportunities and drive sustainable growth in the years to come.

That is the commentary from the management side. We now request the moderator to open the floor for questions and answers. Thank you very much.

**Moderator:** We will now begin the question-and-answer session. Our first question is from the line of Aditya from Securities Investment Management. Please go ahead.

**Aditya:** Sir, in our press release as well as in introductory speech, we mentioned that we are seeing pricing pressure on our finish goods. So, if you could just elaborate what is happening in the industry which is leading to pressure on realization, and is this pricing pressure for all products for exports or is it for select products only?

**Bhavdeep Sardana:** So, thank you Aditya for this question asking for more details. There was a moment in the last quarter where there was pricing pressure on some of the products, not all of the products. As we mentioned that some products have seasonal demand. So, there was a higher pressure on those due to relatively soft raw material prices, the finished goods products pricing also corrected in line. And another factor which happened was the co-products by the industry manufacturers, it has competing products, competing uses from others, such as oil from other sources or protein input from other sources. So, there was a certain softening in that. But that period is over now, and we are looking at consolidation in pricing going forward.

**Aditya:** So, if I have to understand better, there was a drop in the raw material prices which we passed all to our customers, but the overall demand for our products is still pretty strong. Would that be a correct assessment?

**Bhavdeep Sardana:** Yes, yes, demand is strong because our raw material is an agro commodity. Naturally, the finished goods pricing also fluctuates accordingly.

- Aditya:** We have seen a surge in pricing for all our end products after COVID due to variety of factors. So, are the prices now back to pre-COVID levels or we are still above those levels?
- Bhavdeep Sardana:** See, everything gets correlated to the raw material. I'll start the second largest cost, which is energy. Energy is higher than pre-COVID levels as on date. Raw material is now getting towards the stability towards the higher end because of multiple stakeholders of the maize crop in India, multiple users manifesting itself. So, we are now going to see prices of finished goods at a higher end from here on.
- Aditya:** So, corn prices pre-COVID trend around Rs.12 to Rs.14 a kilo which I think now is around Rs.20 a kilo. So just wanted to understand what has led to this rise in maize prices?
- Bhavdeep Sardana:** Aditya, you are not looking at the larger picture. Maize pricing was immediately in the quarter preceding COVID, it was Rs.22, 23, it fell during COVID to Rs.12 to Rs.14 and it has been steadfastly rising since then and price landed in North India is close to Rs.22 to Rs.24 varying, and in central India, where the kharif crop is there, you are very right, it is hovering between Rs.20 to Rs.21. That's at the farmyard pricing. So, pricing is higher or is back to pre-COVID levels, that's the scenario.
- Aditya:** Considering the erratic rainfall which we witnessed, so do you think there are chances of maize prices increasing further or the maize should stay around these levels only?
- Bhavdeep Sardana:** Voice is not clear.
- Aditya:** So, considering the erratic rainfall which we have witnessed this year, so are we witnessing that the call prices may increase further, or do you think these levels are sustainable for now?
- Bhavdeep Sardana:** See, the erratic monsoon has resulted in a delayed harvest of the crop and that will sustain higher pricing till all the mundies come in arrivals, all the market yards which grow may during kharif season. So, the pricing will remain on the higher end, and I believe that there is enough raw material for the industry. All stakeholders, all users of the maize in India, to get adequate maize, but I think the pricing is not going to soften, pricing will remain firm.
- Aditya:** USA, Brazil and Argentina have seen good harvest of maize and with maize prices trending downwards for them. So, do you think this could have any impact on our end product pricing or we are relatively insulated?
- Bhavdeep Sardana:** India is a non-GM producer of maize. As such, US corn and Brazilian corn cannot enter India. As a global sentiment, there is a certain mindset where people assume that there will be a correction in India as well. However, because of the sustained demand from India, all the stakeholders in India which are consuming maize, every sector will ensure that their raw material and the pricing will remain stable, or range bound.

**Moderator:** Our next question is from the line of Harsh Shah from Dimensional Securities. Please go ahead.

**Harsh Shah:** My first question is on demand. As you mentioned that Q2 demand was pretty soft, reflecting the sentiment seen by the FMCG Company. So, just wanted to get your sense on how demand is trending now, if we look at this festive season, so how is the demand scenario since Q2, if you can give some explanation on that?

**Bhavdeep Sardana:** Majorly Q2 we are seeing a good demand rising and I think demand in the rural sector should be picking up. Typically, we witnessed this during the festival season that this demand does play out during the festive season and the wedding season. All kinds of product categories start coming into action and naturally as a Company, we also stand to gain from it.

**Harsh Shah:** If we have to see over the last year when the demand has been pretty subdued, so would we have gained any market share with our clients or by adding new clients or adding new products within the existing client basket?

**Bhavdeep Sardana:** Of course, that's always our endeavor to keep adding new clients and we add the clients across all levels and categories, there is a continuous effort to add clients of a certain all scale, so we keep doing that. As far as new products are concerned, what we do is, as a Company, we are very quick and nimble to tailor make specifications within a particular product range and that constitutes as a new product for a new customer. So, if someone has a very tight specification of a particular product and they are unable to source it, we look at it as a value proposition and try to get a higher margin from it and we are able to do it because of how we have set up our product lines in all our facilities.

**Harsh Shah:** On the margin front, FY22 was the best year for us; we saw a margin of around 13.5%, 14%, since then we have reached the low of 8.9%. So just wanted to get a sense of what could be the sustainable margin from here on and what would be the key drivers towards achieving those numbers?

**Bhavdeep Sardana:** Coming back of a strong COVID recovery, the industry did very well. EBITDA margins we are doing between 9% to 12% is the range I would assume for most in the industry to achieve and we would also be hoping to achieve those numbers. If you see our back-to-back quarter numbers, we are maintaining and preserving our margins. If you see in the last two years, we've had triple digit operating profit of more than Rs.100 crores and this year as well, we are on track, and we hope to at least come up to that level. And if you go back to four years ago, see where we were. So, demand is there, our Company with a higher capacity which came online in the last two to three financial years has been able to service that demand within India. Hence, we've grown our market share. We've grown with the overall industry and going forward; we hope to continue this run.

**Harsh Shah:** To get a macro picture on the Company, so what is the kind of growth rate that we can anticipate for Sukhjit if we take five years view and currently we are sitting on ROC of around

11%, 11.5%, just wanted to get a sense on what kind of sustainable ROC the Company make because I believe that 9%, 10%, while this could be sustainable, but it would not translate into superior ROC for us like FY22 we saw maybe 18% to 20% kind of ROC. So, going ahead just wanted to get a sense on what would be the five-year growth outlook and what kind of ROCE can we expect from the Company?

**Bhavdeep Sardana:** A factual analogy which I have used in the past. In FY'04-05, the Company was barely 100 crores in revenue, and last year, we did 1,400-odd crores in revenue, that's 14 times growth in 18 years. So, you can imagine what the next five years are going to look like. We are a young team, both at the promoter and the management level and we are very excited about the opportunity in India, and we are working very hard to grow both our capacities and therefore our market share and have a healthy bottom line coupled with a very aggressive top line.

**Harsh Shah:** What is the target -?

**Bhavdeep Sardana:** Voice is not clear.

**Harsh Shah:** What is the ROC target that the Company is working with?

**Bhavdeep Sardana:** If I can say we are aiming for 20% to 25%.

**Moderator:** Our next question is from the line of Darshit from RoboCapital. Please go ahead.

**Darshit:** You said that we will be in the range of 9% to 12% of the EBITDA margins. So currently we're at 9%, when do you think will we clock in this 11% or 12% kind of OPM –in Q3, Q4 or in the next year, what would be the timeline approx..?

**Bhavdeep Sardana:** So, we are at 10% plus margins as on date and as and when the demand fully plays out in all sectors, urban and rural demand, we hope that our margins will also increase. There is a high possibility that Q3, Q4 will have a better margin. Like I said, we are an agro processing Company which has to deal with vagaries of nature and of late geopolitical conflict. So, if things don't change much, we are on track to deliver better margins. We are just keeping our fingers crossed.

**Darshit:** You had mentioned that you are planning on doing capacity expansion. So, any kind of update on that, whether we finalized where and what kind of CAPEX is going to require?

**Bhavdeep Sardana:** The 25% increase in overall installed capacity comes online in the next few months. It starts getting released in the first quarter of the next financial. I think by the end of the next financial, all of the capacity enhancement will be in play. As far as a new Greenfield or a Brownfield expansion is concerned, our teams are evaluating multiple options, and we will discuss internally and chart what is good for the Company and announce at an appropriate time in the next couple of quarters.



- Darshit:** No plans for taking any debt, right?
- Bhavdeep Sardana:** We are not planning on taking any debt for the existing expansions underway. For any Greenfield or a large Brownfield expansion we will decide at that time of deciding what path we are going to take.
- Darshit:** Finally, what would be the maize price currently?
- Bhavdeep Sardana:** Maize price in south India is about Rs.22 to 23, maize price in central India is about Rs.20 to 21,maize price in north India is about Rs.24.
- Moderator:** Our next question is from the line of Kanishka from Kirpalani. Please go ahead.
- Kanishka:** So, I think most of my questions are based on the longer-term CAPEX. So, if you can answer any that would be helpful? Currently, we're expanding from 1,600 TPD to 2,000 TPD. So, when you said that you all are doubling the capacity over the next 5 to 6 years or so,would that mean? 2,000 to 4,000 or would that mean 1,600 to 3,200?
- Bhavdeep Sardana:** Our exact plans whether it is 3,000 or 4,000 are being discussed internally.Safe to assume that we would be looking at a bare minimum of 3,000.If we can go higher if it makes sense and if we see an opportunity, which is immediately in cashable or executable we will not hesitate.But like I said, those are very forward-looking. I don't want to commit to it. We are evaluating and our decision-making process is going to take maybe three to four months and in the immediate subsequent quarter we will announce accordingly.
- Kanishka:** Also, again, this may be a bit premature because it's not finalized, but how do you usually do your expansions– is it done in phases or is it usually done where the whole thing commences in three, five years down the line?
- Bhavdeep Sardana:** That's pretty much an operational decision.Largely, as a Company, we like to commission the entire capacity at one go. Utilization may take longer. But if I'm working with a manufacturer of machinery, he's not going to keep coming back unless I go in for various small modules and then have an aggregation which somehow going forward doesn't seem very cost effective. It's better to have a large throughput facility and commission it in one go and the utilization factor can increase over the next few years of operating. So, this is the methodology which we will follow and which we have been following in the recent past.
- Kanishka:** Is there any industry standard figures you can give for CAPEX of let's say 1,000 TPD?
- Bhavdeep Sardana:** See, there are many numbers going around. It all depends on the location, type of plant, type of products, type of utilities. So, someone could set it up for Rs.350 crores somebody with basic products, somebody would spend over Rs.650 crores. So, there's no fixed number. So, there are many variables to it.

- Kanishka:** When are you all going to be focusing more on exports and do exports give better margins?
- Bhavdeep Sardana:** Not all the time, but yes, they give similar margins to what we are selling provided the facility one is exporting from is ideally placed to look at an export demand. As of now, we don't have any exportable surplus to cater to it, so we are not very aggressive in looking at export opportunities. Some do come and we do offer our products in the export market. Going forward, our decision on expansions in the export markets would be a variable in our decision-making process.
- Kanishka:** Is there any peak debt-equity ratio that you all are okay going to? Is there any gap on the debt-equity ratio over the next five, six years?
- Bhavdeep Sardana:** See, we've shown with our performance that we've gone up as high as 0.7 debt-to-equity ratio. Now, it is at 0.2 to 0.3. So that's the flexibility that we have shown that our Company can take on debt and service it. It's at a very healthy 0.1 to 0.22. So, as a Company, we are mindful of not being aggressive debt takers and using our own funds and we plan our expansions accordingly. We will be prudent going forward as well and that's the yardstick which our management and the older promoters have, the legacy they have instilled in the current set of management.
- Moderator:** Our next question is from the line of Harshit from Bottoms Up. Please go ahead.
- Harshit:** The first question is that as you mentioned that current quarter demand would slightly abnormally low because of the festive getting delayed. But can you just quantify some kind of a number for capacity utilization broadly if we are at 1,600 TPD capacity today, then for September, what was the kind of a number we were operating, wanted to get a sense of the volume growth over YoY or QoQ basis?
- Bhavdeep Sardana:** We've been consistently working at a good capacity utilization, and we read the market, and we timed our annual maintenance shutdown accordingly, so that we did not go below volume number and you've seen our Q1, Q2 numbers, they're pretty much similar with margins intact. I hope that answers your question and shows how our Company managed that scenario.
- Harshit:** So, when we look at this Rs.320 crores revenue versus last year September Rs.347 crores and at the same point of time, we know that some of the finished goods pricing is better today than a year back. So logically, we should read it as a volume decline?
- Bhavdeep Sardana:** No, not really. You have not understood what I was trying to say earlier, or the numbers don't reflect. I'll just clarify it for you that May price is corrected during the rabi crop that reflected in a lower selling price while volume has been similar. May corrected by 20% and the top line has only corrected by 10%. So, Company has actually worked harder and it's a huge credit to our manufacturing team for what they have achieved.

- Harshit:** So, basically, base prices have actually fallen. So, the final goods prices is lower YoY. So that compensates for the volume.
- Moderator:** Our next question is from the line of Senthil Manikandan from ithought PMS. Please go ahead.
- S Manikandan:** You mentioned that in the short term you'll be adding around 400 TPD and then over the mid to long term, we'll be eyeing for a 3,000 TPD. So, can you just explain what's the industry growth over the medium term and is the entire incremental capacity we will be utilizing it by gaining market share or is the industry growth itself will be sufficient to utilize the incremental capacity?
- Bhavdeep Sardana:** A very intelligent question and gives us an opportunity to talk about our industry. Our entire industry typically grows at the rate of GDP. Not everyone in the industry is growing. And there are a handful of manufacturers who are continuously growing and typically they are the top five manufacturers within the country and not everyone is timing their expansion every year. So, there is adequate demand growth within the industry for any capacity utilization to get absorbed. Now, as our Company, how we scale up? Let's say if I set up a 600 tons per day plant, I may start the plant at 300 and then over the next three calendar years or three fiscal years, I go up to. 90%, 95% utilization.
- S Manikandan:** In terms of products, if you can just explain it, we'll be going for derivatives higher value-added kind of products or like import substituted kind of products or it will be existing line of products?
- Bhavdeep Sardana:** See, we are evaluating all the three options which you have mentioned. Naturally, when we set up a new plant, it will have a mixture of starch and derivatives. What type of derivatives is that we are evaluating. Now there is another scope which you mentioned import substitute. There are certain fermentation products which we may look at going forward, but that may not happen immediately, that may happen in phase two of that location. But then again, we are evaluating those and I'm not committing to it.
- Moderator:** Our next question is from the line of Deep Gandhi from Astute Investment. Please go ahead.
- Deep Gandhi:** You did mention that you are expecting base prices to firm up and you mentioned you have stored the inventory. So, if you can talk about how many months of inventory you have stored? And because you are expecting these prices to firm up, are you expecting any inventory gains for the next two quarters?
- Bhavdeep Sardana:** Normally, we store inventory for a maximum of three to four months. So, naturally, if maize prices go up, there is inventory related gains to be had and we expect to have some releasing of those gains over the current quarter. But to say that it will also continue in Q4 would be a very forward-looking and a very ambitious statement.

**Deep Gandhi:** You mentioned that you're also looking at some new products in the presentation. So, if you can talk about what kind of products are you looking at and the opportunity size of the new products?

**Bhavdeep Sardana:** Post-COVID there has been a big change in consumer preferences. Skin care, skin cleansing, those lines everyone has taken seriously, and I think those habits are there now in everyone's daily life. There are certain products which we manufacture which can be tailored where we can supply to larger skin cleansing majors of the country, and we are evaluating those as a segment entry. As far as totally new product lines, there are fermentable both for animal feed nutrition and human consumption products which go into those the vegan movement for human consumption. So, we are evaluating again the opportunity size in that whether it is only an export opportunity, or will the India demand also play out? So again, we are working with the larger retailers in India and the larger producers in the US and Europe and how they perceive the market. So, it's a wait and watch in that space.

**Moderator:** Our next question is from the line of Aditya from Securities Investment Management. Please go ahead.

**Aditya:** I had a couple of questions on our food park business. So, if you could just help us understand how much area has been leased and how much is spending? And are we seeing any delays because the revenue is not increasing that much in the food park business?

**Bhavdeep Sardana:** Yes, the food park business is a very small part of our overall buy. As far as the area to lease out, about 55% has been leased out. We are under talks to lease out another 20%. Since the overall land area is not very large, 55 acres, and out of that, only leasable area was about 33 acres and 24 acres leased out, only 11 acres of plotted development, which we need to lease out. So, it's not that huge. As far as top line not increasing, you must understand that it's an infrastructure play. You get utility service charges, whether it is team, whether it is electricity or warehousing. So that top line will not be there. But yes, it's a sustained utilization of the infrastructure which we have corrected and we have become EBITDA positive in the food park and going forward we will see further improvement there.

**Aditya:** I believe we had invested around 140 crores to 150 crores in this business. So, what kind of revenues can this generate when all the areas are leased out?

**Bhavdeep Sardana:** Again, as I mentioned, it's an infrastructure play where the utilities are on a user pay model. Now, 65% to 70% of the utilities are already fully occupied or fully generating revenue to the Company. Going forward I can say that at full utilization of those utilities, we may see an increase of about 35% to 40% from these levels.

**Aditya:** We are supposed to receive I think 50 crores from the government as a subsidy. So, have you received the same?

**Bhavdeep Sardana:** We have received 40-odd crores already from 50 crores.

**Moderator:** Ladies and gentlemen, that was the last question of our question-and-answer session. I would now like to hand the conference over to the management for closing comments.

**Aman Setia:** I would like to thank everyone for taking out time and joining us today for this con call. I hope we have been able to respond to your queries adequately. We look forward to your continued support as we navigate the road ahead together. If you have any further queries, you may kindly reach out to our investor relations partner, OrientCapital. Thank you so many ladies and gentlemen and have a good day.

**Moderator:** On behalf of Sukhjit Starch & Chemicals Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.