27th December, 2024

Listing Department
National Stock Exchange of India Limited
Exchange Plaza,
Plot No. C/1, G. Block,
Bandra- Kurla Complex,
Bandra East, Mumbai-400 051

Symbol- DHANUKA

Corporate Relationship Department
BSE Ltd.
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai- 400 001

Scrip Code: 507717

Sub: Transcript of Conference Call held on 23rd December, 2024 with Analysts/ Investors.

Dear Sir,

In pursuant to Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015, Please find enclosed the Transcript of the Conference Call held on 23rd December, 2024, which was hosted by Antique Stock Broking Limited with Analysts/ Investors.

Please take the above information in your record.

Thanking You,
Yours faithfully,

For Dhanuka Agritech Limited

JITIN SADANA
Digitally signed by JITIN SADANA
Date: 2024.12.27 19:51:32 +05'30'

Jitin Sadana
Company Secretary and Compliance Officer
FCS-7612

Encl: a/a

Dhanuka Agritech Limited

MANAGEMENT: **MR. M.K. DHANUKA – CHAIRMAN – DHANUKA AGRITECH LIMITED**
MR. HARSH DHANUKA – EXECUTIVE DIRECTOR – DHANUKA AGRITECH LIMITED
MR. V.K. BANSAL – CHIEF FINANCIAL OFFICER – DHANUKA AGRITECH LIMITED

MODERATOR: **MR. MANISH MAHAWAR – ANTIQUE STOCK BROKING LIMITED**

Moderator: Ladies and gentlemen, good day and welcome to Dhanuka Agritech Limited Conference Call hosted by Antique Stock Broking. 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 star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Manish Mahawar from Antique Stock Broking. Thank you and over to you, sir.

Manish Mahawar: Thank you. On behalf of Antique Stock Broking, warm welcome to all the participants on the call of Dhanuka Agritech to discuss agreement entered with Bayer AG to acquire international rights for active ingredients of two products. Today, we have Mr. M.K. Dhanuka, Chairman, Mr. Harsh Dhanuka, Executive Director, and Mr. V.K. Bansal, CFO on the call.

Without further ado, I would like to hand over the call to Mr. Dhanuka for opening remark, post which we will open the floor for Q&A. Thank you and over to you, Mr. Dhanuka.

M.K. Dhanuka: Thank you, Mr. Manish. Good afternoon, ladies and gentlemen. Myself, M.K. Dhanuka, Chairman of Dhanuka Agritech Limited. I welcome you all to this conference call of Dhanuka Agritech Limited on the acquisition of two bayer products. I hope all of you are doing well and keeping safe. I have with me Mr. Harsh Dhanuka, Executive Director, and Mr. V.K. Bansal, CFO of the company. As you are aware that on 25th November 2024, the company announced the execution of a strategic acquisition agreement with Bayer AG for acquiring international rights to the active ingredients, Iprovalicarb and Triadimenol to expand the company's global footprint.

It was already informed that the company has signed an agreement to acquire international rights to the active ingredients, Iprovalicarb and Triadimenol. With the acquisition, Dhanuka plans to expand its footprint in more than 20 countries, including the regions of LATAM, that is Latin America, EMEA, Europe, the Middle East and Africa, and Asia, including India.

These products were invented by Bayer AG, a global leader in agriculture input solutions and farming innovations. This acquisition will enable Dhanuka to embark on a journey of global market expansion. Under this acquisition, Dhanuka Agritech Limited, will get all the rights for manufacturing and sale of Iprovalicarb in more than 20 countries.

In this transaction, Dhanuka will acquire global rights to the associated brands Melody for Iprovalicarb with sub-brands like Melody Duo, Melody Compact, Melodika and others. As part of the agreement, the companies have agreed on a transition plan that allows Dhanuka to provide seamless service, ensuring no disruption to growers and customers globally.

Further, Dhanuka will be shifting the manufacturing of at least one of the products to India, leveraging the capabilities of its manufacturing unit at Dahej, Gujarat. The first product is Iprovalicarb, which is a fungicide from the Carboxylic Acid Amines class used for disease management caused by Oomycetes species in horticulture crops.

And the second product is Triadimenol, which is a well-established product used in seed treatment for cereals and cotton as a solo formulation and as a part of multiple treatment seasonal programs in coffee as a pre-mix. Triadimenol is a SBI class 1, DMI triazole fungicide to control various diseases. The company has fulfilled all closing conditions and completed the payment of the consideration on 19 December 2024.

Thank you very much for your kind attention. We will now like to open the forum take the questions. Thank you very much.

Moderator: Thank you very much. We will now begin the question-and-answer session. Our first question comes from the line of Rohit Nagraj from B&K Securities. Please go ahead.

Rohit Nagraj: Yes, thanks for the opportunity and congrats on the acquisition. So first question is, was there any particular reason why a Bayer wanted to sell this particular brand and business? And second, what is the kind of growth rate that it has experienced over the last few years and what are our expectations once the brand comes to our kitty? Thank you.

Harsh Dhanuka: Right. So Rohitji, first part of the question around Bayer divesting this product, the primary reason for them is both the products, one is almost a 20-year-old product, second is almost a 40-year-old product. So they wanted to diverse these products as they have some other products and it contributes small revenue to their global portfolio. So I believe that could have been their prime reason.

With respect to the growth of the products over the years, till 2022, the products have been growing and the last couple of years with the Bayer's diluted focus on the products, the volumes have declined slightly, which is a mixture of volume and price impact. As Dhanuka takes over these products, we look forward to reviving the volumes of both the products going forward.

Rohit Nagraj: Yes, that's helpful. So the second question is, in terms of registrations, given that we have taken the brand now, so do we have to re-register the products across these geographies? And if we transfer manufacturing to our Dahej facility, in that case, again, some re-registration is required? Thank you.

Harsh Dhanuka: Yes. So re-registration for the current products will not be required. There will be transfer of ownership. So the current registrations are owned by Bayer. The ownership will be transferred to Dhanuka name, that's the first part. The second part around the active ingredient. So in future, we'll be changing the source of active ingredient, which is currently one of them is from Germany. Another is from a contract manufacturer in another country. So the Germany product will be shifting to India over a period of time and that will require the regulatory approval, not for a re-registration, but for a source change.

Moderator: Thank you. Our next question comes from Viraj from SiMPL. Please go ahead.

Viraj: Yes, just a couple of questions. First is, if you look at the market for Iprovalicarb, it's estimated to be around $13 million to $15 million market. And similarly, for Triadimenol, the market is about $100 million. But both these products are like very generic products. And as you said, one has been there for 20 years, others for more than 40 years. So typically, people have been more towards specialty molecules.

And even with Dahej, the idea was to get increased exposure, either in terms of AI or of more and more specialty molecules. So what is the thinking behind us acquiring these products? And second question is, can you give some color on the scale of each of these product brands and acquisition value?

Harsh Dhanuka: So, Virajji, I didn't catch the second part of your question, but I'll come back to that. I'll first try to address your initial question around the reason for the acquisition. So, Dhanuka, as you know, has been a domestic player, and mostly focusing on the Indian market. Last couple of years, we've been trying to expand our international footprint to formulation exports.

As part of our long-term vision, we wish to expand our global footprint. Even to empower the Dahej business, we want to expand our global footprint and establish customer base in different countries across the world. So these products already having an existing customer base, they are popularly used in the regions where they are sold. And depending on the product and market, they enjoy a good market share. So in order to fulfill the objective of expanding to international markets, we decided to go ahead for the acquisition of these products.

And another aspect of your question around these products being old versus new. So many products which we are selling in our portfolio are even now old, for example, Targa Super, which is one of our leading brands is introduced in India almost 25 years ago, and still enjoys a really good market share and brand presence because of the work that has been done on the product promotion and brand building. So that's why it makes good sense to even have the products which are older in the portfolio.

These are not very large molecules as you already shared the estimated market size. So the generic competition is not very severe. In India, there is no generic player in the product. And globally also the competition, generic competition is limited.

Viraj: What would be the scale of each of these two products under the purchase agreement and the acquisition value?

Harsh Dhanuka: The acquisition value and what is the second part?

Viraj: Yes, I was just trying to understand what will be the sales of each of these two molecules and the acquisition, what is price paid?

Harsh Dhanuka: Yes. So the purchase price which we have paid is close to INR165 crores.

Viraj: Okay.

Harsh Dhanuka: Yes, for both the products combined and the revenue, global revenue for both these products was roughly INR220 crores in 2023. 2024 numbers, final numbers are still not available with us because the year for bayer will be closed in December. But our estimate is there might be about 20% volume decline, 15% to 20% decline in the revenues in 2024.

Viraj: Just two questions, if you can allow. One is on the unit economics for these two products and second is on the competitiveness and our capability. See, you talked about us having a global focus, but even there we are still kind of in a very initial stage state in terms of scaling up the B2B piece for the formulation export.

Now, I understand because it's more of a B2B, but if you know, it's more of a B2C product and which requires a lot of on-present and the dynamics is quite different per se of a B2C approach with the B2B which traditionally we have when it comes to exports. So, just trying to understand, what strength -- other than manufacturing, maybe shipping to India, what strength you think you can add to this particular approach from Dhanuka's point of view? That is one.

And second is in terms of the margin structure, if I look at the India business, even in Genpact for us or others in the industry, you have figures profile don't earn more than 12%-13% EBITDA margin. And if it's a very good brand at max 15% kind of a margin structure. So, do you think that post the transfer of business in the manufacturing to India, you will be able to achieve that kind of a margin or it will be much better, any color you can give?

Harsh Dhanuka: Right. So, I'll request Bansalji to address the margin question.

V.K. Bansal: You see, in terms of margin, we are expecting slightly in terms of gross margin level to be lower as per our overall margin. But in terms of EBITDA, we are hopeful to maintain the same EBITDA level even after these two molecules.

Viraj: Okay. So, in terms of payback, it may be like a 5, 6-year kind of a payback?

V.K. Bansal: Yes, if we only look, there could be two, three angles. If you look at the purely financial angle, and one is the advantage in this. But yes, I think payback period must be in five years. It must be there. Yes, five years.

Viraj: Okay. And on the first question?

Harsh Dhanuka: Yes, on the first question, for Dhanuka, it will not be B2C, except in India, because we do not intend to establish our direct channel in any of the countries. We are in discussion already with the several local companies in these countries, who already have an established distribution network, and we'll be giving the rights for the brand to these companies. The supply chain will be managed by Dhanuka, including the manufacturing of the product.

Viraj: Okay, understood. So, the margin structure, which you alluded, this is despite the kind of competition you see, you have many Chinese players in the market. So, even considering the kind of overcapacity you see, over that as well, you will be maintaining this kind of a margin.

V.K. Bansal: Currently, we are expecting, yes, you are right, but in time we'll tell in future, because we are still very young.

Viraj Sanghavi: I will come back in queue. Thank you.

Moderator: Thank you. The next question comes from Riju Dalui from Antique Stock Broking. Please go ahead.

Riju Dalui: Thanks for the opportunity. So, first question is on the market size. So, can you please tell me, like, what is the market size for these two products? Global market size?

Harsh Dhanuka: Yes. So, for Iprovalicarb, the global market size is close to USD25 million and for Triadimenol, it is close to USD75 million. These are two-year-old numbers that I have.

Riju Dalui: So, roughly, it will be around 800 crores to 900 crores kind of market size globally, right?

Harsh Dhanuka: Correct.

Riju Dalui: So, these two products, Bayer is having market share of 20% kind of market share Bayer is having right now, globally, right? So, who are the other players and what would be their market share globally?

Harsh Dhanuka: So, in Iprovalicarb, the Bayer's market share would be close to 50%, and the others are generic player based out of China, but their presence globally is not much. With respect to Triadimenol, again, there is only Chinese players which are there. Here, the bayer's share is lower at around 20%-25%, I believe.

So, the biggest advantage that we have in case of Triadimenol is that we have access to Brazil market where the other generics are not present. So, that's the advantage. Brazil has significant entrance barriers. So, for a new generic to enter the market, it requires a lot of registration investment and time.

Riju Dalui: Understood. And how much would be the Brazil market size?

Harsh Dhanuka: Brazil market size for this product?

Riju Dalui: Yes.

Harsh Dhanuka: For this product? So, this product's entire revenue is in Brazil only for the portion which we have acquired is only for Brazil.

Riju Dalui: Okay, understood. And one more question, how much was the peak revenue for these two products? Like you have mentioned that this product is 20-40 years old. So, how was the peak revenue?

Harsh Dhanuka: So, the peak revenue as per information available with us was in 2022 which was INR245 crores for both the products combined.

Riju Dalui: Understood. So, that was the peak revenue including your volumes and the realization, right?

Harsh Dhanuka: The volumes and realization both combined, correct.

Riju Dalui: Yes, understood. And just for clarification purpose, how much growth are you expecting going forward? Like not for next two years, I'm talking about next five years or a bit of long-term perspective because these two molecules are very old molecules. So, what is your expectation in terms of volume growth?

Management: So, for next five years, we are looking at 10%-15% CAGR.

Riju Dalui: Okay. So, mostly from LATAM market?

Harsh Dhanuka: Yes. So, as I mentioned earlier, Triadimenol is only in Latin, that is Brazil. And the Iprovalicarb is divided between Asia, which is having the largest share, followed by Middle East and North Africa and Europe.

So, all these regions are expected to grow, especially because there are two formulation of Iprovalicarb which are there. And the second formulation is growing and also having some in pipeline registrations in different countries. So, we believe this new combination Iprovalicarb will be growing.

Riju Dalui: Understood. And you said that like you will be shifting manufacturing base into Dahej. So, how many years that will take to shift the manufacturing base to Dahej?

Harsh Dhanuka: So, the Iprovalicarb technical manufacturing, we are planning to do it in Dahej, which will take roughly two to three years' time from now.

Riju Dalui: Okay. And how will be the revenue recognition for Dhanuka, maybe in Q4 or maybe in H1 FY26. So, how will that work, like the revenue recognition for these two products?

V.K. Bansal: You see, revenue recognition in Q4 of this financial year would be nil, because bayer will do business as usual on behalf of Dhanuka, will get the sort of royalty. Revenue will not come in our books in this financial year. However, revenue will start coming from the next financial year.

Riju Dalui: Okay. So, that will start following from Q1 or maybe like it will take some time to, you know…

V.K. Bansal: It depends on country-wise country, molecule-wise molecule. It may start in, say, for India in Q1 and for Q2 some more countries and one brand and Q3 another brand and the Q4 almost for all the brands in all the countries.

Riju Dalui: Okay, understood. So, it will pick up gradually.

V.K. Bansal: Yes.

Riju Dalui: Thank you. This is all from my side.

Moderator: Thank you. The next question comes from Bhavya Gandhi from Dalal and Broacha Stock Broking. Please go ahead.

Bhavya Gandhi: Yes. Thank you for the opportunity. So, you mentioned about some royalty payment. Can you throw some light on this? How is it and what is it about?

V.K. Bansal: See, royalty payment will come because Bayer will do business as usual, as it was doing before our acquisition. Right? So, royalty means that should be transferred in terms of net economic benefit after whatever the fees consideration is, less all the cost of material and their margin, the differential will be transferred as a net economic benefit. This will be considered as royalty in our books of accounts.

Bhavya Gandhi: That will be there for the transition period you are trying to say, right? Or post transfer of the brands also, are we supposed to pay any royalties?

Harsh Dhanuka: We will not pay. They will pay to us.

Bhavya Gandhi: They will pay to you. Okay. Okay. Got it. Got it. And just one more thing on the product side, if you can throw some light, which will be the nearest product in the basket in the generic molecules, if you were to compare?

Harsh Dhanuka: There are many products in the similar category. So there is one product, a dimethamol from bayer, but that product has been put on the restricted list in lieu. So that gives an advantage to Iprovalicarb.

And there's one more product from the similar class, which has also been put under restriction in lieu. So that is where the Iprovalicarb will get advantage in lieu on that account. There are other products also like Mendi PropaMate, is there, which is there in similar class, similar end usage of the crops and disease.

Bhavya Gandhi: So basically post, bayer will not have any similar product that we are acquiring, right? Post the acquisition of these two brands.

Harsh Dhanuka: A bayer would also have similar product, but not in the same chemistry class. It will be different chemistry, newer chemistry.

Bhavya Gandhi: It will be newer chemistry, you are saying?

Harsh Dhanuka: Yes.

Bhavya Gandhi: Okay. So, how do we ensure that our acquisition that we've done, succeed on a longer term basis? Because if they were to introduce, because the brand, people will be farmers in those countries will be aware about that brand and their marketing agents will try and put the newer product.

Harsh Dhanuka: Yes. So, the farmers are aware about the brand, Melody brand, which is there along with this product. So the consumers continue to use the existing brand as well, especially when the product communication and presence is continued. If there is a break, then there would be a challenge. But because the product is continuously present in the market, so we can take the full advantage of the brand presence in the market.

Bhavya Gandhi: Got it. And just on the distribution side, how are we going to distribute this product?

Harsh Dhanuka: In India, we will distribute it through our existing network. And outside of India, we are planning to establish local distributors in each country. So like Dhanuka is a national distributor for some of our Japanese partners, we will have a similar national distributor in the targeted market.

Bhavya Gandhi: So basically, we will create our own distributors or we will be relying on third-party distributors to market?

Harsh Dhanuka: We will not be establishing our own distribution channel like we have in India. We will have one national distributor in one country.

Bhavya Gandhi: Got it. And can you throw some light on the average realization of this product and what brand names they are being sold currently?

Harsh Dhanuka: The realization number I cannot share with you right now because that varies for each country. And with respect to the, what was the second part of your question?

Bhavya Gandhi: Brand name. Brand name.

Harsh Dhanuka: Brand name is for Iprovalicarb, Melody and related brands like Melody Duo, Melody Compact, Melodika, similar names are there. And for Triadimenol, the brand names are Betan and Premier Plus. But Betan and Premier Plus brands have not been purchased by Dhanuka. So, we will have usage of these brands only for a transition period.

Bhavya Gandhi: Okay. And can you just highlight what is led to fall in volumes? Okay, sir. I'll get back.

Moderator: Thank you. We'll take the next question from the line of Mr. Rohit Nagraj from B&K Securities. Please go ahead.

Rohit Nagraj: Yes. Thanks for the follow-up. So in terms of the products, so there are individual products as well as combination molecules. So given that this is already an established product, from our acquisition perspective, was the underlying more important to get entry into other geographies where we are not currently present and we want to establish our presence? Is that the underlying?

And a light question to that, you also mentioned that there are certain combinations which are currently maybe work in progress. So, how will the transfer of that happen over a period of time? So R&D is being done by a bayer and once the R&D is over, will the product be transferred to us without any royalty payment also? Thank you.

Harsh Dhanuka: Yes. So the current products which are under registration, already in some of the countries it has been registered and some countries it is under registration. So these under registration products will also be transferred to Dhanuka over a period of time.

And for these new registrations, we do not have to make any fresh payments to bayer. It is part of the total concentration that we have already paid to bayer.

Rohit Nagraj: Right. And basically, to acquire these generic brands, was our thought process to enter into the geographies or was there any other, I mean, given that these are all generic brands and we will have to establish ourselves as Dhanuka as a company across geographies will take some amount of time?

Harsh Dhanuka: Yes. So one is to get access to number of countries. So these two products, we will have presence in more than 20 countries across the globe. So with the established customer base of these products, we will be able to market some of our other products from the existing portfolio and future products which we are developing out of Dahej. So, these will be putting into the similar customer base and establishing the product in the new market. So, that is the primary base, as you mentioned, for the acquisition.

Rohit Nagraj: Sure. And second question, Bansalji, you told us that from Q1 onwards, there will be no recognition of revenues. Why is it so? Will the consolidation not happen from 1st April if all the other formalities are in place?

V.K. Bansal: No, no. I told in the Q4 of this financial year, there will not be any revenue recognition in the books of Dhanuka Agritech. However, from Q1 of the next financial year, revenue recognition will start.

Rohit Nagraj: Okay. So consolidation will happen for FY26 with whatever run rate, maybe INR186-INR200 crores and whatever growth rate that happens next year. So, entire revenue will be recognized in FY26 as far as the sales are concerned. There will not be anything which a bayer will be having control of?

V.K. Bansal: No, not like that. You see bayer is doing business as usual. The moment we get the registration transfer and the permission is taken over control, the revenue will start country by country. From India, it will start in the Q1, from some other country in Q2, from some other country in Q3. By the end of the financial year, we are expecting the entire control will come in Dhanuka ends.

Maybe some part of revenue will be recognized in the books of Dhanuka Agritech in the next financial year and some in terms of royalty. Yes, from 26-27, we are expecting the entire revenue come from Dhanuka balance sheet.

Rohit Nagraj: Sure. Got it. Thank you so much and all the best. Thank you.

Moderator: Thank you. The next question comes from S. Ramesh from Nirmal Bang Equities. Please go ahead.

S Ramesh: Good evening. Thank you very much. So thanks for this call. So, if you look at your long term vision for this acquisition, if you look at FY28, given normal weather conditions and normalcy is restored in terms of volume growth - for these two molecules across the 20 countries in India as such. What is the kind of…

Moderator: We are losing your voice in between.

S Ramesh: Basically I was asking what is the kind of growth we can expect in FY28 from these two molecules and what is the impact on your amortization on the acquisition front because that's pretty much registration. So, how much would it add to your depreciation and amortization over 26 and 27?

Harsh Dhanuka: So, on revenue front I can answer that we are planning to do 10% to 15% CAGR on the products for the next 5 years, that's our objective. And in terms of depreciation, Bansal ji can answer the question.

V.K. Bansal: Yes, we'll charge the depreciation as per eligible rates.

S Ramesh: So, on this INR165 crores you have paid?

V.K. Bansal: Yes, on the entire amount will be applicable. Yes, that's right.

S Ramesh: So, can we take about 10% on this overall cost?

V.K. Bansal: Depreciation rate is around 15%, if I'm not wrong.

S Ramesh: 15%. So, the second part is now you mentioned about using the Dahej facility. So, in terms of the supply chain sourcing for raw materials and intermediates for these molecules, will you use the existing supply chain that bayer will transfer or will you have to arrange it separately? And secondly, after using the bayer the Dahej facility for these two molecules, in Dahej what is the balance capacity available for your other molecules? Can you give us some thoughts on that?

Harsh Dhanuka: Yes. So, I'll address the question first part around supply chain. As per the international registration, we need to maintain the same product quality which is currently being manufactured by bayer. If it requires us to use the same supplier as bayer, we will have to go with that. But if we can change some of the suppliers and still maintain the quality, then we will shift to our own suppliers. So, that is first part of the question.

Second part regarding the capacity, the product involves complex chain of reactions. And for that a significant portion of the existing capacity may be consumed, but we will still have spare capacity in the existing plant itself because the volumes are not very large for this product globally. So, that is why we believe it should be possible, but we'll get to know in due course how much capacity exactly will be consumed by this product.

S Ramesh: Okay. So, what are the benefits from this acquisition you mentioned about entry into these 20 countries. So, when you look at this 15% CAGR, that is just for the two molecules. So, over and above that, what is the kind of additional growth you can expect for your India business and the international export business based on the access you have to these markets beyond these two molecules over 5 years?

Harsh Dhanuka: Yes. So, for India business, of course, this business gets added into our brand sales. And for the brand sales, we will continue to grow for the domestic market 10% to 15% as has been our plans over the years. And for the international business definitely this will add significant revenue to our portfolio. And over the years, it will give us benefit in selling our other products also. At this moment, I will not be able to put a number to that.

S Ramesh: Okay. So, finally, in terms of your ROCE for the business now on a INR165 crores acquisition, given that these are generic molecules, if you look at your long-term expectations of ROCE, would it be similar ROCE on your current business because there is a working capital component involved. So, how much of additional investment we have to make on working capital?

And to that extent, based on an asset turn and margin will there be some sacrifice on ROCE in the initial 1 or 2 years and then, when will you actually be able to bring that ROCE back to your current blended ROCE? And in the future, would you expect this to give you some incremental addition to your ROCE over and above your current blended ROCE?

V.K. Bansal: So, you see it is a little early to comment on ROCE. It will take some time. Until and unless we take the entire control in our hands, it is difficult to comment. It will take some time.

S Ramesh: So, in terms of working capital requirement, how much will it be say, if you take the ramp up to the full sale, how much will be the investment required in working capital?

V.K. Bansal: In terms of working capital requirement until and unless we will take the entire control, we will get to know how much working capital requirement would be. So, it is really a little early to comment as of now.

S Ramesh: But Ballpark you would have made some assessment based on your current number of days of receivables and inventory, what I am trying to understand is would it incrementally increase the number of days of net working capital? Just in terms of direction?

V.K. Bansal: NWC should be in line with the ROCE. Currently, we are having the NWC is around 112 days to 120 days. So, overall, NWC should not see increase at all, even by this introduction of these two molecules. Maybe it will be a better improvement, but it will take time to tell us how many days we can improve with these two molecules. But overall, it should not be increased.

S Ramesh: Thank you a lot, sir. I will join the queue for the follow-up. Thank you.

Moderator: Thank you. Ladies and gentlemen, we would take that as the last question for today. I now hand the conference over to the management for closing comments.

M.K. Dhanuka: Friends to conclude, I would like to thank all our investors for your support and confidence in Dhanuka. This acquisition will strengthen Dhanuka's market position by boosting both the top line and bottom line through the sale of its products in India and global markets. I reassure our stakeholders that we are committed to the task of transforming the landscape of agriculture in India and will play an integral role in rewriting the future of a better and new India. Wishing you all good health and safety. Merry Christmas and a Happy New Year. Thank you very much.

Moderator: On behalf of Dhanuka Agritech Limited that concludes this conference. Thank you for joining us. You may now disconnect your lines.