

15th February, 2024

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To
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai – 400 001
Scrip Code: 516072
Through: BSE Listing Centre

To
National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G
Bandra Kurla Complex, Bandra (East),
Mumbai -400 051
NSE Symbol : VISHNU
Through : NEAPS

Dear Sir/ Madam,

Subject: Transcript of the Earnings Call held on 12th February, 2024 on Q3FY24 Financial Results

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the transcript of the Earnings Call held on Monday, 12th February, 2024 on Q3FY24 financial results is enclosed.

Kindly take the same on record and disseminate on your website.

Thanking You.

Yours faithfully,

For Vishnu Chemicals Limited

Vibha Shinde
Company Secretary & Compliance Officer



“Vishnu Chemicals Limited Q3 FY-24 Earnings Conference Call”

February 12, 2024



**MANAGEMENT: MR. CHERUKURI SIDDARTHA – JOINT MANAGING
DIRECTOR, VISHNU CHEMICALS LIMITED
MR. HANUMANT BHANSALI – VP (FINANCE &
STRATEGY), VISHNU CHEMICALS LIMITED**

**MODERATOR: MR. MEET VORA – EMKAY GLOBAL FINANCIAL
SERVICES**

Moderator: Ladies and gentlemen good day and welcome to the Q3 and nine-month FY24 Earnings Conference Call of Vishnu Chemicals Limited hosted by Emkay Global Financial Services Limited.

As a reminder all participants lines will be in the listen only mode and there will be an opportunity for you to ask questions after the initial remarks conclude. Should you need assistance during this conference please signal an operator by pressing ‘*’ then ‘0’ on your touchtone phone. Please note that this conference is being recorded.

Some of the statements made in today's call may be forward looking in nature and may involve risks and uncertainties. For more details kindly refer to the earnings release and other filings that can be found on the Company’s website.

I would now like to hand the conference over to Mr. Meet Vora from Emkay Global Financial Services. Thank you and over to you sir.

Meet Vora: Thank you. Good evening, everyone. We have with us from Management, Mr. Cherukuri Siddartha – Joint Managing Director and Mr. Hanumant Bhansali – VP (Finance). We thank them for giving us this opportunity to host them.

I shall now handover the call to the Management for their “Opening Remarks”. Thank you and over to you sir.

Hanumant Bhansali: Thank you, Mr. Meet. Good evening, everyone. My name is Hanumant and I'm the Vice President Finance at Vishnu Chemicals Limited. I'm pleased to present to you a comprehensive overview of our Company’s performance in the past quarter. I would like to highlight the key achievements, challenges and strategic initiatives that will shape our path forward.

Let me start with the “Financial Performance” achieved during the 3rd Quarter of this Financial Year.

First, the “Consolidated Performance”:

The Company achieved a total income of 308 crores in Q3 FY24 compared to 311 crores in Q2 FY24. The consolidated EBITDA for Q3 FY24 was 45 crores compared to 49 crores in Q2 FY24, a decline of 8% on a quarter-on-quarter basis. The consolidated PAT of the Company was 21 crores compared to 24 crores in Q2 FY24, a decline of 13% on a quarter-on-quarter basis.

Now the “Standalone Performance” of the Company:

The Company registered a total income of 258 crores in Q3 FY24 compared to 269 crores in Q2 FY24, a decline of 3% on a quarter-on-quarter basis. The gross margins at the standalone

level increased from 42.3% in Q2 FY24 to 43.1% in Q3 FY24, an overall increase of 75 basis points. The absolute EBITDA of the Company declined marginally by 3% at 32 crores in Q3 FY24 compared to 40 crores in Q2 FY24. The standalone PAT of the Company was 22 crores compared to 24 crores in Q2 FY24, a decline of 6% on a sequential basis.

Now I will share our views on the various aspects of our Chromium Chemical business:

In the quarter gone by our domestic market demonstrated robust demand contributing to a sales mix favoring domestic sales at 53% compared to 47% in export sales. Despite the challenges posed by the current business environment, both volume offtake and prices remain the same, mirroring the ability in the previous quarter. Our focus on improving efficiencies and optimizing processes resulted in a remarkable 10% reduction in average consumption of key raw materials compared to FY23. This has helped us mitigate the impact of higher raw material prices. Cost of consumables as a percentage of operating revenues was 13.8% in Q3 FY24 compared to 16.3% in Q2 FY24. Power cost also reduced as a percentage of operating revenues from 5.2% in Q2 FY24 to 4.7% in Q3F FY24.

Now talking about Barium Chemicals:

The capacity utilization in barium chemistry was similar to that in Q2 FY24 but emphasis on reduction in inventory of finished goods resulted in better sales volume on a quarter-on-quarter basis. Our depreciation has surged by 89% on a year-on-year basis exerting a short-term impact on profitability. The Company is expected to see better traction in volumes as we progress.

Our upgradation of equipment and infrastructure was completed in the newly acquired baryte beneficiation plant. The plant has stabilized in February and sizable benefits and cost savings are expected to flow from Q1 FY25.

Now I will request the Joint Managing Director of Vishnu Chemicals Mr. Cherukuri Siddartha to share his views on the business. Over to you sir.

Cherukuri Siddartha:

Thank you very much Hanumant and very good evening, everyone.

I would like to start off by sharing highlights in Chromium Chemistry:

Our Company is set to recoup its entire investment in the backward integration project at Visakhapatnam by Q1 FY25. This is marking it as a significant success. The cost of our primary raw material chrome ore continues its upward trend in Quarter 3 FY24. This is marking a consistent quarterly increase of nearly 10% over the past three quarters. On the same lines, we intend to secure and reduce the dependency of procurement of chrome ore. Therefore, our proposal to acquire a strategic chrome ore beneficiation plant with a sizable reserve is progressing well and our offer has been accepted. Further details will be shared upon

conclusion of negotiations and execution of documentation. This is demonstrating our commitment to secure our raw material supply chain in the years to come.

In June 2023 we commissioned a new capacity of manufacturing precipitated barium sulphate. 100% of the raw materials used in production are sourced from within India which is close to our plant. The quality of our product is at par with other international peers and we have got already approval from some of the major multinational paint companies who are in India and outside India. Good volumes of PBS were sold during the quarter leading to an improvement in the market share. However, we are witnessing some pricing pressure specifically from China.

The CAPEX for the next Financial Year '25 will be prioritized focusing on vertical or backward integration and volume expansion. While various micro and macro factors led to an overall tough quarter, we can see things improving in the chemistries we operate. With the completion of stabilization by Q4 FY24 for our new project, we are confident of achieving an improved performance in the quarters to follow.

Thank you. Now I request to start and keep the floor open for Q&A.

Moderator: Thank you very much. We will now begin the question-and-answer session. Our first question is from Rikin Shah from Omkara Capital.

Rikin Shah: I just wanted to ask on the breakdown and correlation between the sodium dichromate prices and chrome ore prices. So again, it's another quarter where both the prices have been moving in different directions. I was just trying to understand what maybe could be prolonging this effect because generally these things have been moving in tandem historically and at the moment it is very difficult to gauge when things would revert back. So, if you could help with that.

Cherukuri Siddartha: I would say that both are not moving in a different direction. So, what we are seeing is the chrome ore prices have increased by another 10% during the quarter on account of increase in sea freight rates globally. That has made an impact. Our finished good prices have remained stable for this quarter. But what we are witnessing now is we have already started discussing with some of the potential end users and we have already announced a price increase among all our products. So, we are expecting a price increase from Quarter 1 FY25.

Rikin Shah: The next question on barium end. It's been four quarters since perhaps you can say sort of a slowdown the barium segment. And we have perhaps not reached a respectable enough profitability in barium segment due to many challenges from supply side, some demand softness on barium carbonate in Europe. So, in terms of thinking going forward, when do we see this getting back to a very healthy level?

Cherukuri Siddartha: There are many factors which is causing this stress on the P&L, especially on the barium side is one is demand slowdown in the construction industry and also our precipitated barium sulphate, the product approval is taking slightly longer than I anticipated but it's progressing quite well. As we speak this quarter, we are operating at 60% and we are seeing a good order pipeline for this quarter. And hopefully by Q1 FY25 we are expecting an operating level of over 70% in the precipitated barium sulphate. That will definitely build the overall product mix and improve the spreads for our barium portfolio.

Rikin Shah: That's fair. So, we do have a roadmap for barium sulphate. But considering barium carbonate seems to be stuck with the demand challenges in Europe, are we sort of trying to navigate that in other geographies? Because maybe issues in Europe could be much more prolonged than people anticipate.

Cherukuri Siddartha: A few quarters ago, we acquired this beneficiation plant called Ramadas Mineral. The primary reason for us to acquire this facility is to bring down our raw material cost. We are witnessing a good progress in that project whereby a key raw material which is baryte, the cost is going to come down significantly by March-April. Currently the plant is under stabilization phase. By April we are expecting it to be fully operational. By virtue of that our key raw material costs will come down that will definitely give us more leverage in terms of pricing. In terms of demand, yes, it is sluggish but it's not fully off. Also, it's been clubbed with the Red Sea issue because majority of our business is in Europe. The customers are slowly picking up and they have accepted the fact that the prices are going to continue to remain elevated not just for shipments coming out of India but also from China. So, we are seeing steadily the orders are picking up and customers are coming back and confirming the volumes overall.

Moderator: The next question is from Rohit Sinha from Sunidhi Securities.

Rohit Sinha: Just on continuation of your answer on last participant's question about this Red Sea issue. So how we are seeing this as of now and how much it has impacted basically, you can say in Q3 for us and what kind of volume has been impacted because of this?

Hanumant Bhansali: So, you pointed out a very pertinent issue with respect to freights. The Red Sea is one of the world's busiest sea routes and nearly 30% of global containers transits through the Suez Canal alone. And it was an issue that was not in the control of anyone, neither the suppliers nor the procurers. It immediately increased the shipping costs in certain routes, from Asia to Europe, by nearly 5x in a period of less than 30 days. There is no respite right now in this, but the changes are now being accepted globally by both exporters as well as importers. Because this change has not just led to an increase in prices but also it has increased the transit time by nearly 30% to 40% in most of the routes. Talking about Vishnu Chemicals, we saw nearly 145 basis points increase in freight cost on a quarter-on-quarter basis. We are already in conversation with our customers. As this freight cost increase will be transitory in nature and we will persist the shipment contract renegotiations with other clients.

- Rohit Sinha:** But any volume to quantify that because of which we have lost some volume or anything to?
- Cherukuri Siddartha:** We have not lost but there has been a delay in the shipments. But customers have come back, and they started moving now. Their idea was they were anticipating that the sea freights would cool off in a few months from now and they are picking up on their need basis, so that they don't run out of stock. They are also mindful of the fact that if they delay their decision making to accept shipments given that longer transit time, they might even run out of stock. They're cognizant on this fact that in general the transit time has gone up. So, they have to place their order now. Otherwise, it'll be a stock-out situation for them.
- Rohit Sinha:** Secondly on the subsidiary side and barium side, from last quarter Q2 we have increased some revenue in Q3. But on EBITDA there was a decline. So, is there a product mix change or how to see this thing on quarter-on-quarter basis for subsidiary?
- Hanumant Bhansali:** Yes, the revenues in Vishnu Barium increased on a quarter-on-quarter basis. And this was mainly because of the increase in realization of barium carbonate prices that we undertook to pass the increase in the raw material prices. So, at a gross profit level the Company made absolutely the same spreads that we made in Q2. But because the realization per kg was higher the gross margins look a little lower. But overall, we maintained our gross profitability on a unit level.
- Moderator:** The next question is from Rakesh Davera from 4R Investments.
- Rakesh Davera:** My first question is related to barium compound. We are facing tough competition and also a slowdown in growth, so can you throw some light?
- Cherukuri Siddartha:** I would say that yes, we are seeing a slowdown in demand, but it doesn't mean that our growth is coming down because if you see sequentially the volumes have been increasing quarter-on-quarter basis and that will bound to continue. As we are focusing more on precipitated barium sulphate, we are witnessing good volume growth in the quarters to come. Also, on the barium carbonate side also, even on a Y-on-Y basis we are going to see close to 14% increase in the volume. However, that will not reflect in the revenues in general because of the general adjustment in the prices. But otherwise, we are growing in terms of volumes on both barium carbonate and barium sulphate. Generally speaking, there has been about a 12% to 13% decrease in product realization. That is actually playing an impact on overall revenues and profitability.
- Rakesh Davera:** Strong hit on EBITDA due to higher fixed cost due to baryte beneficiation plant earlier or what exactly is hitting EBITDA?
- Cherukuri Siddartha:** If you see our EBITDAs have actually increased on a year-on-year basis. Which means that our operating leverage has kicked in overall. But in terms of profitability, we have faced an impact on account of a close to 80% increase in the depreciation on a Y-on-Y basis and also

increase in the interest cost. Also, there is a one-off thing which we had during last quarter because already the project has commenced, and we cannot capitalize it anymore. So, there has been incidental expense to improve on a certain process where some cost has been incurred in general.

Rakesh Davera: Earlier in Q2, we seen that breakeven was achieved in barium. But it was not exactly on the realized guidance, so how can we understand this? Can we understand like the growth barium compound growth is getting slowed down due to pressure from the overseas market also?

Cherukuri Siddartha: I think what we are seeing is the volumes are increasing and as we tend to reach 80% operating level which we are confident on achieving by Q1 FY25. We are targeting an EBITDA of 18% to 20% in barium vertical itself and we are quite positive about it. Although there would be an impact on higher depreciation still there'd be an increase in the profitability in the FY25.

Rakesh Davera: Coming to barium precipitate capacity utilization at what level currently we are operating.

Cherukuri Siddartha: Currently we are operating at 60%, from FY25 we are targeting to operate it over 70%.

Rakesh Davera: And other question is regarding Bhilai plant. Can you throw some light on Bhilai plant, what exactly operations there?

Cherukuri Siddartha: We are mostly operating value-added derivatives there like chromic acid, also producing sodium dichromate, potassium dichromate and basic chromium sulphate. That's what we produce at the Bhilai facility.

Rakesh Davera: So, what are the measures taken generally to avoid incurring heavy costs? So, in the last Q2 we have spoken about reducing cost expenditure. So, are we maintaining the same thing?

Hanumant Bhansali: So, we have taken multiple steps to reduce our overall cost, #1 was that we reduced our consumption of the raw material. So, on a per kg basis, the amount of raw materials that we consumed in FY23 has come down by nearly 10% over the last nine months. And this is across the raw material that we are consuming in Chromium Chemical. So that includes soda ash, sulfuric acid, etc. But this has led to an improvement in the gross margin that is already visible in our Q3 FY24 results. It has improved by nearly 75 basis points. Apart from this we have also done a lot of upgradation in our equipment and processes which has reduced our overall cost of consumables that generate energy and reduced our cost of electricity which was earlier about 5.2% and has come down to 4.7% in Q3 FY24 with the same volume.

Hanumant Bhansali: Most important thing I'd like to highlight that we completed our backward integration in Visakhapatnam in sodium carbonate. In January 2022 we started this plant, and we are now all set to recoup our entire investment to the tune of nearly 140 crores spent on this project by Q1 FY25 itself. So, these are some of the significant achievements that we have done on the efficiency as well as reduction of cost.

Rakesh Davera: And final question regarding chromium compound, we have acquired actually approved for acquisition of chrome ore reserve and when will we see that in the results?

Hanumant Bhansali: We have taken a board approval in the last quarter and now talking about the progress that we have made, we have identified the assets that we would like to acquire, and our offer has been accepted by the seller. We are in the process of completing the documentation and over the next few months we'll be spending time concluding the formality.

Rakesh Davera: So how much margins we can expect after completion of this chrome ore acquisition? How much improvement we can expect?

Hanumant Bhansali: We would like to reserve our comments on the exact cost benefit due to chrome ore acquisition because of confidentiality clauses we have entered with the seller. But please note that chrome ore is a very important raw material production of chromium chemicals. And till now we are procuring 100% of it from external sources. Through this acquisition we will be mitigating the risk of volatility in the raw material prices and that would be the key. And that would give us further strength to keep on expanding in the forward integration without having anything about the raw material.

Rakesh Davera: And what will be the guidance for Q4?

Hanumant Bhansali: Right now, we are making significant improvements in barium vertical. So, we are hoping that the overall improvements that we have shared with all of you today, we will see that in Q4 and we will take this forward in the next financial year also.

Moderator: Next question is from Aditya Bharat Chheda from Incred Asset Management.

Aditya Chheda: So, first is can you highlight the gross debt and net debt number for December 31st?

Hanumant Bhansali: Our gross debt on a consolidated level is around 320 crores as of 31st December and our net debt is nearly 250 crores. Our debt to equity, our gross debt to equity is 0.5x and by the end of this financial year, we'll be standing at nearly 0.45x.

Aditya Chheda: And one clarification on employee cost. The bump up has to do with the PBS plant or is there any other element to the quarter-on-quarter 10% jump in employee cost on consol basis to 15 crores.

Hanumant Bhansali: Typically, in Q3 we have a onetime impact of annual bonuses that we roll out across the Company. So, this is something that we do every year in the Q3 quarter, it's a one-time increase.

Aditya Chheda: And last question is on PBS, right now the revenue contribution from PBS would be how much on the console number?

Hanumant Bhansali: PBS is right now operating at lower levels, so the contribution overall would increase only from Q4 and Q1FY25 subsequently. Right now, at an overall level, it would be less than 5%.

Moderator: The next question is from the line of Ayush Bansod, who's an individual investor.

Ayush Bansod: My question was on the individual capacity utilization of barium carbonate and barium sulphate and how we see it improving over Q1 FY25 next two quarters?

Cherukuri Siddartha: The current operating level of barium carbonate is at 75% and barium sulfate we are operating at 55% to 60% level. As we progress towards the next financial year, our endeavor would be to increase the barium sulphate operating levels to over 80%. We are confident because we are witnessing a good order book and customer approvals are flowing in. And barium carbonate also as we see, some improvement in the construction industry in Europe and Latin America. We are confident to operate it at over 90% during FY25.

Moderator: The next question is from Gunit from Counter Cyclical PMS.

Gunit: Our revenues have more or less been range bound from the last around eight to ten quarters between 300 to 350 Cr. And if I'm not wrong, we made some capacity enhancement and some brownfield projects as well during this timeframe and also certain backward integration programs. So, I just would like to understand when we can expect a bump up in volumes and a bump up in the revenues going forward. Because if I remember correctly, we are also given a guidance of 1500 Cr for FY23 or FY24. And we still are at a rate of about 300 crores per quarter. So, I would like to understand your views on this.

Hanumant Bhansali: We are expecting Barium Chemicals capacity utilization to improve Q4 onwards and entering into next financial year, we are very confident of delivering 70% of utilization level. That would overall increase our profitability and that would overall increase our revenues and also the profitability of the Company. At the same time the improvements that we have done across the verticals of both Chromium and Barium Chemicals will help us reduced our expenses. Some of them are - baryte beneficiation plant which is already operating at a higher utilization levels compared to previous quarters, and it will further increase as we enter into the month of March. Secondly is we have made a signification improvement in overall consumption of raw material and electricity that is also going to benefit and reduce the overall cost for us. So, with the business cycles expected to change in a few quarters, we are hoping that these improvements will be sustained and help us achieve better margins when the cycles change and when the prices are come down.

Gunit: Do we have any internal estimates based on the kind of pipeline that we see and the kind of work that we are doing of the kind of growth we should expect in FY25 and the steady state margins that we're looking at, the realistic steady state margin for FY25 considering all the work that has been done?

- Hanumant Bhansali:** We don't give guidance, so we won't be able to share internal target with you. Overall, our endeavor is to achieve more than 16% EBITDA margin.
- Gunit:** It's not audible.
- Hanumant Bhansali:** Coming back to the question, we don't give a revenue or profitability guidance for FY25 but the first thing that we would like to do is achieve our EBITDA margins to the level of 16% to 17% which is right now at about 14.6% at a consolidated level. And overall, the revenues also would increase next year because of our overall increase offtake from barium chemicals. That would be the key drivers of profitability.
- Gunit:** Are we looking at any other CAPEX or any other expansion plans for the coming years to add more volumes?
- Cherukuri Siddartha:** We are looking at adding chromium metal to our portfolio. The work is under progress now. So, we are expecting a commercial launch of this product by FY26, and this will be a good value assertive product for our chromium portfolio. For that the CAPEX is currently on. We are in the process of expanding our chrome oxide green production at our Vishakhapatnam plant which will be the key raw material for producing high purity chromium metal.
- Moderator:** The next question is from the line of Dhruv Shah from Ambika Fincap.
- Dhruv Shah:** Siddartha my first question is on the chromium side. In last con-call you mentioned that there was an opportunity for green oxide. How are we shaping there? Have we got any approval for that?
- Cherukuri Siddartha:** With respect to chrome oxide, we did give an update that given that one of a producer in Germany is in the process of shutting down the facility. We are witnessing good enquiries from Europe and the US. Currently where we stand today is, our samples are under the testing phase so we're looking forward to hearing from the clients in the quarter to come from now. But as such for this particular product, the order book is looking quite solid. Our operating levels at our Hyderabad plant where we are producing chrome oxide green are operating over 90%. As we move forward towards FY25, we are already considering adding capacity since we have a furnace available to increase our oxide production at our Hyderabad facility where we can also use more sodium dichromate internally for our own production.
- Dhruv Shah:** Siddartha, I had one more general question on your chromium side. With the chrome ore prices going up every quarter, you think it's feasible for the players in Turkey and other European countries to continue production or they will say the same fate what the Germany producer saw? Because we are seeing our margin going down with our low cost of production with the backward integration, we have in soda ash. So how are other players surviving this?

Cherukuri Siddartha: What is definitely helping us to sustain to get through this headwind is definitely a CO2 acidification is helping us in a very big way. And it's still more to come in terms of because currently our CO2 acidification is operating at 75% level, and we are expecting it to go to 90% level by FY25. That will definitely give us a lot more leverage in terms of pricing and overall costing in general. And in terms of chrome ore pricing, it's not just for Vishnu Chemicals but across the industry, all our peers are bound to source this raw material either from South Africa or Kazakhstan. What we are seeing talking about a Turkish peer who's having an advantage with respect to currency, we see them leveraging that to some extent which gives them a little bit of pricing power over the others. And the South African producers, who is in South Africa, they have some logistical advantage because chrome ore is in South Africa. But as a Vishnu Chemicals what we see we have a very strong footing in India which is primarily a growing market compared to other parts of the world. As you can see over the last 3 years, our domestic share continues to increase. We were at 60%-65%, today we are at 75%. And the market seems to grow in India at 6% to 7% levels.

Dhruv Shah: But Siddartha, can you pinpoint any particular reason why the chrome ore prices are going up? Is it because of the electricity cost in South Africa primarily?

Cherukuri Siddartha: That is one of the factors but not a major one. It's primarily because of logistical issues in general and some consolidation which has happened in the mining industry over the last 4 to 5 years, especially during COVID there are very few suppliers out there. And especially for our particular grade, which is chemical grade, there are very few suppliers who are able to produce this particular grade product. What is really helping us in this situation is because we have an agreement with one of a very big producer. So, our volumes are taken care of. The issue we are facing is with the pricing in general because we tend to buy at what the market price is in general.

Dhruv Shah: Coming to your barium side, did I hear it right that are we seeing some competition in a PBS segment from Chinese players in India?

Cherukuri Siddartha: Yes, to some extent because they realized that there is a domestic supply which was not there in the past. I think part of their effort is to secure their position in India because it's their main market outside China. Currently given the import stats and all, the market today is about 30,000 tons. It's grown 14% on a Y-on-Y basis. But I think we do differentiate, and we do position ourselves as a quality supplier because we are able to demonstrate there's a quality difference between what Chinese are offering versus what we are supplying. But as you know it takes some time for customers to really get to that point. But our technical team and the sales team are working round the clock to make them realize what they're using and what they're getting now versus what they have having.

Dhruv Shah: But in pricing what will be the difference between what we are offering and what they are offering?

- Cherukuri Siddartha:** It depends on the customers, depends on the grade. There's always be a 5% to 8% delta.
- Dhruv Shah:** They would be cheaper, 5% to 8%, right?
- Cherukuri Siddartha:** Yes.
- Dhruv Shah:** And my last question is we aren't seeing any full benefits of Baryte acquisition yet. Should we see that in Q4?
- Cherukuri Siddartha:** Yes, definitely. As we speak, we are witnessing a good improvement because it's a new facility. Our people are gearing up, trying to get used to that process and everything. And this month itself we are seeing good progress in terms of yields and volumes what we have envisaged. The acquisition has happened in the month of September, and we have started operating from October. So, this is what we have planned. It takes about 5 to 6 months to stabilize everything and achieve the desired yields.
- Dhruv Shah:** What will be the utilization level there right now?
- Cherukuri Siddartha:** Right now, the utilization level is about up to 60% as we speak. But what we are trying to focus is to improve on the yields, which overall helps to help the costing factor as we improve on the yields in the processing plants.
- Moderator:** The next question is from Bhavya Sonawala from Samaasa Capital.
- Bhavya Sonawala:** I missed out on the initial remarks in terms of if there has been any kind of volume growth this quarter. And the second question was similar to the previous participant on the competitive landscape in the chromium segment. If we are seeing any kind of increased enquiries considering any problems with our competitors, if you can throw some light on that.
- Hanumant Bhansali:** On the volume front, the volume and the prices remain the same in Q3 FY24 compared to Q2 FY24. And can you repeat your second question please?
- Bhavya Sonawala:** Basically, just wanted to know the competitive landscape in the chromium segment. And are we seeing any kind of increased inquiry in terms of being on the cost front or any kind of issues on the competitors that we are seeing some increased inquiry for the chromium segment in our business?
- Hanumant Bhansali:** On the chromium segment I'd like to highlight that we have exhausted our full installed capacity. Now we are in the process of investing in both the primary chemical as well as derivatives in the next financial year. So that would further give us more range of products to penetrate into newer markets. As I'm speaking to you, we have already gained a lot of traction in the European as well as American markets. And with our new products coming up, we will further strengthen our position in these markets.

Moderator: Thank you very much. We'll take that as the last question. I would now like to hand the conference back to the management team for closing comments.

Hanumant Bhansali: Thank you very much. We appreciate your continued support as we are working together towards a future of sustained growth. I'd like to thank all the participants, team of Emkay and Chorus Call for your time today. If there are any further questions, please feel free to reach out to us on investors@vishnuchemicals.com. Thank you and have a good day.

Moderator: Thank you very much. On behalf of Emkay Global Financial Services Limited that concludes this conference. Thank you for joining us ladies and gentlemen, you may now disconnect your lines.