January 20, 2025

Ref. No.: **AIL/SE/79/2024-25**

To,

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai-400001, MH.

Scrip Code: **543534**

National Stock Exchange of India Limited
Exchange Plaza,
Bandra Kurla Complex, Bandra (E),
Mumbai-400051, MH.

Symbol: **AETHER**

Dear Madam / Sir,

Subject: Transcript of the Earning Conference Call

In accordance with Regulation 30 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Transcript of the Earning Conference Call scheduled on Friday, January 17, 2025, on the financial performance of the Company for the Third Quarter and Nine Months ended on December 31, 2024, is enclosed herewith.

We request you to kindly take the information on your records.

Thank you.

For Aether Industries Limited

Chitrarth Rajan Parghi
Company Secretary & Compliance Officer
Mem. No.: F12563

AETHER INDUSTRIES LIMITED
SURAT

Encl.: As attached

CHITRARTH RAJAN PARGHI
Digitally signed by CHITRARTH RAJAN PARGHI
Date: 2025.01.20 16:01:10 +05'30'

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"Aether Industries Limited Post Results Call"

January 17, 2025

MANAGEMENT: **DR. AMAN DESAI – PROMOTER AND WHOLE TIME DIRECTOR – AETHER INDUSTRIES LIMITED**
MR. ROHAN DESAI – PROMOTER AND WHOLE TIME DIRECTOR – AETHER INDUSTRIES LIMITED
MR. FAIZ NAGARIYA – CHIEF FINANCIAL OFFICER – AETHER INDUSTRIES LIMITED
MR. KUSHAL DOSHI – LEAD INVESTOR RELATIONS – AETHER INDUSTRIES LIMITED
MS. SHUBHANGI DESAI – EXECUTIVE INVESTOR RELATIONS – AETHER INDUSTRIES LIMITED

MODERATOR: **MR. NILESH GHUGE – HDFC SECURITIES**

Moderator: Ladies and gentlemen, good day, and welcome to the Aether Industries Post Results Call hosted by HDFC Securities. As a reminder, all participile lines will remain 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 the operator by pressing star then zero on your touchtone telephone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Nilesh Ghuge from HDFC Securities. Please go ahead.

Nilesh Ghuge: Yes. Thank you, Ryan. Good afternoon, all. On behalf of HDFC Securities, I welcome everyone to this Aether Industries conference call to discuss the results for the quarter ended December 2024. From the Aether Industries, we have with us today, Dr. Aman Desai, Promoter and Whole Time Director; Mr. Rohan Desai, Promoter and Whole Time Director; Mr. Faiz Nagariya, Chief Financial Officer; Mr. Kushal Doshi, Lead Investment Relations; and Ms. Shubhangi Desai, Executive IR.

Without further ado, I will now hand over the floor to Mr. Kushal Doshi to begin with the earnings call for Q3 FY '25. Over to you, Kushal.

Kushal Doshi: Thank you, Nilesh. Thank you, and a warm welcome to everyone. Today, our Board has approved the financial results for the third quarter and the 9 months ended FY '25 and the same has been filed with the exchanges as well as updated over our website. Please note that this conference call is being recorded and the transcript of the same will be made available on the website of Aether Industries Limited and the stock exchanges.

Please also note that the audio of the conference call is the copyright material of Aether Industries Limited and cannot be copied, rebroadcasted or attributed in press or media without specific and written consent of the company. Let me draw your attention to the fact that on this call, our discussion will include certain forward-looking statements, which are predictions, projections or other estimates about future events. These estimates reflect management's current expectations on future performance of the company.

Please note that these estimates involve several risks and uncertainties that could cause our actual results to differ materially from what is expressed or implied. Aether Industries Limited or its officials do not undertake any obligation to publicly update any forward looking statements, whether as a result of future events or otherwise.

Now Mr. Rohan Desai will begin by sharing Aether business outlook, then Mr. Faiz Nagariya will cover the financial highlights of the period under review and Dr. Aman Desai will share the ongoing expansion and strategy of the company going forward.

I hand over the call to Mr. Rohan Desai for his opening remarks.

Rohan Desai: Good evening, everyone. I'm happy to connect this to you today to dwell into the details of our company's performance during the third quarter of financial year 2025. First of all, we talk about the market dynamics. We have witnessed an increase in total volumes while at the same time, maintaining stable prices across our product range.

This stability reflects our resilient demand for our products, leading us to expand our client base by adding 8 new clients. While we have observed that the prices are likely bottomed out, we are expecting a potential uptrend to emerge post Chinese New Year, which could positively impact our future quarters.

Operationally, we have some more worthy developments. Site 2, which was previously affected by the accident is now back to full capacity following the revocation of a restriction by Gujarat Pollution Control Board in January 2025. This is a testament to our commitment to safety and regulatory compliance.

Meanwhile, our expansion efforts on Site 3 and 3++ are on track promising future capacity increases. Our Greenfield Project at Site 5 in Panoli is also progressing as planned with first phase to expect fully to be operational by quarter 3 of financial year 2026. This expansion will increase our production capacity significantly.

Site 4 has been particularly easy experiencing our surge in production, primarily due to new validation and trial quantities from Baker Hughes. Following our strategic supply agreement with them signed and announced on June 2024, we have finalized orders on the first 2 products in January 2025, which will be supplied from our site. We are gearing up for a ramp-up in Q4, which should further solidify our position in this market segment.

Turning to our business model. We have observed a shift in our revenue streams. This quarter, large-scale manufacturing contributed 49% of our sales with contracts/ exclusive manufacturing increasing up to 38% and contract research and manufacturing services making up to 11% of our sales.

As we pivoted our strategy towards enhancing our capacities in contract research and manufacturing services and contract/ exclusive manufacturing, we anticipate these areas to become even more pivotal. Volume growth across all 3 models has been encouraging with our export and domestic split at 54% and 46%, respectively, in quarter 3 of financial year 2025.

Sustainability has been a core focus for Aether. We are now fully commissioned a 15-megawatt solar power plant, which not only powers our manufacturing facilities, but also marks a significant step towards reducing our carbon footprint.

This initiative is expected to save us over INR150 million annually in energy costs. With 31-megawatt of solar power pants now under our belt, we stand as the only company in the spec chem space to source approximately more than 80% of our electricity from renewable sources, setting a new benchmark for environmental responsibility.

I would now conclude and invite our CFO, Faiz Nagariya, to elaborate on financial highlights of the period under review. Over to you, Faiz.

Faiz Nagariya: Thank you, Rohan, and good evening, everybody. I am glad to present the financial results of Aether Limited for Q3 and 9 months of financial year '25. The total consolidated revenue of company stood at INR2,333 million in the quarter 3 of financial year '25 as against INR2,098 million in quarter 2 of financial year '25. There is an increase of 11% quarter-on-quarter.

This has resulted in EBITDA of INR757 million in Q3 of financial year '25 as against INR630 million in quarter 2 of financial year '25, which is an increase of 23% in the comparing quarters. EBITDA margin stood at 32% in Q3 of financial year '25 as against 29% in Q2 of financial year '25. The PAT has reached INR434 million in Q3 of financial year '25 as against INR348 million in Q2, which is an increase by 25% quarter-on-quarter.

The PAT margin stood at 19% in the Q3, which was 17% in Q2 of financial year '25. The consolidated revenue in the 9 months of financial year '25 increased by 25% from INR5,083 million in 9 months financial year '24 to INR6,351 million in 9 months financial year '25. EBITDA has increased to INR1,891 million in 9 months of financial year '25 against INR1,433 million in 9 months of financial year '24, resulting an increase of 32%.

PAT stands at INR1,081 billion in 9 months of FY '25 as against INR839 million in 9 months of FY '24, which is an increase of 29% in comparing periods. During the quarter, we have submitted the stock loss claim resulting from the fire accident on November 29, 2024, to the insurance surveyor and the same will be processed and claims settled by the insurance company in Q4 of financial year '25.

The revamping of the affected site is completed, 100% operations at the fire-affected site has been started in January 2025, post approvals from the regulators. The remaining claim for the fixed assets or the loss will be put up to the insurance company in the month of February '25, along with loss of profit claim, and we are confident to get the same settled by the insurance company by or before the end of financial year '25 or maximum by Q1 of FY '26.

We have been able to reduce our inventory cycle to 171 days as of 31 December 2024 as against 179 days as on September 30, 2024. The debtor cycle has also been reduced to 129 days as on December 31, 2024 as against 136 days as of September 30, 2024, and comprising a payment flow from the customers. With more of contract manufacturing business is unfolding in the near future, we anticipate to help the better, debtor and inventory cycles in future, resulting in better working cycles.

Now I would request Dr. Aman Desai to share updates on Aether ongoing expansion plans and strategies going forward.

Aman Desai: Thank you, Faiz, for the financial highlights. Good evening, everybody. I'm very pleased to connect with you all again. To begin with, as always, we've been working diligently in augmenting our capabilities with our ongoing capex across R&D, pilot and production. We integrate this with incremental additions in our chemical reaction capabilities and competencies of chemistry and technology beginning from R&D all the way to commercial scale.

And this aids us in enabling and developing newer chemistries and technologies and addressing newer customers. The CRAMS business model has continued to grow with our 9 months CRAMS revenue, being equivalent to 95% of the entire fiscal year '24 already. We are currently working on over 50 research projects in our CRAMS business model across all the sectors with the majority of the projects being in the non-pharma and non-agro sectors.

As the New Year has started the world over, we have been witnessing a significant influx of business inquiries in our CRAMS business model. These inquiries -- these increased inquiries are primarily on agro and non-pharma and in the oil and gas and sustainability business segments of our company.

And what is very interesting about these new inquiries is that they are more towards the late stages of the commercialization journey for new chemical entities for various innovators and these business segments. These means with the translation to contract manufacturing and exclusive manufacturing business model from the current business model for these molecules will be relatively much faster. Each such translation will represent a step change in the growth trajectory of the company.

One exciting development in the recent few weeks have been the finalization of the first 2 product launches in our Site 4 our strategic customer, Baker Hughes, which we have recently announced in stock exchanges. This will now with immediate effect, initiate significant manufacturing activities in Site 4, which will represent the first commercialization at Site 4, which has been long abated.

We anticipate multiple significant product launches in Site 4 for Baker Hughes other companies to sequentially kick in now in the very near future. Our R&D expenses for the quarter 3 of fiscal year '25, which is the current quarter stood at INR161 million, which is about 7% of our total revenues. We had 10 customer audits in this quarter. We successfully passed all these audits and we have reinvigorated our collaborations with these customers and the innovators.

Capex at our Site 3+, 3++ and Site 5 is all well underway and as per schedule and on track, which represents very significant potential and possibilities for increased manufacturing assets for both the large manufacturing business model as well as the contract and exclusive manufacturing business model.

So with that, I'll end here. Thank you, everybody, for your time and attention this evening, and I look forward to the questions. And Kushal, back to you.

Kushal Doshi: Thank you. We shall now request the moderator to open the floor for question and answers.

Moderator: Thank you. Ladies and gentlemen, we will now begin the question and answer session. The first question comes from the line of Priyank Chheda from Vallum Capital.

Priyank Chheda: First, on the site 4, Baker Hughes. In this, you said that we have finalized our 2 products. Can you tell me what would be the volumes for these 2 products? And just to again reconfirm this total oil project of vehicle use was around -- somewhere around 16,000 metric tons. Is that right? And at an ASP of around $2.5?

Aman Desai: Thank you for the question. But unfortunately, we will not be able to comment on the exact specific volumes and pricing for these 2 products as these are confidential in nature with Baker Hughes. But in the second half of your question, the volume and pricing that we have conveyed are what have been converted by us in the region that was onetime that we had published in the Stock Exchanges 1.5 years ago, and those remain.

Priyank Chheda: So nothing has changed since whatever the origin volumes and the numbers that you had conveyed for Baker Hughes, is that right?

Ashwin Desai: We have only increased our partnership with Baker Hughes and we have only increased our collaboration across even more projects and products since then. And it's become only more interesting in the last 1.5 years.

Priyank Chheda: So just to understand, when we had thought of the original communication, again, referring back to we had talked to get this full revenue in FY '25, but now because of all the delays that we know -- should we think that this full revenue potential gets shifted to FY '26. So there will be certain more validations that are required yet to establish that FY '26, we'll see the full revenue.

Ashwin Desai: The field trials and the evaluations are all finished and we anticipate that the full brunt of our work that we are doing across all products in the Site 4 will be implemented in the very near future. You should shift to the next question.

Priyank Chheda: Sir, can I continue?

Aman Desai: Maybe perhaps you can come back in the queue.

Moderator: The next question comes from the line of Bhumika from Neumerc Research Lab.

Bhumika: First of all, I'd like to congrats the company in the recent numbers. My primary question is -- how are we planning to push the agrochem and the pharma verticals? And do we see any massive scope happening in material sciences or any other vertical for that matter?

Aman Desai: I can take that. Thank you for the question. The pharma and the agro continue to be interesting, especially with the work that we are doing with the CRAMS players, especially in the agro business for the new chemical entities and the innovators. In the pharma world, in the generics advanced incomes worn for a large skin manufacturing.

The demand is solidly in place. And as Rohan mentioned in his script, as the Chinese New Year ends and the industry sales over again, we anticipate an increased pricing trend to happen as well, which will be beneficial for us. And especially in the non-pharma non-agro world of material sciences, in oil and gas, which is very interesting.

And as I've mentioned, we have numerous projects, including new projects that have kicked in, in the CRAMS model, which we anticipate translating into the contract and exclusive manufacturing business model in the very near future. And so I think we are very upbeat much more so on the material science, the oil and gas and the sustainability the business segments that we have in terms of manufacturing potential and possibilities for new projects.

Bhumika: I have one more question. This was regarding Site 5 expansion. So the expansion that we've incurred, the capex that we've incurred. This expansion pertains to the agrochemicals segment or the pharma segment or the material segment? What are we trying to, are we trying to increase production capacity? And which products will be increased there? Any clarity on that?

Aman Desai: It will be a mix of large-scale manufacturing business model as well as the exclusive manufacturing business model, which are the 2 primary business models that we have in production, and it will be a mix of pharmaceutical, agrochemical, material science and oil and gas.

And so broadly speaking, the vision of the company ultimately is to have a mix of product mix of 25% pharma, 25% agro, 25% material sciences, and 25% oil and gas majorly and Site 5 is really our largest production site will reflect this proportionate ratio.

Moderator: The next question comes from the line of Priyank Chheda from Vallum Capital.

Priyank Chheda: On the site 4, again, project of Saudi Aramco that we had, we had targeted to do around 500 metric tons volume in FY '25 and then eventually scale it up to 2,000 tons over the next 2 years. Any project update on this would be helpful?

Rohan Desai: Yes. So I'll take the question. We did a top line in 9 months of INR11 crores for Saudi Aramco project, which is converge. We are looking at anticipating net financial year to close to reach a revenue of INR40 crores. That's the plan and that is what we are looking at. We have one contract which we had done and commercialize that contract, which are with HB Fuller, and we are anticipating to new contracts to come in the next financial.

Priyank Chheda: Sure. So, if I based on the number for FY '25, you said we're looking out for around INR40 crores. Is that right?

Rohan Desai: Yes.

Priyank Chheda: Okay.

Rohan Desai: FY '25, '26.

Priyank Chheda: '25, '26. So the full potential for this project was around 200 tons at $10, somewhere around INR200 crores. So is that something which we are looking out to reach in FY '27 later on?

Rohan Desai: Yes, INR180 crores is the potential of revenue which we can generate out of 2 KTA plant.

Priyank Chheda: Sure. Okay. And coming to...

Kushal Doshi: So this is a five year contract, right, which was signed in FY '24 to FY '29 maturity having a 2 KTA plant. So this is a step-up buildup towards that 2 KTA which we are targeted in FY '28, '29.

Priyank Chheda: Perfect. On site plus -- Site 3++. So I'm sure we are ready to start the plant with the construction fully commencing by end of this financial year. And we had planned somewhere around 2 molecules in agro, one in material science, as a pipeline so that when we start, we start ramping up the production also. So any update on that, site, 3+ and 3++ would be a helpful somewhere the products and capacity was around 3,500 tons is that what remains intact or not? And then plans to reach a full potential of INR350 crores why should we think of that in that potential from that plant?

Rohan Desai: So on Site 3++, there has been an interesting development also on CEM business model. So we are looking at it. Also on these 3 products, we are already completing the qualification with our customers. So either we go on the large scale manufacturing business model or CEM is just what we are looking at. We will come to know by February end.

As on this direction which is going, and we will announce that decision public once we make that decision.

Kushal Doshi: But in terms of execution, Priyank, yes, you are correct. We will look to complete the construction and condition of the plant by the end of this financial year. We look to stabilize this plant over the next 3 to 4 months, and then we see the full commercial production happening.

Priyank Chheda: And the full revenue potential somewhere remains with the mix of the product that we plan to manufacture. The full potential remains at around INR350 crores, INR400 crores. Is that right understanding?

Kushal Doshi: For Site 3+ and 3++?

Priyank Chheda: Yes. Both combined at 6,500 tons, yes.

Kushal Doshi: INR300 crores.

Priyank Chheda: INR300 crores. Got it. Perfect. And now coming to Site 2, which is our core manufacturing side, which was -- which is now ready to again scale up fully what would have the revenue contribution, say, because we were running at some optimal level. What would have been the revenue contribution from that plant in this 9 months so that we get to know when we are ready for full commercial production, say FY '25, at full utilization, what can be the revenue from this?

Faiz Nagariya: That is approximately INR265 crores in 9 months.

Priyank Chheda: Okay. INR265 crores in 9 months. And this would have been running at what around 60% utilization, is that right?

Faiz Nagariya: Yes, it is around 60% to 65% utilization and now the 100% revocation is received, in this quarter, we will be reaching around 70% to 72% utilization rate.

Moderator: The next question comes from the line of Abhijit Akella from Kotak Securities.

Abhijit Akella: Just a couple. One was regarding the comment you've made regarding the expectation of some improvement in prices in China following the Chinese New Year. So it's possible for you to please share some color about what Intel exactly you're picking up from your contacts there. What's the thought process? And has anything changed in China with regard to how they're looking at their strategy in the chemical industry going forward?

Rohan Desai: So the prices have already bottomed out. We do not see further reduction in the pricing. Usually the post-Chinese new year, the Chinese strategies evolve and the company restart afresh. And that is when the strategies and the pricing trends are decided for the whole year. So we are projecting that some changes and some corrections will happen. That's our understanding. Our teams, as we speak, are also in China, evaluating this. In terms of the procurement in terms of the sales. So I think that's our understanding and that's our assumption.

Abhijit Akella: Okay. And does the proposed tariffs to be imposed by the U.S. on China, does that have a bearing on any of this? Or this is independent of starting your view?

Rohan Desai: It's independent.

Abhijit Akella: Okay. All right. And just the other thing I had was on the Baker Hughes contract since we expect that it will more or less run at close to full utilization during the upcoming financial year. So just sort of wanted to check what level of visibility we have or how far along the progress of the launches of those products has actually come along. So how much confidence can we sort of have in that projection?

Aman Desai: We have a lot of confidence on the partnership in general. We are launching the first 2 products now as we speak, and we anticipate the remaining products in the very near future. Give me the chart that is the most difficult. And now as of today, we are starting. And so it's lot of confidence and very high -- it's a very strategic partnership for us, and we have visibility at the highest level. And these are very fast moving products also complement in a high degree of attention in the partnership and in general in site 4 to reach full utilization part.

Moderator: The next question comes from the line of Krishan Parwani from JM Financial.

Krishan Parwani: Congratulations on a good set of numbers. Just a couple from my side. First on the gross margin improvement in this quarter. So just wanted to know, is it linked to product mix improvement? Or is there some benefit from price revivals as mentioned by Rohan earlier?

Rohan Desai: I would say some very less 5%, 7% could be contribution of the price improvement, but remaining is change in the product mix.

Krishan Parwani: Okay. That's great. And so with commercialization of the Baker Hughes contract and then some volume uptick of Aramco projects. So are we expecting a similar EBITDA margin or an upward trajectory in your margin going forward?

Rohan Desai: Yes.

Krishan Parwani: I mean should we assume like a 29%, 30% margin? What should we assume for the gain?

Faiz Nagariya: Currently, for a couple of months or a year or 2, we can expect around 30% margin. And then when we have new contracts coming up, and then you will see that the margins also increased beyond that.

Krishan Parwani: Okay. And secondly, on the tax rate, is there any normal payment in this quarter because I think it's 28%. So I think with the new facilities coming in, I remember you had mentioned that it should come down. So this 23%, 24% going for a tax rate this time?

Faiz Nagariya: Yes, Krishan, good question. And the major reason is that the site for each started in third quarter the same stated in actually March 25, and the assets were capitalized. So this is basically deferred tax, which has increased on account of that. And the tax also, there was the assessment completed of our previous year, which is also around INR1.25 crores, which is also added to this. So that is the increase. Otherwise, the tax rate is 25.168% for Aether Industries and 17.16% for Aether Specialty. This is one update this time.

Krishan Parwani: Okay. So with contribution from the Aether specialty increasing that mix would be -- tax rate could be lower than 25%, correct?

Faiz Nagariya: Yes, correct.

Krishan Parwani: Okay. And just a last bit, in terms of your working capital, so where do you aspire it to take it to, let's say, in the next 2 years to 3 years, maybe FY '27, FY '28. What's your targeted working capital there?

Faiz Nagariya: As a finance person and a CFO, I would like to see the working cycle of the company after 2 years to around 150, 160 days, at least.

Moderator: The next question comes from the line of Ashok Shah from Eklavya Invesco Family Office.

Ashok Shah: So we have increased our R&D budget. So can you elaborate so how many scientists we have recruited and what's your future plan because we increased by almost 100%.

Aman Desai: The Company is based on R&D foundation. And so we continuously expand the R&D assets and the pilot plant assets that we have. We today have more than 125, 130 R&D scientists, more than 100 chemical engineers in the R&D and product plan and ideas to continuously expand that and increase that. And on the backdrop of continuously increasing inquiries that we see from existing customers as well as new customers in the CRAMS business model.

In fact, minus your -- in 2025, you plan to take a 2x expansion of the R&D infrastructure and create an entirely new R&D wing, which will be a 2x expansion of the R&D assets and that will start taking the whole and doing expiration for that in the very near future and the designs of made up and that will represent a significant expansion. And so this trend of increased R&D expenses and expenditure. This is a continuous feature for us and will continue.

Faiz Nagariya: Ashok, I would like to add something here. Last year we spent around INR98 crores in financial year '24 on R&D expenses. And this year, in 9 months, we are at around INR47 crores. Where do you see double R&D expenses…

Ashok Shah: No, 15%, I think it was a percentage-wise in comparison to the revenue?

Faiz Nagariya: Yes, last year, it was a one-off because the revenue was down because of the fire accident, and that it of 15.4%. If you see current year at 9 months, it is INR47 crores, which is 7.4% of total revenue. So we are again on the same track. Yes.

Ashok Shah: Yes. And sir, what's the amount of claims we have submitted for the fire industry?

Faiz Nagariya: INR100 crores.

Moderator: The next question comes from the line of Yash from Stallion Asset.

Yash: What is the capacity utilization right now? And how do you see that going forward overall?

Faiz Nagariya: The capacity utilization at site 2, it is approximately 62%, which I told before some time also. And we expect that in end of March '25 when the entire facility is now operational, we expect it to be around 72%. And maybe next year when everything is going okay, we do not expect it to go more than 80%, 85% because we will give 15% always in hand for some kind of overall maintenance. Site 3 is operating at around 50% currently, and that is not because of the production but because of the pricing pressure which is there. And we expect it to rise up to around 65% next year.

Moderator: The next question comes from the line of Bhumika from Neumerc Research Lab.

Bhumika: My question is regarding the exports. This quarter, we were heavy on exports. There are a lot of wildfires going globally and there's global temperature uncertainties. Do we see our agro chemical exports being hampered because of that?

Rohan Desai: Bhumika, I'll take this question. No, we do not see -- we are operating out of very few agrochemical products and we have annual contracts on them or long-term contract on them. And we do not see this because there are no single products. We are ongoing for approximately 8 months to 10 months in a year. So we do not see any change in demand because of this event.

Bhumika: Okay. The other question that I had was, now we see a decrease in our large-scale manufacturing segment and a massive increase in our contract exclusive manufacturing. So at the company level, would you say the vision for the company is to enter more into the contract exclusive manufacturing for the pharma, agro and the material sciences space?

Rohan Desai: Yes, Bhumika. That's the thought and that strategy of the company. That we want to do more CEM business and also focus on the large scale manufacturing business model. The large-scale in fact has not decreased. In fact, the CEM has increased. Hence, there is a pivot from large scale manufacturing to CEM business model.

Moderator: Bhumika has left the question queue. And as there are no further questions, I now hand the conference over to the management for their closing comments.

Kushal Doshi: Thank you, everyone. Thanks for connecting, and we look forward to connecting you post our Q4 results. Thank you.

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