



“Shree Pushkar Chemicals & Fertilisers Limited
Q2 & H1 FY21 Earnings Conference Call”

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Moderator: Ladies and gentlemen, good day and welcome to the Shree Pushkar Chemicals & Fertilisers Limited Q2 & H1 FY21 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode. 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 ‘*’ and then ‘0’ on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Punit Makharia - Chairman & Managing Director from Shree Pushkar Chemicals & Fertilisers Limited. Thank you and over to you, sir.

Punit Makharia: Hello friends, a very good evening and welcome to quarter 2 and H1 FY21 earning calls of our company. I hope all of you and your families are keeping safe. Friends, joining me on this call is Mr. Deepak Beriwalla, our CFO and Pareto Capital team, our Investor Relation Advisor.

Many of us learning to live in the new normal and on behalf of our entire team, I would like to wish good health to all of you and your near and dear ones. I am proud and delighted to share that momentum that we have generated over the last few months is continuing. Overall, demand trends are encouraging and many of our business segments have started seeing growth compared to the last quarter. While we remain optimistic of robust economic potential over the mid to the long-term, opening economies and consumer sentiments should support demand in the months to come.

I am glad to report that the situation has improved from the last quarter and gradually operations are returning back to the normalcy which is expected to continue going ahead into the second half of FY21. All our units are up and running at a capacity of around 70 to 80% efficiency levels. Norms of safety laid by the government of social distancing continue to be strictly followed in all our factories and premises. Our supply chain and labor availability are also reaching pre-COVID levels and should become normal in coming months. Currently, all our business segments have started and are functioning at near pre-COVID levels.

Now friends, coming to the segmental performance of our company - Our dyes and dyes intermediate segment performed well in this quarter on account of the better capacity utilization and also better price realization during the period. The contribution has been 57% compared to 26% last quarter. The reduction in the sales of fertiliser has been on account of the end of the Kharif season. Fertiliser during H1 FY21 has been satisfactory as compared to the corresponding period of last year on account of better monsoon and that fertiliser being treated as an additional commodity during the lockdown. Further Make In India mission and self-reliance initiative continued to boost our fertiliser demand as the production is encouraged and import reliance on the fertiliser is reduced.

Friends, now coming to the performance of Kisan Phosphates Q2 FY21, we have reported 18 crores in revenue and 2.5 crores as EBITDA level, similar margin of 14.2% in H1 FY21. We reported 37 crores of revenue and 5 crores of EBITDA level with a margin of 12.6%. On account of Madhya Bharat front, we have already commenced production in a limited capacity, despite

the lockdown and supply chain restrictions in our earlier quarter. For the first half of this year, Madhya Bharat has generated around 5.1 crores revenue. The same has not been factored into our consolidated results. We are expecting this division to start contributing more to our fertiliser sales in coming quarters.

Finally, let us discuss the way forward - India is gaining major importance on the world stage, as people and companies continue to move away from China, this is an opportunity for India to emerge as a leading global chemical manufacturer and Shree Pushkar Chemicals & Fertilisers Limited is well positioned to take this opportunity. We are uniquely placed as one of the few market players equipped in both forward and backward integration. Our process has strongly quality controlled and we are proudly a zero waste company. The strong quality control of our products in terms of accreditation of bluesign, System Partner; ZDHC, contributor and GOTS, the Global Organization Textile Standard helps our company to enjoy the trust globally.

We are working further to strengthen our brand both in the dyes as well as chemical and fertiliser segment. We are focusing on rationalizing our costs, improving our efficiencies and capture the growing opportunities. Friends, this is all from my side. Now, I hand over the call to Mr. Deepak Beriwal for the financial highlights of our company. Thank you. Over to Mr. Deepak Beriwal.

Deepak Beriwal:

Thank you, sir. Good evening everyone. I will now take you through the consolidated quarterly and half yearly performance of our company for the financial year ended September 30, 2020. Our efforts to convert these challenging times into an opportunity have delivered healthy results for us. Q2 FY21 consolidated revenue stand at Rs. 77 crores lower by 6% as compared to the corresponding period of last year. Contribution from all the business segments during this quarter has helped to deliver good numbers and we expect this trend to continue going ahead.

Our consolidated segment wise revenue breakups for Q2 financial year 21 is as follows; dye intermediates was 34%, dye stuff has been 24%, fertilisers including Kisan 40%, acid complex, cattle feeds and others are around 2%. For H1 financial year 21 is as follows; dye intermediate was 28%, dye stuff has been 19%, fertilisers including Kisan 51%, acid complex, cattle feeds and others are around 2%.

EBITDA for the quarter stood at 11.5 crores as compared to Rs. 13.7 crores in Q2 financial year 2020 with EBITDA margin of 14.9%. PAT for the quarter is 7.3 crore. PAT margin continued to remain stable at 9.5%.

Let me now touch upon the half yearly performance. Total revenue in H1 FY21 stood at Rs. 141 crore compared to Rs. 174 crores in the same period last year. EBITDA stood at Rs. 14.6 crore with an EBITDA margin of 10.4%. PAT stood at Rs. 8.4 crores with the PAT margin of 6%.

On the whole, it can be seen that the impact of COVID-19 has had a dent on the performance during the current year which appears to improving over the quarters. If this trend continues, we

could expect the result of FY21 to be nearly that of the last year. This is all from my side. Now, we will open the floor for question and answers. Thank you.

Moderator: Thank you, sir. Ladies and gentlemen, we will now begin the question and answer session. The first question is from the line of Forum Makim from Equitree Capital. Please go ahead.

Forum Makim: Sir, I have a couple of questions, first of all in your balance sheet in financial assets, in others we see an increase of 26 crores, so could you please explain what is this related to?

Punit Makharia: In March 2020 balance sheet, our acquisition for Madhya Bharat stood at chemical work in progress, but now in this September quarter, we reclassified amount given for acquisition of Madhya Bharat in other financial assets. So that is the reason of these 26 points something crore is there in the balance sheet. I think basically, this is an investment what company has made into our 100% government subsidiary called Madhya Bharat Phosphates Private Limited. As we have told before also that as of now we have not taken any kind of acquisition funding on the part of the Madhya Bharat is concerned and since we have not received the auditory results of Madhya Bharat from the earlier RP and earlier management, which we are in the process of receiving it very shortly, may be 2 or early next 2 days and thereafter we will be recasting the balance sheet of Madhya Bharat as per the order of NCLT, then accordingly the proper classification of this 26 crores will be made by Shree Pushkar as well, but till now we are announcing and having this concall, till this time, this amount and the shares of Madhya Bharat has not been allotted to Shree Pushkar. That is why this amount had been kept in discussion.

Forum Makim: So sir, by the next quarter, we can expect the consolidated numbers to be visible?

Punit Makharia: When we will be doing this concall for Q3, somewhere in January, by that time we should be having, this figure would have been properly classified.

Forum Makim: And the numbers of Madhya Bharat would also be consolidated, right?

Punit Makharia: Yes, 100%.

Forum Makim: And sir, what is the potential revenue from Madhya Bharat?

Punit Makharia: See, if I talk about to give you some more numbers about it, we started Madhya Bharat production on 6th of June and from 6th of June till date, we have dispatched and sold around 25,000 tons of SSP up till now and whatever we have dispatched has not come into the revenue because the system is that majority we have got a tender from Markfed which is a Madhya Pradesh government agency and the billing is done after the sales. So if you see the capacity utilization of Madhya Bharat, in 4 months, we have achieved around 25,000 tons of SSP whereas the plant of Madhya Bharat is around 150,000 tons of SSP. Like that way if you see, we have reached up to a level of around 55% to 60% capacity utilization in Madhya Bharat.

- Forum Makim:** Like in a normal year, like in a non-COVID year what would be the potential revenue that you can generate in 12 months' time?
- Punit Makharia:** I think if we take it around 70% utilization also to be a very conservative basis, it would generate a minimum topline of around Rs. 85 to Rs. 90 crores a year. This is mainly from the Jhabua plant and other plant we have in Bhopal also in Madhya Bharat. That also we would be starting that would generate additional business of around 25-30 crores. In altogether, Madhya Bharat total business revenue would be around 100 to 110 crores.
- Forum Makim:** So this will be visible from FY21?
- Punit Makharia:** Yes.
- Forum Makim:** And my next question is sir, what is the status of the unit 1 and what are the contributions from the same?
- Punit Makharia:** See, unit 1 is already completed, we are about to start the production of our revamp facilities what we had taken last year and now we are just looking at some more few clarifications to be done. We hope that by quarter 3, we should be able to start. By the end of this calendar year, we should be able to start unit 1 also.
- Forum Makim:** And sir, could you just tell me like how is the demand for our dyes business shaping up?
- Punit Makharia:** As far as the business is concerned, it is almost, I would say, back to normalcy and I am bit bullish on the business, I see that now it has come to normalcy, it has started getting a momentum from South to North. If I talk about the dyes business, your company is already having orders of around till January also, as far as the dyes is concerned and the other part of the globe is already open, if you talk about Europe, it is almost open, Bangladesh is open, Turkey is also open, so we are having a quite a good amount of business as far as the dye stuff is concerned.
- Forum Makim:** Is it possible to share the order book number, sir?
- Punit Makharia:** As far as I see, almost 10 days back I had taken a review on the order book of the dye stuff, it was around 700 odd tones of some quantities of the orders we have. If you convert this into value wise, it comes to be around 30 to 35 crores.
- Forum Makim:** And sir, what would be the execution period?
- Punit Makharia:** By December or January, we have to comply for those orders.
- Forum Makim:** Considering we have already reached the pre-COVID level, so for FY21 we will try to achieve the FY20 numbers, right?

Punit Makharia: Last year, we did around 350 crores, on consol basis we are strongly positive about it, we should be able to do 350 plus minus 5 cores and I am not surprised if it is plus 5% also.

Forum Makim: And on these numbers, we will be able to do better margins like more than 16-17%?

Punit Makharia: On EBITDA level, you are talking about?

Forum Makim: Yes.

Punit Makharia: Yes, I think we did around 15% EBITDA level in this quarter also and we are quite hopeful to maintain in the same track record or we have to do something better than this.

Forum Makim: Sir, just one last question, we do maintain a guidance of 650 plus crores by FY23, right?

Punit Makharia: Obviously, because all the expansions whatever the company is doing of around 108 crores or so will almost be in pipeline by the end of this financial year or at the worst if you talk about some kind of delays which could be not in our control, it could be somewhere in April or May, we are planning to start the trial production by quarter 4 end. Suppose, in a work case scenario, if one of the plants get delayed by another 20 days, 15 days, 25 days which we can't foresee at this point of a time, but we are targeting it to start by quarter 4 end, so that by the next complete year, we get full year for the operation. At the most, we can discount another one or two months also on the conservative side, but otherwise we don't see any kind of hiccups into this.

Moderator: Thank you. Next question is from the line of Shanti Patel from SP Investments. Please go ahead.

Shanti Patel: As far as I understand about turnover, by year ending 31st March 2021 will be 353, is it correct?

Punit Makharia: Yes. Hopefully, we are targeting to achieve the same number what we did in the last year.

Shanti Patel: No problem, it will be clear and that can happen and what will be our PAT margin?

Punit Makharia: Sir, as far as PAT margin is concerned, honestly speaking since we have already lost the operation of these 6 months in this financial year and in this financial year if you see that we had lost a good amount of numbers into the first quarter. Company did hardly less than a crore of the PAT, so practically that period has gone. It is difficult for me to give you the numbers, but what I can tell you is that looking at the present trend, as we did around 7 to 8 crores of PAT in this quarter 2, we hopefully are able to maintain the same kind of the trend or show something better results in coming next 2 quarters. On the basis of these calculations, we believe that the company should be able to close PAT margins somewhere between 25 to 30 crores of the PAT margin in this financial year. This is taken into mainly on account that the 6 months of this financial year gone almost to the doldrums.

Shanti Patel: Next question is, we will go one year further that is March 2022 what will be our turnover in next year and what will be?

- Punit Makharia:** If you take in account, what functions we are doing from internal accruals that is around 108 to 110 crores, all these operations and expansions would be operational in next financial year. If we talk on a worst case scenario basis, whereas we delayed by additional one or two months, let us create hypothetical situation whereas we delay around 1 or 2 months by coming into the production of this expansion capacity, in that situation also, company should be able to do somewhere close to 650 crores of the topline in next financial year plus minus 5% could be here and there depending on the timeframe and the situation. Now, coming to your second question, what would be the profitability, I would suggest Mr. Patel that you should go on the historical data of the company what your company has been doing since 2015 onwards, company has been always in a range of 9 to 11% of the PAT levels and we believe and we trust into our business and we believe that at least we would be able to show the same kind of the results what we have been doing it before.
- Shanti Patel:** So approximately 10% will be the PAT margin?
- Punit Makharia:** Mr. Patel, please don't ask any this confirmed promises. Sir, you are an investor, you must look at the most conservative figures like that way, so I think I would suggest you that you should take it as 9%. For me, it is 7%, but for you it is better to take 9%.
- Shanti Patel:** Sir, it can be 1 or 2% here and there, nobody can tell, there is no problem, approximately, so 650 and at 9% approximately and what about our debts, debts will go down?
- Punit Makharia:** Pardon?
- Shanti Patel:** Our long-term loans.
- Punit Makharia:** There is not any long-term loans.
- Shanti Patel:** So there is no question of interest as such, right?
- Punit Makharia:** Sir, you must see that the company is debt-free company. Whatever the expansions we are doing, that we are doing out of the internal accruals. We are not taking any kind of a debt; we are not doing any equity dilution. It is a completely debt-free company, rather the company is maintaining this extremely handsome amount of FDs as a cash surplus.
- Moderator:** Thank you. Next question is from the line of Ritika Gupta from Aequitas Investments. Please go ahead.
- Ritika Gupta:** Sir, I wanted to know could you give me the volume numbers for dye stuff and dye intermediates for the September quarter and for the half year?
- Deepak Beriwal:** Dyes intermediate is 1092 metric tons, dyes is 664 metric tons, fertiliser is 11,882 metric tons, cattle feed supplement is 191 metric tons, acid sales is 1762 metric tons.

- Ritika Gupta:** This is for Q2?
- Punit Makharia:** Yes.
- Ritika Gupta:** And for half year?
- Punit Makharia:** For half year, dye intermediate was 1653, dyes was 983, fertiliser was 34,803, cattle feed was 773, acid saleable was 3404.
- Ritika Gupta:** Sir, I also wanted to know how much for our export revenues in Q2?
- Deepak Beriwal:** It is 21.20 crore.
- Ritika Gupta:** And sir, what exactly do you see changing in the environment for H2, I understand your H2 is going to be way better than your H1 from whatever you said to now, but sir, what exactly you have changed? Do you see like demand for the dye intermediates for textile division picking up or what is it that you are seeing?
- Punit Makharia:** I believe that in India definitely textile industry is not yet open completely as it was expected, but leaving apart, the India as you talk about the other overseas country like Bangladesh, Turkey, Europe, America, it is almost completely open. We are getting very good serious enquiries and businesses from the other part of the world. Definitely, our Indian business as per the dyestuff is not picking as it was expected because of the some COVID issues in some of the parts of the country, but other part of the country we are getting good amount of business and as I explained before on the earlier question that we are having orders worth around 700 tons of dyestuffs also. So we don't foresee any kind of hiccups. I am a bit bullish on the future business to come forward and further I see in the next financial year, I personally see that there would be a full run into the business looking at the China situation what we have discussed various number of times in the past also, right. I personally see that the new capacities what we are creating from our CAPEX in this financial year, we will definitely go into get a big revenue out of that and good margins into that. Our margins would also improve when compared to the last performance also. This is what personally I believe.
- Ritika Gupta:** And sir, to the last participant, you said that FY22, you are expecting 650 crores or FY23?
- Punit Makharia:** 22, obviously we must understand as I mentioned that all our CAPEX would be in trial production by Q4 this financial year. At the most, we can discount another, let us say, April or may also, may be because of some unforeseen circumstances, we might believe somewhere, anywhere which we don't know as of now, but at the most then to also, we are definitely going to get at least 10 months of the operation of the next financial year. I personally don't see any problem in that.

- Ritika Gupta:** And sir, Madhya Bharat has been quite delayed, I thought we were going to be consolidating it from Q4 of last year only, but I understand because of COVID, it has been delayed, so sir this year, it won't be contributing much to my revenues, is my understanding?
- Punit Makharia:** No, this year also if I see, we will be contributing at least 40 crores of the revenue in this financial year. We are not consolidated only because of the one reason because we have not restructured the balance sheet of Madhya Bharat because we haven't received the auditory results for 19-20 from the resolution for....
- Moderator:** Thank you very much. The next question is from the line of Sooraj Shrivastav, an Individual Investor. Please go ahead.
- Sooraj Shrivastav:** I would like to know what is the current availability of labor and workforce, are we back to pre-COVID levels?
- Punit Makharia:** Almost we are backed with our equal levels, but definitely with the cost. The kind of the cost we used to pay earlier and the kind of the cost we are paying now is not the same, it is bit expensive and labor is such kind of a commodity which is always going to be expensive, but no issues and not a very big issue for any kind of achievement of our results, but yes we have achieved, we have got all the labor forces back in system now.
- Sooraj Shrivastav:** My second question is that as you mentioned in your speech, the dyes and intermediate segments have performed better than last quarter while if you saw the fertiliser segment in the last quarter performed better, but right now it has remained a bit constant, any specific reason for this change?
- Punit Makharia:** No, obviously it is at better than the last year because right now I shared the numbers with Ritika, what I can see that the kind of performance what we did in the last quarter and this quarter is almost double the jump in terms of the intermediates also and in terms of the dyes also, but I guess as far as the fertiliser is concerned, we were able to operate our entire fertiliser business in the quarter 1, mainly it was classified into seasonal business, so this was allowed to operate. And now in this quarter, the fertiliser business is only 11,000 tons whereas compared to the last quarter, it was around 25,000 tons, so it has mainly slacked due to the end of the season.
- Sooraj Shrivastav:** So do you have any ideal percentage of revenue going ahead for each segment that we want to maintain?
- Punit Makharia:** Like if you talk about Shree Pushkar, if we carry on with this kind of a planning what we are doing as of now and we look at the future of next two quarters, definitely we will be achieving better fertiliser revenue in Pushkar compared to the last financial year and if you talk about Kisan also, all the two companies like Kisan and Pushkar would be doing better fertiliser business compared to the last financial year. See, if I give you the numbers, last financial year if I am not mistaken, we did around 120 or 25,000 tons of fertiliser in both the companies and this financial year, we are doing it close to 150,000 tons plus it would be Madhya Bharat.

- Sooraj Shrivastav:** Sir, and if I look at the P&L, the other expenses have gone up compared to last quarter by almost close to 25%, is there any reason for this?
- Punit Makharia:** Mr. Sooraj, expenses are always about to go, it never goes down, there is an inflation, everything is going up, we don't expect expenses to go down, but any way let me look at the numbers, it was 9 to 11 this is what you are saying.
- Sooraj Shrivastav:** No, I was saying compared to the last quarter, it is a bit higher, that is why?
- Punit Makharia:** Last quarter it was around 9 crores, and this quarter it is around 11 crores. You must also see that the last quarter was almost without business also. So obviously when in this quarter, the electricity, fuel consumption, store, maintenance, all these things has to go out.
- Sooraj Shrivastav:** And if you look at the gross profit margin also has gone from 41 to 38, is there any reason for this, it has improved by about 3%?
- Punit Makharia:** I think there is improvement and there is improvement in gross profit margin, there is improvement in EBITDA, there is improvement in PAT, everywhere it has improved because the business has come back to normalcy almost Sooraj in quarter 2.
- Moderator:** Thank you. Next question is from the line of Dhiral Shah from Phillip Capital. Please go ahead.
- Dhiral Shah:** Sir, you talked about FY22, the revenue and the PAT margin which you are expecting, so post that what is our overall vision to take this company in next 3 to 5 years and which segment will drive this kind of a growth?
- Punit Makharia:** See. Mr. Dhiral if you go through our earlier concall and our earlier announcement, we had announced a total CAPEX of around 150 crore that is into two different phases, phase one 75, phase two another 75, so we are in a process of completing Phase-1 with the 75 crores. In that 75 crores you always spend around Rs. 57.50 crore towards the capital work in process by the end of the quarter 2 which I had mentioned earlier is that we will be starting the commercial production somewhere by the quarter 4 end. Now, once we establish and commence the production of our unit number 5 as well as Madhya Bharat takeover also, then we would be surely taking up next expansion, somewhere by post next Diwali. For that, the company already has a piece and parcel of land for it in Lote Parshuram itself. You must understand and realize one thing that this company went in public in August 2015. At that time till this time, we always have a thought process and attitude of growth and growing together and we will maintain and continue the same thing. We have a vision of at least crossing somewhere around 1500 crores of the total revenue somewhere by the end of 2023-24 balance sheet.
- Dhiral Shah:** That is sounding very good sir and this overall 150 crore of CAPEX which you are mentioning in Phase-1 and Phase-2, so till now, you have not taken any debt, so remaining for the Phase-2 also, are you looking to do internal accrual?

- Punit Makharia:** It is difficult for me to comment at this point of a time about the future financials, but obviously, we are not shy of taking debt, first of all let me put it very clearly. We understand the cost of equity and we understand the cost of debt. If the company has a potential of generating its own cash, obviously we will utilize first our own cash after rewarding to all the shareholders. Thereafter whatever is left out, definitely will be deployed into the CAPEX and if required, we will be definitely taking that also.
- Dhiral Shah:** And sir, lastly whatever CAPEX we are doing, in which segment for Madhya Bharat or let us say for fertiliser, so for the remaining are we doing for dye stuff?
- Punit Makharia:** We are doing same chemistry in which we are, yes, there is a different product, but the family of the chemistry is the same.
- Dhiral Shah:** And sir, of late, promoter have also started buying, so any particular target to steal up the promoter holding to a particular level?
- Punit Makharia:** Sir, we believe in our business and we have a trust in our business, so obviously if you see in the last 5 years, promoters have not sold even a single share and forget about the sale, promoter has not even traded a single share whereas when we did an IPO we were at 60% for this promoter holding. Now, we were at 66 point some odd percentage of promoter holding, so for the past 5 years, we have been totally consolidating because we believe in the business, we know what we are doing and we know what the potential this company has to. Right now, if you see that the company is completely debt-free, it has continuously a growth track record and we have been always trying to be the most, industrial friendly, this company is maintaining the good amount of corporate compliance, maintaining a good amount of transparency, so we believe that this company has got lot of potentials to do in future.
- Moderator:** Thank you. Next question is from the line of Anshumon Mohta, an Individual Investor. Please go ahead.
- Punit Makharia:** First of all Anshumonji, let me congratulate you and thank you for having the trust into the company, I know you are one of the oldest investors in the company for the past 5 years. I know you have been tracking us very seriously and having a close eye on us, very seriously I would like to congratulate and thank you for this.
- Anshumon Mohta:** Thank you sir, I have 2-3 questions. Question number one is like the revenue of Madhya Bharat which you told right now, 90 plus 35, this 35 is something which we never mentioned like is that another plant or what is Madhya Bharat?
- Punit Makharia:** Let me tell you. Madhya Bharat we have two plants which is Jhabua plant and the second one is Bhopal plant, Initially, what we were planning which was in a serious discussion was that we would not run Bhopal plant but we will only run Jhabua plant. Jhabua plant we started on 6th June, on 5th March we get an order from NCLT order and that order was delivered to us by RP on 16th or 17th April. In the lockdown period we have revamped twice and start and arranged the

manpower, arranged the raw material, did the power connection all these work we have done during the lockdown and we started the plant on 6th June. As we started going to the market, then we started to feel that it is a very big potential market then we dropped our idea of selling our Bhopal unit. This I did just a month ago that we are going to start the Bhopal unit because Bhopal unit is placed at such a location whereas we can capture the Chhattisgarh market.

Anshumon Mohta: So, we got the Bhopal unit also in the same price in that 26 crores?

Punit Makharia: In that basically we got three things, one is Bhopal unit, second we got Mendori Land, which is a noncore asset, definitely that land will be selling it out and we got Jhabua plant whereas our thought of taking over the Madhya Bharat that was only mainly for the Jhabua unit, not for the Mendori land, not for the Bhopal plant, but as we started going to the market, as we started to realize the market potential then we started to realize that it is very good and it is a good price paying market and if you see with the data wise also that Madhya Pradesh is a highest consumption state of SSP in the whole of the India, so the Bhopal unit which we were not going to start, that unit also we are going to start. Bhopal unit is 50,000-60,000 tonnes plant. 50,000-60,000 tonnes plant to remove 35,000-40,000 tonnes and in this 150,000 tonnes plant removing 1,0000 just to say 1,40,000 tonnes sales is not big deal. If you consolidate then 1 crore to 1.25 crores revenue you get.

Anshumon Mohta: Initially we were catching 70-80, now there will be additional turnover of 40?

Punit Makharia: This will come from Bhopal.

Anshumon Mohta: Are we going to sell the land?

Punit Makharia: Bhopal was not there in the target. Do you follow me?

Anshumon Mohta: Which land did we get additional?

Punit Makharia: There is a place called Mendori 20-22 km away from Bhopal. There they have a land, the piece and parcel of land also and we are not the property dealers or we are not the builders or we don't require that land, so probably that land will be sold by the company and the money will be utilized for company's working capital or whatever the purposes.

Anshumon Mohta: One more thing if we utilize full capacity of Madhya Bharat so after that in Madhya Bharat plant any other scope of expansion?

Punit Makharia: Sir there is a lot of place but at this point of time it is difficult for me to comment. First of all, let us consolidate Madhya Bharat what we have from both the units, let us first of all achieve a target of 100 crores to 125 crores of the sales, then we will see what we have to do but as of now the most priority is that whatever the company has made investments of around 26-27 crores, let us consolidate that first.

- Anshumon Mohta:** So, our Unit-4 which is the new unit that we are targeting around 200 to 25, I guess?
- Punit Makharia:** Unit 5.
- Anshumon Mohta:** Unit 5 we are targeting 225?
- Punit Makharia:** Conservatively 200.
- Anshumon Mohta:** Then we will reach 650?
- Punit Makharia:** I would tell you don't take it as 650, just take 5% below than that.
- Anshumon Mohta:** One final thing from my side in Kissan, are we going to keep the same or we are thinking of expansion?
- Punit Makharia:** It is going on, but I would not like to disclose on this platform. In Kissan is going on, probably in next concall in Q3 results, we will talk about that.
- Anshumon Mohta:** And one more thing from my side, textile is doing fantastic currently, there is a pent-up demand in that we will be able to capitalize on the dyes part on that or there is shortage of everything everywhere?
- Punit Makharia:** As I have told you earlier that next financial year, I feel there is a good bull run, there will be a good price hike also. Demand you just forget; demand is always there. There is no point discussing on demand. In India textile is still a little slow, definitely I understand, but if you see Europe, America or other Asian countries you will see business has come back to full swing and we have got lot of serious enquiries in terms of the dyes also. I am seeing a good time in the next year.
- Anshumon Mohta:** I understood. Is it possible going ahead that we have to scale up our existing dyes production?
- Punit Makharia:** Everything is in the process. Don't ask everything together. You are with us for last five years, what situation was there five years back and what is the position right now and you just realize yourself and just look ahead.
- Moderator:** Thank you. Next question is from the line of Akash Patel, an Individual Investor. Please go ahead.
- Akash Patel:** Sir, what are the current prices of H-Acid and Vinyl Sulphone?
- Punit Makharia:** As of now, the H-Acid is around 380 to 385 and Vinyl Sulphone is around 180 to 185, likely to improve by another 3 to 5%.
- Akash Patel:** So it is just better than Q1, right?

- Punit Makharia:** Obviously.
- Akash Patel:** Sir, you said that you are going to add some more products other than H-Acid and Vinyl Sulphone, am I right?
- Punit Makharia:** Yes.
- Akash Patel:** So that products will cater to which industry specifically?
- Punit Makharia:** That I had mentioned before also that we are into a similar kind of a chemistry business in which we are into. We would not like to disclose the name of the product what we are doing, but yes, we are into the same business vertical.
- Akash Patel:** Sir, will that products have better margin?
- Punit Makharia:** Sir, for you please go in that kind of chemistry, you stick to the existing company performance of the last 5 years and hope for the betterment of the next coming period. I won't be able to comment anything that the new product whatever we are doing has got a better margin or what. You would like to first of all see the performance, then comment on that, sir.
- Moderator:** Thank you. The next question is from the line of Kushal Boralkar who is an Individual Investor. Please go ahead sir.
- Kushal Boralkar:** Is it possible to give us a flavor of your customer that in your dye stuff and dye intermediate segment, what size scale of customers you are catering to and may be top 5, 10 kind of concentration?
- Punit Makharia:** Mr. Kushal, as far as you are asking this question on a particular segment log like dye stuff and dyes intermediate, right?
- Kushal Boralkar:** Yes.
- Punit Makharia:** See, first of all we would not like to disclose the name of our customer base on this platform, A; B, as far as the customer range is concerned, we are catering to a small scale consumer to a multinational consumer also. So we have quite wide range of customers in India as well as in globally. Over and above, we have launched our own product, our own brand also like Dyecol, which has been widely accepted amongst the consumers and the importers and the traders wherein we already have a bluesign certification, GOTS certification and all kind of accredited agencies have approved and certified our products and the quality and SOPs and quality consistency. So if you see in Bangladesh, our product is widely accepted, in Turkey, in Europe, to a few brand, we are their whole supplier and if you talk about in India also we have our own office in Tripur in South we capture, our North through our Ludhiana office as well as the Eastern part of the world and the Western part of the world. There is quite a big number of lists in the

customer stagnant and we sell in India through our various channel of distributors and dealers and our warehousing channels in various across India.

Kushal Boralkar: Any flavor of customer concentration, top 5, 10 kind of any, if you could elaborate on customer concentration, top 5 or 10 contributing to how much of revenues that kind of number?

Punit Makharia: Those exactly numbers I don't have right now. I am not carrying with me right now, but it is not anything like that in the near focusing on few customers or let us say 2-3 customers or 2 customers. It is a spread out in this entire vertical.

Moderator: Thank you. As there are no further questions, I now hand the conference over to Mr. Punit Makharia for closing remarks. Over to you, sir.

Punit Makharia: Thank you all for joining our Q2 FY21 Earnings Call. For any further queries, please get in touch with Pareto Capital, our Investor Relation Advisor or feel free to get in touch with us. Thank you, friends. Take care.

Moderator: Thank you very much sir. Ladies and gentlemen, with this we conclude the conference call for today. Thank you all for joining us and you may now disconnect your lines.