

Ref: MOL/2021-22/31

November 29, 2021

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

Dear Sir,

Sub.: Transcript of Conference call held on November 23, 2021 to discuss Meghmani Organics forays into new variant of White Pigment Titanium Dioxide (TiO₂)

Dear Sir,

With reference to our earlier intimation vide our letter No: MOL/2021-22/29 dated November 19, 2021, we are enclosing herewith transcript of conference call held on November 23, 2021 to discuss Meghmani Organics forays into new variant of White Pigment Titanium Dioxide (TiO₂) in accordance with Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

Yours faithfully,

For, Meghmani Organics Limited

(Formerly known as Meghmani Organochem Limited)



Jayesh Patel

Company Secretary & Compliance Officer

Mem.No:A14898



Encl: As above

“Meghmani Organic Limited Conference Call on its forays into new variant of White Pigment Titanium Dioxide (TiO₂)”

November 23, 2021

Transcript

Moderator: Ladies and gentlemen. I am Aman, the moderator for this conference. Welcome to Conference Call of Meghmani Organics Ltd to discuss its foray into new variant of white pigment, titanium dioxide. The management of Meghmani Organics Ltd is represented by Mr. Ankit Patel – Chief Executive Officer, Mr. Darshan Patel – Chief Operating Officer, Mr. Gurjant Singh Chahal – Chief Financial Officer, and Mr. Bharat Modi – Investor Relations Advisors.

As a reminder, all participant lines will be in a listen only mode and there will be an opportunity for you to ask questions after the presentation concludes. At that time, if you have a question, please press * and 1 on your telephone keypad. Please note that this conference is being recorded. I now hand the conference over to Mr. Ankit Patel. Thank you and over to you, sir.

Ankit Patel: Thank you Aman, Good afternoon, everyone. I hope you had a chance to go through the presentation and the press release on our foray into new white pigment titanium dioxide. Meghmani Organics has strengthened its value-added proposition of its pigments division, which is entry into white pigment titanium dioxide. The Company's foray into titanium dioxide is in line with our vision of creating sustainable growth in the pigment division beyond phthalocyanine pigment blue and green. If we talk of India titanium dioxide production, it is around 80,000 tons per annum and the demand in India is currently about 250,000 tons and it is growing at more than 4% CAGR. India import more than 80% of this titanium dioxide. Meghmani growth plan is aligned to the government's making India an Atmanirbhar Bharat vision as titanium dioxide is an important substitute product. Meghmani Organics will set India's largest titanium dioxide at the hedge with the production capacity of 33,000 tons per annum. The Company will incur a total CAPEX of nearly 400 crore, and it is expected to commence commercial production by Q1 FY2. The aforesaid project is likely to contribute approximately 700 crore to Meghmani top line on full year of operation basis. The Company EBITDA of nearly 25% from this project. The project boast high ROCE and ROE to the tune of

(+20%) each. Meghmani Organics titanium dioxide project will be funded by a mix of internal accruals and debt.

With this, I request the operator to open the floor for Q&A session. Thank you.

Moderator: Thank you very much. Ladies and gentlemen, we will now begin the question and answer session. The first question is from the line of Rohit Nagraj from Emkay Global , please go ahead. Rohit your line is unmuted. Please unmute your line and go ahead.

Rohit Nagraj: Now so if you could just give us a broader understanding about you said that 80% of titanium dioxide is imported. So, from which all countries, it is being imported. Is there any threat from China if you know from the pricing perspective just to give a sense of the industry dynamics and obviously, it is an import substitute, so that logic certainly predates, but sense on how the demand supply has been there in the domestic market and how the growth rate has been from different segments. Thank you.

Ankit Patel: Thank you Rohit ji. First to answer the major imports come from China followed by USA, Australia, Mexico, Taiwan various countries. Now, regarding the mainly the China factor issue, now, there is no fear factor here because the thing is the key raw material for this is a naturally occurring raw material, ilmenite ore, so, be it China or India we are at par as far as the raw material is concerned. So, it is not going to make any impact. So, in the while we will be coming up with a project in India in fact, we will have upper edge. As far as the demand is concerned currently the demand is 250,000 tons and majority is being imported. There is import duty of 11%. There is no anti-dumping duty as of now, but the duty for the titanium dioxide is around 11% and if we talk about the application, the major application is into paints coatings, which is about 60% market, plastic polymer about 25% market and balance is with the other segments and it is growing at more than 4% CAGR. So, with such a high base 4% CAGR growth is quite good growth and it is also growing in the global market.

Rohit Nagraj: Right, got it. So, the other question is in terms of raw materials where are we going source it from the domestically and how the sourcing arrangements will be it is not available domestically.

Ankit Patel: It is available both domestically as well as imported and it is easily available. Currently also the players which are the manufacturing in India, they are relying on both import as well as domestic. So, availability of the raw material is not an issue.

Rohit Nagraj: Right, got it and one last clarification in terms of technology for this. So, is this in-house technology or are we taking it from some other player?

Ankit Patel: So, we are already in touch with the technology supplier. We have already discussed with the technology supplier. So, we are relying on the technology supply.

Moderator: Thank you. The next question is from the line of Subrata Sarkar from Mount Intra Finance. Please go ahead.

Subrata Sarkar: Yeah, so, my question is like titanium dioxide as you have explained and we also know this is one of the key raw materials of paint industry and like, there is a lot of demand for titanium dioxide and most of that is being imported for a very long time. So, what is the reason that not much competition here, number one and second coaching mineral, I suppose have some capacity, I don't know whether it is the same grid of that of us or not. So, who are the current player who are producing in India? This is the second question and if you answer this, then I will have few other questions.

Ankit Patel: Thank you. Subrataji. So, you rightly mentioned that the Indian paint market is growing very well. In fact, large group like JSW and Grasim Birla group, they are also entering into the paint segment and they are investing, Grasim is investing 5000 crore CAPEX they are going for the paint segment. They are going to commission in the FY 23. So, you can imagine the large corporates are also entering into such segments. So, there is a very high growth in the domestic paints and plastic segment. They expect about 10 to 15% growth in this segment. So, that is going to help titanium dioxide. Why nobody has entered into titanium dioxide project that's a good question. The thing is typically it comes under pigment and in the pigment for the conventional pigment like phthalocyanine pigment, azo pigment they are small players. Most of them are not conventional players. They are relatively small, who don't have capacity to invest heavily. This project is a high CAPEX and a technology-oriented project. So, that is why I think nobody thought of it going into till today, but we were from the very beginning we were eyeing this project and at the right time we are entering into this project when government is thinking making India an Atmanirbhar Bharat policy. So, I hope I answered your question.

Subrata Sarkar: Sir, is there any current player sir as I mentioned like Cochin Mineral has relevant titanium dioxide or not.

Ankit Patel: There are currently three players in India which are actively manufacturing one is the Kerala Minerals, one is the Travancore Titanium Products, and one is a VV Titanium Private Limited public sector unit government.

Subrata Sarkar: Sir, one question on the technology side I suppose you may not disclose the name of the player, whom we have done the technology tie up, but if you give some as you told like this is a technology intensive closely guarded technology. So, if you can help us to give some comfort on the tie-up which you have done on the technology side like how reliable they are, how old they are or like some color on that sir.

Ankit Patel: Subrataji, when we are investing such a high amount we have done thoroughly good due diligence on the technology front. At this juncture, I won't be able to share much detail about

the technology supplier. I'm sorry for that, but yes, the technology software which we have selected is a reliable and they have provided this technology in other companies in different countries and it is a proven technology.

Subrata Sarkar: Okay, sir, last question like when we are talking about like commercialization from Q1 FY24. Like we are expecting to start commercial production from FY 24 number one and like what is the like, how much time we are expecting. Once we start production, how much time we are expecting to like fully ramp up.

Ankit Patel: Yes, so, we are planning to do the commercial production in the Q1 of FY24. Initially, because it's a new project and the new technology we and we need to do the market development also parallelly. So, we hope that in the first year we should be able to run the plant for about 50% capacity and later on in the second and third year we should be taking it to 80 to 85% capacity utilization.

Moderator: Thank you. Our next question is from the line of Pravin Sharma as an individual investor. Please go ahead.

Pravin Sharma: Yeah. Sir, what I could understand as basically there are there are two modes, one is the high CAPEX requirement for TiO₂ and the second is the technology which is very technology intensive. These are the two broad modes, which will be applicable in the titanium dioxide industry. Now, as raw material is very easily available, as you pointed out the technology provider whom we have signed, do we have any kind of exclusivity at least per se for 2, 3, and 4 years initially or like you know, if the demand supply gap is too large and everything is imported, more or less than the existing suppliers are mostly PSU suppliers, then will they not sell it to somebody else the technology and more people will get into like what happened in the paint industry?

Ankit Patel: Yeah. The technologies of supplier with whom we have signed the contract is there is a security agreement and there is a agreement for about few years where we can have a security as far as competition point of view. Now regarding the PSU companies taking exit, I think yes, sooner or later government is doing disinvestment from the various businesses, but currently their focuses is into P2 big companies like LIC, BPCL and various more. So these are very, very small companies, where government as of now is not focusing on and these companies are, you know, typically government run Company where they are not expanding, where they are not giving any technology. It's very orthodox companies, they just stand still with whatever capacity they are manufacturing. So at this juncture, we don't see any big competition creating any problem and if at all any competition comes then also there is a huge gap, you know, because there is a large import already happening and there is a relatively good growth happening in India. So, there is no issue, but we are not hearing any big Company coming with the good CAPEX in the titanium dioxide in recent time.

Pravin Sharma: Ok and sir how this CAPEX be funded, we have lot of you know, renewable convertible debentures from fine cam which money which we have to receive. So, will it be used for this purpose or how will it be funded currently.

Ankit Patel: Pravinji as of now, we have a good cash reserve available with us. So, for this project what we have targeted about 30% of our reserve will be used as an equity, 70% will be taking the debt for this project.

Pravin Sharma: And this will be directly under the Meghmani, MOL only, this will not be through subsidiaries.

Ankit Patel: So, see there if at all the subsidiary comes then also it will be 100% subsidiary of Meghmani organics LTD. We are evaluating that as well because under the new tax regime there is a little bit of tax rebate available so we are evaluating that. It will be 100% subsidiary. So, you can say as good as Meghmani Organics Ltd.

Pravin Sharma: And sir, going forward, this will be our line of expansion in segments of because more or less we are done or we plan to have something there also or this is the more or less line of expansion now.

Ankit Patel: See the much bigger market is into titanium dioxide. So, if we will settle with the first phase of expansion, we will have a good hands on the technology and the plant utilization and definitely the first target would be expanding into the same segment again and again because there is a huge-huge opportunity.

Pravin Sharma: And my last questions does Tio2 have you know the market have customer stickiness like sample approval and things like that and after that, the buyer actually sticks to the vendor who supplies him who samples are approved or this is more of a you know less of customer sticking as more of a commodity come or a specialized chemical industry is concerned.

Ankit Patel: For any pigment quality plays a very important role. So, definitely the sample approval and everything the vendor selection from the customer size is always a proper. There is a system they follow, but it is not that they stick to the only one supplier if they find the right quality product from different suppliers and then definitely they will give priority and as I mentioned that you know in this time when the logistics supply chain is a very disturbance oriented thing there is a 11% duty also and if the product is readily available in the Indian market, that Indian companies will first give the priority to the Indian suppliers. That is what we believe if we supply the right quality product with the right pricing.

Moderator: Thank you. The next question is from the line of Monika Arora from Sharegiants Wealth. Advisors. Please go ahead.

Monika Arora: So my first question is the new project which is titanium dioxide project, would it be a greenfield project or a brownfield project? Brownfield expansion sir?

Ankit Patel: Monika Ji, we are evaluating both options.

Monika Arora: Okay, okay. Okay. So you'll be able to update it at a later stage.

Ankit Patel: Yes, we will be able to update it in the next few months.

Monika Arora: Okay and if you can tell me that the margins that we are currently having, which is around like 25% kind of margins, is it sustainable at consolidating level?

Ankit Patel: Because it's a high CAPEX project. Normally as you know that in the high CAPEX projects, the margins are relatively better and we have done last five to seven years market analysis and looking at from raw material sides and as well as the market sales price point of view and looking at our five to last five to seven years analysis we see that average with the margin comes to about 25%. So on consol pigment level basis, because currently the pigment division which is pigment blue and green generates about 13 to 14% better margins, this will be high bit margin product. So both put together on an average, we expect pigment division should generate about 17 to 18% EBITDA margin.

Moderator: Thank you. Our next question is from the line of Hemant Kanungo as an individual investor, please go ahead.

Hemant Kanungo: I want to know like, since you're coming up with this project, so do we have any like of cost competitiveness, like there's comparison to other Indian players or maybe other Chinese players.

Ankit Patel: As I mentioned, regarding the cost of the key raw material, you know, from the raw material point of view it's a naturally occurring raw material that is ilmenite ore and the second raw material is a sulfuric acid which is one of the key raw materials in Gujarat and particularly in Dahod there are you know, in just about 15 km radius, there are many sulfuric acid suppliers. At the same time, if we are looking at the import of ilmenite, then the nearby port Hazira and all. So, which is again about 60-70 km from the Dahod. So, not too far and so raw material ability is not an issue. Second thing it's a relatively power intensive project. So, power availability in Gujarat because the power surplus state that is no problem and we will be looking at some other options also from the power point of view where we can have our own power to reduce the manufacturing costs further. So, looking at all this factors we believe that there will not be much problem.

Hemant Kanungo: Second is we already selling pigments do we have the similar clients out maybe the same client for this existing pigment or a totally different set of clients like customers for the titanium dioxide.

Ankit Patel: It is more or less the same set of clients so that is why we have selected the project because we've been in touch with various of our customer base and they were constantly telling us that this is a very good product the demand is very good and there is always in cycle where the shortage comes and so they were insisting that why don't we enter into this segment. So if we just talk about the market that you know from the various color like blue, green, red, orange, yellow, or about seven types of pigment different colors, all market put together is equal to one single white pigment. So you can imagine that you know, how big is the product and anything what we see white in the paint of in the house majority of our paint base is a white paint base, in the automobile segment, car segment the majority color what we see is a white color. So you can understand there is a huge demand. The base is always a white for any set of the say any set of the shade, what we select in the house, you know normally the base is white then they add other different shades of the pigment and make different shade of the paint. So the base is always a pigment white paint and in the white paint the titanium dioxide will be used. So the demand is tremendous and it is keep on going to grow. So it is a good thing for the industry.

Hemant Kanungo: I am saying that sir yesterday you had signed an agreement with the Gujrat government for an investment of 2009 or 2600 crores. So, is this project under that commitment?

Ankit Patel: Correct and so titanium dioxide is one of the projects what we signed and the vibrant Gujrat which is going to take place in January. So we signed the contract in front of the Gujarat Chief Minister. We signed the MOU that we are coming with this project.

Moderator: Thank you. Our next question is from the line of Gaurav from Bowhead India. Please go ahead.

Gaurav: Hi, sir thank you for the opportunity. Sir, I joined a bit late to the call. So, it might be repetitive. So, this project you are doing it is under the parent Company or you're putting some subsidiary to undertake this project.

Ankit Patel: Gaurav because the government has come up that new manufacturing Company entering into manufacturing will get 15% tax benefits. So, there is a tax advantage. So, for that, we are evaluating that we will form 100% subsidiary Company of Meghmani Organics Ltd and this project will come under that subsidiary Company. So, that we will get tax benefit.

Gaurav: Okay, okay, great and so, besides this project, you know, are there any other projects that we are working on which you alluded you know, in Q2 calls or is this a project that you were alluding and there are no other projects that are on our Company.

Ankit Patel: For the pigment division, this is going to be the key project, which is in pipeline and for the agrochemical division, the project which we have already announced about 300 crore CAPEX for the multipurpose plant that is already going on. So, as of now, for both the division we have a key project in the agro about 300 crore CAPEX in the pigment about 400 crore CAPEX.

Gaurav: Okay sir, in the pigment we had a target of 1000 crores. So, this will ensure that we reach that target. So, Is my understanding correct or this is over and above the 1000 crore target.

Ankit Patel: Absolutely correct this with this kind of the CAPEX it will help to grow the pigment division more than 1000 crore in top line.

Moderator: Thank you very much. Thank you. The next question is from the line of Nilesh Ghuge from HDFC securities, please go ahead.

Nilesh Ghuge: Can you tell us the current domestic production approximately of the titanium dioxide and also the how much we import. In your presentation you mentioned that 2,50,000 is the current demand and it is expected to go to 3,00, 000. So, how much is the current production and how much we import.

Ankit Patel: So, currently the production in India is close to 18,000 ton. And the market size what we have explained in the presentation is about 250,000 tons. So, majority of the demand is being imported in India. The import is happening from China, USA, Australia, Taiwan, various markets. And the growth, the growth rate is about 4-5% annually.

Nilesh Ghuge: Okay, okay. But, in FY 19, if I look at the government figures of import of titanium dioxide, it is close to 14 to 15,000 tons per annum, I means is my understanding correct?

Ankit Patel: No, I don't know. I think you have got some different numbers. We have done the detail analysis for the last three to four years of the input and we have been getting the same number what we have informed to you and the growth rate is quite good. At the same time in the call, I also mentioned that the big corporates like JSW and Brila family Grasim they are investing heavily into paints and coatings segment. Grasim is coming with the 5000 crore CAPEX for the paint segment, which is going to be commercially start from FY 23. So, the growth in the paints and coating segment in India is approximately 10 to 15% and the base for the paint is a titanium dioxide is a white pigment.

Nilesh Ghuge: Correct.

Ankit Patel: So you can understand when the large corporate are investing heavily into the segment how the growth is going to be.

Nilesh Ghuge: Okay okay. So, so, if let's assume that the current capacity is about as you said at 80-85,000 tons per metric ton. With your capacity, it is still will be 1,10,000 kind of capacity domestic

capacity. Still there is a huge gap between the consumption or the demand and the production so what are your plan. I mean up after these 33,000 are you planning to expand further or will you wait for some time in future for the further CAPEX?

Ankit Patel: Nilesh bhai we are growth hungry people, you know, this is the first time we are doing new technology, new products and such a high CAPEX in the pigment. So, once I think in the first year itself, if we'll have a good confidence, then immediately we may go for the further expansion because the growth point of view there is no limit, you know, you can do a lot of CAPEX in this segment.

Nilesh Ghuge: Because I can see, after your expansion also there is a gap of about more than 200,000 tons. So, is the CAPEX or the funding is the problem or the technology is the bottleneck.

Ankit Patel: So, both the things are bottleneck.

Nilesh Ghuge: I'm not talking about the Meghmani perspective, but the overall chemical companies in India perspective.

Ankit Patel: In general, the thing is, because in the pigment segment, there are small unconventional players are there. Only few are big players like Meghmani and Sudarshan. Otherwise, you don't find big players in this segment. So, the CAPEX is a key as well as the technology you need big land area as well, because high CAPEX the land requirement is also big. So, looking at all this, small players cannot think of entering into this segment. So, we have selected this product because we are already in pigment. Our customer base is the same. They have been insisting that why don't you enter into this segment because it is a pretty good segment, the demand is very good. So, looking at this, we have selected this project and because of the technology and the high CAPEX there is entry barrier. So you can understand small players cannot enter into this segment.

Nilesh Ghuge: Okay, okay and just one last question as you touched upon this land, about the land aspect. So I am sure you must be having the land for the current expansion, but what about the future if you want to expand further so is the land available or you have to purchase further.

Ankit Patel: You know, it is available because you know, basic infrastructure remains the same. So as a Meghmani we have a policy that whenever we go for a greenfield project, we buy a sizable land, at the initial level, the CAPEX looks a little high, but in the later on state, it helps a lot because your other expenditures, the basic infrastructure remains the same. So that is what our philosophy is so we have enough land back for the future expansion even after 33,000 tons.

Moderator: Thank you. Our next question is from the line of Subrata Sarkar from Mount Intra Finance. Please go ahead.

Subrata Sarkar: Since I'm tracking your Company little new so, just can you help me to understand that the OCRPS that we have given for we have for make Meghmani Fine Chem a little bit of background and like what is the status can we liquidate it at some point of time because seems we are thinking of investment and all those things can we utilize that. Is there any hindrance to that like what is the situation because under normal circumstances, it always makes sense since now, we are two different companies. So our operations and even we don't do intercorporate lending and all these things. So please, some understanding on that since I'm not aware of this.

Ankit Patel: Subrataji, this is redeemable preference share of around 210 crore and coupon rate is 8% which is now every year we are getting on that and these 210 crore will be redeemed over a period and as you know that in the Meghmani Fine Chem also. So now good profitability and they are also into you can say Speciality, chemicals they're coming into and as the cash flow situation improves. So, they will start redeeming that 210 crore and gradually it will come to MOL.

Subrata Sarkar: Sir, any timeline by what time it should be entirely redeem, like any timeline or any anything mentioned as per the condition.

Ankit Patel: As of now, it is difficult, but otherwise timeline for that is around 20 years that is RPS term only, but I think it is much below actually much before that, so that will get redeemed.

Subrata Sarkar: So, we at least from like the strategy point of view, we at least think that we should gradually like reduce these two because like the Project which you have announced as per your internal calculation, it will be much higher than 8%. So, in that case it makes sense for us like to reinvest our capital rather than borrow basically from a theoretical point of view at least.

Ankit Patel: Sure true, we will look into it Subrataji. Thank you very much.

Subrata Sarkar: Thank you sir. Because this create a good corporate governance also as you understand nowadays.

Ankit Patel: We understand, thank you, thank you for your suggestion.

Moderator: Thank you. The next question is from the Aryan Verma, individual investor. Please go ahead.

Aryan Verma: So, thank you for the opportunity. I'm actually first time questioning to you. So, I was reading about solar cells and solar panels recently and I got around to reading about titanium dioxide as used in solar cells. So, there was an article about that, there is a potential to create low cost solar cells using titanium dioxide and there is the potential uses in solar panels and wind turbine coating by using titanium dioxide so using this can be a potential for our Company or market. Do you have any view on this?

Ankit Patel: Yeah. So, you're correct that you know, any white surface you know, it has got you know, it can transfer the light reflects the bright in a good manner. So, it generates more brightness and there are various applications for the titanium dioxide. So, yes, it is being used into solar cells also. But, currently if we give you the idea about 60% of the titanium dioxide being used is into the paints and the coating segment, about 25% it is being used into the poly plastic and polymers segment and the balance 10% is into various segment it is also used in the toothpaste. So, you can also.

Aryan Verma: I got that, but I was just curious about can this be a growth opportunity, because there's still research going on, but as solar industry grows solar cells and this sounds like a key material or critical application for solar speed.

Ankit Patel: Yeah, they are working on it and we have also heard and read the same thing. So, if that happens, then the growth will be even much bigger.

Moderator: Thank you. Next question is from the line of Rajesh Sehgal as an individual investor.

Rajesh Sehgal: Can you give us an idea of incremental revenue and profitability from the new project in the first full year of commercial production?

Ankit Patel: Yeah, so, in the first year of production, we hope that the plan should run at about 50% capacity. So, as we mentioned that on the full year operation on full year of operation basically it should generate about 700 crore of the revenue. So, in the first year, we expect it should generate about 350 crore revenue and later on it will go to 750 crore.

Rajesh Sehgal: Any idea of the contribution on the bottom line.

Ankit Patel: From this project, it will generate a beta margin of nearly 25%. So, pigment division on an average as of now it's generating about 13 to 14% EBITDA. With this project coming in, it all put together the average will be close to 17 to 18% and ROE and ROC return on equity and return on capital employed for this product is 20% flat.

Moderator: Thank you. Our next question is in line of Hemant Kanungo as an individual investor. Please go ahead.

Hemant Kanungo: Yes, sir. So I just want to know sir, since you're saying that there is a huge demand supply gap in this pigment, so why is there like the existing players you know, are not increasing the capacity because even the EBITDA margins are fantastic and a secondary also. Sir, I heard that there was one Company called Kilburn Chemicals, which was also apparently into titanium dioxide, but which is currently into NCLT so it wasn't apparently successful in this business. Yes. So, can you just give an explanation of them like what exactly it is like?

Ankit Patel:

Yeah. So, as I mentioned, there are mainly three players currently. Out of three players two are public sector unit, government companies. So, you know, how the government public sector unit works. So, probably they are not very focused and growth-oriented Company. The third player VV Mineral is again into various businesses and so not focusing much on to this business that is what our analysis says and in our concall, we have already mentioned because the high CAPEX and high technology barrier, not small pigment players can think of entering into this segment. So, there is a good opportunity and we have taken the challenge and we are entering into this project regarding the Kilburn Chemical. Yeah, what happened we don't know much in detail but the only thing what we know that the project they came up was a good project, but I think they ran out of money at the end of the project. So, the project did not run the plant did not run for even 15 days. So it was a brand new plant and they were not able to run and the Company went into NCLT.

Moderator:

Thank you. Ladies and gentlemen that is enough for the questions from the participants. I would now like to hand the conference over to Mr. Ankit Patel for closing comments. Thank you and over to you sir.

Hemant Kanungo:

Thank you everyone for taking out your valuable time and joining us on this con call. Thank you very much. Take care. Bye-bye.

Moderator:

Thank you very much. Ladies and gentlemen, on behalf of Meghmani Organics Ltd that concludes this conference. Thank you for joining us and you may now disconnect your lines.