



Alkyl Amines Chemicals Limited

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November 12, 2024

To,

BSE Limited

P. J. Towers,

Dalal Street,

Mumbai - 400 001

The National Stock Exchange of India Limited

Exchange Plaza,

Bandra Kurla Complex, Bandra - (E),

Mumbai - 400 051

SCRIP CODE: 506767

SYMBOL: ALKYLAMINE

Sub.: Submission under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Submission of transcript of earnings conference call

Dear Sirs,

With reference to our letter dated October 31, 2024, please find enclosed the transcript of the earnings conference call held on November 6, 2024.

Kindly take the same on your records.

Thanking you,

For Alkyl Amines Chemicals Limited



Chintamani D. Thatte

**General Manager (Legal) & Company Secretary
& Compliance Officer**

Encl.: As above



Alkyl Amines Chemicals Limited

“Alkyl Amines Chemicals Limited 2QFY25 Earnings Conference Call”

November 06, 2024



Alkyl Amines Chemicals Limited



MANAGEMENT: **MR. KIRAT PATEL – EXECUTIVE DIRECTOR, ALKYL AMINES CHEMICALS LIMITED**
MRS. KANCHAN SHINDE – CHIEF FINANCIAL OFFICER, ALKYL AMINES CHEMICALS LIMITED
MR. UDIPT AGARWAL – CHIEF COMMERCIAL OFFICER, ALKYL AMINES CHEMICALS LIMITED
MR. CHINTAMANI THATTE – GENERAL MANAGER (LEGAL) AND COMPANY SECRETARY, ALKYL AMINES CHEMICALS LIMITED

MODERATOR: **MR. KUMAR SAUMYA – AMBIT CAPITAL**



Alkyl Amines Chemicals Limited

Alkyl Amines Chemicals Limited
November 06, 2024

Moderator: Ladies and gentlemen, good day, and welcome to Alkyl Amines 2QFY25 Earnings Conference Call hosted by Ambit Capital.

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. Kumar Saumya from Ambit Capital. Thank you, and over to you, sir.

Kumar Saumya: Thank you, Good afternoon, everyone. Welcome to the 2Q and 1HFY25 post-results earnings conference call of Alkyl Amines.

From the management, we have with us, Mr. Kirat Patel - Executive Director; Mrs. Kanchan Shinde - Chief Financial Officer; Mr. Udipt Agarwal - Chief Commercial Officer; and Mr. Chintamani Thatte - General Manager (Legal) and Company Secretary.

I will now hand over the call to the Management for an "Opening Remark", post which, we will open the floor for Q&A. Thank you. Over to you, sir.

Kirat Patel: Thank you, Kumar. Good afternoon, everybody, and thank you for joining us on this Half-Yearly Investor Call. A belated Happy Diwali and wishing you a prosperous New Year.

With me are my colleagues, Kanchan, Udipt and Chintamani, and we are here to respond to any queries you may have about our half-yearly performance.

A few opening remarks. The half-year has been relatively better than last year's half-year, as you must have seen from the results, largely because our volumes have been more than satisfactory. And unfortunately, of course, the prices and margins have been under some pressure.

So, with those few words, I would throw the floor open for specific questions which you may have. Thank you. Can we proceed with the questions?

Moderator: Yes, sir. Thank you. We will now begin the question-and-answer session. The first question is from the line of Nirav Jimudia from Anvil Research. Please go ahead.

Nirav Jimudia: Sir, I have a few questions. Sir, first is on the volume growth for the first half of HY2025 and if you can also share the volume growth for the second quarter on a Y-o-Y basis, that would be helpful.

Kanchan Shinde: So, half-yearly basis the volume growth is about 8% to 10%, and compared to last year quarter, it is 17%.



- Nirav Jimudia:** So, second quarter we have clocked actually higher volumes of 17%.
- Kanchan Shinde:** Yes.
- Kirat Patel:** But keep in mind, Nirav, that the similar quarter last year was not a very good quarter for us.
- Nirav Jimudia:** Correct. And sir, any guidance which you can share in terms of volumes for FY '25? I think last year we clocked something close to around 8% to 10% volume. So, what sort of volume growth we are expecting for FY '25?
- Kirat Patel:** I think this year also we hope to cross 10%.
- Nirav Jimudia:** Sir, second is on Acetonitrile. So, just wanted to understand something on the technical part, like, whatever are the imported volumes coming to India, so far as Acetonitrile is concerned, does the quality matches in terms of what we produce like, because there the purity level also matters when we sell Acetonitrile in the market. So, just wanted to understand it from you that when the material comes to India, it is more through that Acrylonitrile route as a by-product, or it is through the route where we are producing through Acetic Acid route. So, if you can just share your views on that. And in terms of our purity levels, have we improved over a period of time, have our effluent costs reduced for Acetonitrile, if you can share your views.
- Udipt Agarwal:** Hi, this is Udipt Agarwal here. Thanks for the question, Nirav. The material, which is Acetonitrile, which is coming into India, is coming from, which is produced using both the routes, the Acetic Acid route and the Acrylonitrile route. Just remember in mind that before we came into the market, the only Acetonitrile, which was being used by customers, everything was based on the Acrylonitrile route. So, the customers know what they are using. And so for most part of the applications, both routes are acceptable to the customers.
- The second part of your question was that have we improved our cost structure and/or the quality. So, I would say that for sure on the quality part, there are some specific emerging trends in the market for which there is a differentiated quality or a higher grade requirements are there, and we are working on those areas to create some kind of a differentiation for our product.
- Nirav Jimudia:** And sir, so far as the market in India is concerned, it is still 30,000 tons and what sort of utilization levels we have been operating of our plant, let's say in H1 of FY '25?
- Udipt Agarwal:** I think market remains around that level. So, your market estimation is pretty good, congratulations. You are keeping a good track on what is going on. So, good number there. So, ballpark directionally yes, market remains around 30,000 tons there. And you know what kind of imports are also coming into India. So, you can have an estimate of what kind of utilization, and there is room for us to grow further.



- Nirav Jimudia:** Sir, just to add here, like there was an oral hearing in October so far as the anti-dumping duty on Acetonitrile is concerned. So, have we heard anything ahead of that, like where the process is currently in terms of anything which can come up on Acetonitrile anti-dumping duty?
- Kanchan Shinde:** So, after oral hearing now they will come for investigation of our plant and as well as costing records, and then MoC will issue their findings. After that, MoF generally takes 3 to 4 months. Next 4 to 5 months we should expect something.
- Nirav Jimudia:** One more question, sir. Sir, in one of the earlier calls you mentioned that 80% of our power cost is towards generating steam for boilers and which generally runs on coal. So, if you can share like what was our average coal cost in FY '24 and how it is currently looking in H1 of FY '25 or possibly if you can share the figures for second quarter of FY '25?
- Kirat Patel:** So, Nirav, first thing is 80% of the power, water, fuel cost is due to steam, which is largely produced in all three plants from coal. So, the coal prices have been more or less stable across the two years we are, (+/-10%). So, there is not much of a price difference between the two, this thing. Whatever changes you see in the numbers are due to volume increases in production.
- Nirav Jimudia:** So, safe to believe that the coal cost for us is close to around Rs. 9-10 currently?
- Kirat Patel:** Sorry, so what, please repeat.
- Nirav Jimudia:** Coal cost for us is currently around Rs. 9 to Rs. 10 rupees a Kg?
- Kanchan Shinde:** Correct.
- Kirat Patel:** Yes, the coal is Rs. 9, Rs. 10 Kg. Yes, we of course look at metric ton. So, Rs. 9,000 to Rs. 10,000 a metric ton.
- Nirav Jimudia:** Sir, I have a few more questions to ask, but I will join back in the queue.
- Moderator:** The next question is from the line of Kumar Saumya from Ambit Capital. Please go ahead.
- Kumar Saumya:** Sir, my first question is if you could please throw some light on the underlying demand trends that you are seeing in the industry, specifically from agrochemicals and pharma side?
- Udipi Agarwal:** See, we all know about the macros which is there in the pharmaceutical industry and pharmaceutical also, if we dig a little deeper, we talk about two segments. One is the API manufacturing and the other is the formulation segment. And within that, we also talk about domestic consumption and exports. You all know that India is a big exporter of the generic APIs from India.



I would like to say at a macro level, the issues which we had a couple of years back in terms of the so much of inventory in the pipeline and things like this, within pharma sector we see that this seems to be easing a little bit because the other part of the life science, which is the agro-chemical segment still continue to remain under pressure both from the inventory point of view and also from the cost pressure which is coming in from China, both at the intermediate level and also at a finished agro-chemicals. So, this is where the strain is coming in the industry from China, particularly in the agro-chemical. So that continues to remain a little bit subdued.

Kumar Saumya: So, secondly on the margin side. So, we have seen some Q-on-Q dip in the gross margin. How much of it was led by raw materials, specifically Ammonia prices and how much was it due to product mix?

Kirat Patel: So, the finished good prices have dropped a little more than the raw material prices over the period half year to half year. And therefore, the margins have got squeezed by about 2% at points. So, say the finished good prices have dropped by an average of 5%-6% but the raw material prices have dropped 3%-4%.

Kanchan Shinde: Half year to half year we have increased margins.

Kirat Patel: Half year to half year the margins have increased.

Kanchan Shinde: Margins have increased.

Kumar Saumya: Ma'am, lastly, what is the outlook for the second half for the margin side? What would be the output for the second half, and do we plan to maintain the current run rate or we are looking at some improvement in profitability side?

Kirat Patel: Well, it's difficult to say at this point in time whether we will be able to. We are always optimistic that we will try to improve the margin, but we don't want to sacrifice volume because of it. So, our focus will be more volume than margins, but of course at the same time, we try to expand the margins. But it's difficult to say where we will in the end land up. Hopefully, better margins and better volumes.

Kumar Saumya: And lastly, sir, on the CAPEX side, the capex that we have announced, if you could throw some light in whatever products that we are having and whatever markets that you are targeting?

Kirat Patel: You must be aware that we do not talk about the products which we are going to launch until they are actually commercially in the field. That's our policy. But I can broadly say, it's in the same region of market that we now supply to, the same kind of customers.



Moderator: Thank you. The next question is from the line of Nirav Jimudia from Anvil Research. Please go ahead.

Nirav Jimudia: So, one question on the different amines which we produce, like methyl, ethyl, Monoisopropylamine. So, last time you mentioned that Monoisopropylamine didn't do well in FY '24 and because of which our volumes got impacted. So, if you can share your views on that, A, and B, how has been our new ethylamines plant operating at? So, has the utilization levels improved over FY '24 in H1 of FY '25, if you can share your views?

Kirat Patel: First question about the Monoisopropylamine, yes, the issues which we pointed out six months ago still continue. We haven't yet received any protection from the government against the Chinese imports. We have applied very recently for protection, and we hope over the next maybe 9 to 12 months, we will get some protection. But till then the pressure on Monoisopropylamine will continue.

On the second question about Ethylamines, yes, the new plant is performing very well, well above our expectations, and in terms of ethylamines also the market seems to have improved compared to '24.

Nirav Jimudia: So, if you can share at what level of utilization rates they are currently operating at? Because I think the older plant we have closed and possibly could be used as a plant for at a later date possibly for Methylamine. So, what was the utilization rate currently and if you can also share about the market size in India for Ethylamines?

Kirat Patel: The market size in India is a bit difficult to say because there is exports, and our competitor is always there, but I would say it would be 30,000 tons in that region, maybe 25,000 to 30,000 tons. And utilization has been, as you know that the new plant is a very large plant, getting to, we have plenty of headroom in that plant still for the next, three to four years, we don't see any pressure on capacities at all.

Nirav Jimudia: And sir, on the Monoisopropylamine you mentioned that the volumes are still under pressure. So, in terms of application wise, which of the industries it generally goes into?

Udipt Agarwal: Yes, major use of Monoisopropylamine is in the field of agro-chemicals, and little bit into pharma, but large chunk is into agro-chemicals.

Nirav Jimudia: Sir, you mentioned that we have clocked something close to around 17% volume growth. So, this was predominantly from the domestic market or had export volumes grown for us substantially because of which we have seen such sort of volume growth?

Udipt Agarwal: I think we see growth across both in domestic market also and in exports as well. So, it is a combination of both.



Nirav Jimudia: Sir, last two from my side. One on the scenario for raw material prices predominantly for Ammonia as well as for Ethanol. I think because of the current ongoing crisis in the Middle East and everywhere we have seen some strengthening in the prices for Ammonia. So, how we are placed here for Ammonia as well as how do you see the scenario emerging out of for Ethanol also?

Kirat Patel: Ammonia, you are right. There has been a little bit of pressure, and Ammonia is something which we cannot store. So, we are not able to cover for a longer period. So, we do expect a little pressure on ammonia because of whatever reason. But you know, these crises come and go. So, you may expect a slight bump in the price, and then they may also drop. So, as far as ammonia is concerned, we have planned almost month to month.

While Ethanol is concerned, currently the imports are cheaper than the domestic prices. And we have been covering them steadily as we go along, covering our requirements. And we are well covered for the next maybe six months or five months. So, that is the situation on Ethanol. Of course, the prices may change.

Nirav Jimudia: Sir, lastly on the cost side, in terms of efficiency wise, have we improved anywhere, let's say on the process side, or let's say on the operating cost wise, have we improved at any point of time which could be permanent to us and could lead us a permanent savings to our cost? So, anywhere if you can share your views or any initiatives which we are currently taking on in terms of controlling our operating cost by both by way of product innovation as well as by process innovation?

Kirat Patel: You know, this is a very complicated and long question because as you know, we have a separate team, which we call the process engineering group, which just focuses on improving yields and specific consumption for existing products. And this is little, little projects which go over a long period of time in saving small amounts of benefits in every product that we make, and this gradually comes into becomes permanent baseline for the next year.

So, every year we have been improving our yields and specific consumptions across products regularly. So, though they may not be very dramatic, there is every attempt to make both through the process engineering group and the R&D group trying to improve our cost structures from point of view of consumptions regularly. It is a constant practice. And in fact, we pride ourselves that improving our yields on a year-to-year basis in all products.

Nirav Jimudia: Sir, last thing, if you can share the revenue mix for first quarter, like how much in terms of sector wise, how much from Pharma, agrochemicals, rubber chemicals, foundry chemicals, if you can give some overview in terms of our revenue mix for H1 of FY '25?

Kirat Patel: They haven't changed at all from our regular life sciences accounting for 65%-70% of our turnover and the rest all, as you can see from our website or wherever, it doesn't change dramatically. Even the domestic export sectors are more or less the same 80-20.



- Nirav Jimudia:** Because you mentioned that agrochemicals were bit under pressure. So, I think that mix was being taken over by pharma in that Life Science division.
- Kirat Patel:** Yes, that's on a longer-term basis it's happening over a period of time. But it is, again, year-to-year. But they are still about 65%-70% of our turnover.
- Nirav Jimudia:** And sir, any update on the DEK plant? I think last year we operated with just 20%. And because it also finds application at agro level, has we seen some improvement there or the utilization rates improving there for DEK?
- Kirat Patel:** The utilization rate has not improved as much as we expected to, but going forward, we think it will improve even further. And hopefully, the worst period is over, and we are lot more optimistic on the product now than we were before.
- Moderator:** Thank you. The next question is from the line of Rohit Nagraj from Centrum Broking. Please go ahead.
- Rohit Nagraj:** Sir, first question is on the CAPEX front. So, just to get a perspective, obviously we will not be able to delve into more details in terms of products, but are these overlapping product with our current set of products or are these new products? And just to get a perspective that whether these products, these are import substitutes and will not face competition as what has been faced by some of the other products because of China issues. So, just to get a broader understanding of the same.
- Kirat Patel:** As for the first question, it is not part of our existing portfolio. It's a new product. It is going to be manufactured in Dahej as has been stated in the SEBI notice. And what is the other part? Yes, it is an import substituted product.
- Rohit Nagraj:** Sir, during the first half, what has been the overall capacity utilization? And given that for this new facility, it will be taking anywhere between 15 to 50 months, would it, till that time, we will not have any challenges in terms of the existing capacities to grow us beyond, say, 10% plus over the next two to three years?
- Kirat Patel:** There are two parts to this. The existing capacities on average would be 65% to 70% utilization, but it varies from product to product. Some we have very tight where we will be de-bottlenecking and there is some CAPEX involved with that. But of the major products, as we have known the Ethylamines last year, we commissioned the huge plant. So, there is plenty of headroom in Ethyl. And similarly, the other products, we have some headroom. So, that is not, the investment between you talked about earlier is a completely new product. So, it will not detract from the existing line.
- Rohit Nagraj:** I just wanted to make sure that for the next two to three years from the existing capacity, we will be able to achieve the normalized volume growth.



- Kirat Patel:** Yes, barring some small amount in debottlenecking of a couple of products.
- Rohit Nagraj:** And this new facility, will it be coming in phases given that you have given a timeline of 15-50 months?
- Kirat Patel:** Yes, the first phase will be in about 15 months, and we are hoping that if the product does well within the next 3-4 years, we may have to debottleneck and expand the capacity.
- Rohit Nagraj:** And the technology is completely indigenous, or it will be a partnership?
- Kirat Patel:** Yes, it is also developed in our own R&D. As we have mentioned earlier that barring the initial technologies which we imported from America, all the products we have launched in the last 35-40 years have been with our own R&D and engineering efforts.
- Moderator:** The next question is from the line of Aman Chowdhary from Motilal Oswal Financial Services. Please go ahead.
- Aman Chowdhary:** So, with respect to the previous participant's question on this new CAPEX, we had also announced the CAPEX of around 250 crores to 300 crores in September '22, if I am not wrong. So, this is a completely fresh CAPEX or it is a part of that 250 to 300 crores CAPEX that you had announced a couple of years back?
- Kirat Patel:** No, this is a part of that 225 crores project. The other part we are still on the R&D stage. This is one of the two lines of products which we were looking at that time. And in the meantime, of course, costs of plant and machinery have got up. So, I think that 225 crores was an underestimate. So, whenever it comes up, it will be probably more than that. But of course, it's been delayed a bit.
- Aman Chowdhary:** So, out of the five announced molecules or products in specialty chemicals or allied chemistry that we had announced a couple of years back, this is the second molecule after DEK that we would be commercializing in the next 15 months.
- Kirat Patel:** Yes. After DEK, this will be the second one after.
- Aman Chowdhary:** So, has the market improved in terms of demand, supply, margin realization or what is it that now we have taken this decision after two years? Because previously in all our interactions, we had said that the market has declined, and that is why we are not going forward with the other four molecules as of now. So, just wanted to understand our thought process that now it has been finalized and the CAPEX is also quite big.
- Kirat Patel:** Yes, so as you mentioned earlier, we had said that two to three products, one was DEK, which we had launched already and are stabilizing it and looking forward to it doing well. The second product, which we are going to do in the next 15 months, which we have been talking about,



yes, the market has been strong. So, we feel that there is a good return to be made out of that product. And the other two, we are just holding our breath to see how the market goes before we take the plunge.

Aman Chowdhary: And those two products, are those two products the one that we had talked about in our fourth quarter Con Call FY '24 that an FID would be taken with a CAPEX of around 75 to 200 crores?

Kirat Patel: Yes, I think that is the one we are talking about. Yes. So, we are holding back on some investments in the next two products.

Aman Chowdhary: So, is there still some time before we go and announce those two products?

Kirat Patel: Yes, it depends on the market, perhaps in the next six months, perhaps a little later.

Aman Chowdhary: And with respect to Acetonitrile, again, is our market share similar to what it was previously 50% to 55%? And secondly, again, on the utilization levels as well, is that also at 55%-60% it used to be in the past 3-4 quarters?

Kirat Patel: You are talking about Acetonitrile, right?

Aman Chowdhary: Yes.

Kirat Patel: Yes. So, I think the market share remains in that region. As earlier stated by, I think, Nirav, that the market is in the region of 30,000, and you can see that the imports are coming in from the Chinese. So, we are in that region.

Aman Chowdhary: And the utilization levels?

Kirat Patel: Well, we have two plants, one in Kurkumbh and one in Dahej, and we use them at maybe I think overall 60% I think capacities would be in that region.

Aman Chowdhary: And just on the export versus domestic needs, obviously it remains similar 80-20, but again in second quarter and in the first half of '25 also, was it on a similar level?

Kirat Patel: Yes, I think it is on similar levels. What happens is quarter-to-quarter, sometimes we are fulfilling one commitment to the export, so sometimes it goes to 21%-22% and sometimes it drops to 18%, but it is overall about 20% annually, 20%-21%. So, between quarters, there is not much, you know, it is not a significant change. Yes, we would like to push exports, but given the global situation, we don't want to push it too much.

Aman Chowdhary: And with respect to CAPEX, any guidance for FY '27?

Kirat Patel: FY '27?



- Aman Chowdhary:** Yes.
- Kirat Patel:** No guidance. We are too far off.
- Moderator:** Thank you. The next question is from the line of Dhruv from HDFC Mutual Fund. Please go ahead.
- Dhruv:** Sir, the first question is, the pricing pressure that we see across some of our products, say, Ethyl or Acetonitrile or some of the other products, how much of that would you attribute to the general weakness in the market, say, for Alchem or for say some of the pharma molecules, and how much of that could be attributed to the overcapacities, probably that would have come up? I am just trying to dissect what are the key variables one should look for. I mean, is it the industry recovery or is it an oversupplied market? And until that becomes utilized, probably that pricing pressure continues.
- Udipt Agarwal:** Thanks for the question. I think it is more the later that the capacities in China are at a very, very high level, and their own consumption is also not so high. And we also see the global agro-chemical situation or global agriculture situation, which also has an impact on the overall demand. Yes, but I think it is more of a capacity issue right now and a little bit of inventory effect is still hangover, is carrying on.
- Dhruv:** So, this capacity issue is because they have set up new capacities which is, say, they were 100 earlier and they have increased it to 150, or is it because the demand itself is Agchem demand is weak, so hence they are not operating it?
- Udipt Agarwal:** Yes, I think it is more of a capacity expansion issue. There are overcapacities. They have put on more capacities in the last few years, and the demand has really not picked up too so that all those capacities are utilized, and we see such an immense pressure across the value chain. I mean, it is not only our kind of products, the other products also and our customers' products also we see this kind of pressure.
- Dhruv:** So, sir, if you have to take a very rough view in terms of how long will it take assuming we have seen how the Agchem market grows globally 3%-5% and pharma also grows at a similar rate. So, if you have to take a view when does these capacity utilizations come to a very normalized level so that the industry is able to enjoy reasonable margins. Also, assuming probably some capacities could close in some of the regions, probably U.S., Europe I am not sure. So, what is your sense in terms of some broad sense? I understand this could be very rough, but some sense of how long this could take.
- Udipt Agarwal:** As you already mentioned in your question, it is very hard to say how long it will take to get some kind of normalization to happen. But it also depends on quite a bit of other factors. You know the chemical industry, what is going on in some parts of the world.



Europe, for example, is having their own issues with respect to the large energy costs for agro-chemical and chemical production in general as well. And also on the same way, on the user side, they are pushing for more of the so-called green chemistry related products, eco-friendly products. Both these factors are putting immense pressure on the industry in terms of coming out with the new technology products which meet the new requirements on the greener side, but at the same time, the existing capacities remain underutilized because there is a subdued demand.

It's very hard to say, but I don't know. I mean, I would be very happy to see if it happens sooner than later. But I think all our customers also of a major, our major agro-chemicals customers are also trying to answer the same question, how long it will take.

Dhruv: Sir, last question. I think in the last few calls, I have understood that your Ethylamine plant has seen a reasonable expansion and is not operating at the fullest optimum level for now, and it will grow in 3-4 years. But sir, how should we think of as the utilization improves, is there a meaningful efficiency gain that happens, say, for example, if you are operating at 50%-60% versus you operate at 80%? I am asking at a gross margin level. Probably at EBITDA level, of course, it will improve, but at the contribution level also, does it see a meaningful improvement?

Kirat Patel: No, you have to understand how our plants operate. Our plants are campaign based. So, when they run, they run at 100% capacity, and then we shut down and start. So, there is no question of improvement in efficiencies as such. So, utilization occupancy keeps going up.

Dhruv: So, the stop and start is quick. It is not a meaningful drive.

Kirat Patel: Yes, it is quite. It is not a meaningful number, as long as the gap is long enough.

Moderator: Thank you. The next question is from the line of Kumar Saumya from Ambit Capital. Please go ahead.

Kumar Saumya: Just one bookkeeping question. What is the CAPEX outlook for this year and next year, sir?

Kanchan Shinde: This year it will be around 80 to 100 crores, and next year may be a slightly larger, about 100 to 120 crores may be.

Kumar Saumya: And?

Sir, we have seen some improvement in the working capital side. So, should one expect working capital requirements to remain here or is it just for the first half of the business and we should wait for the full year?

Kanchan Shinde: Yes.



- Kirat Patel:** I think the working capital cycle, number of days of debtors, number of days of creditors and all have, I think, more or less stabilized, maybe an improvement marginally as volumes go, but nothing significant. I don't think there will be any change in working capital.
- Moderator:** Thank you. The next question is from the line of Rohit Nagraj from Centrum Broking. Please go ahead.
- Rohit Nagraj:** Sir, after this new CAPEX at Dahej, how much of our land will remain unutilized for our future CAPEX requirements?
- Kirat Patel:** We have land available in Dahej and in Kurkumbh. For at least another 2 to 3 years, I don't think we expect there to be any major issues. After that, perhaps we will have to look for a new land, but that depends of course on our CAPEX programs as we go along. But I don't think in the next two to three years we will require any more land. We have enough both in Kurkumbh and in Dahej.
- Rohit Nagraj:** So, including this new specialty chemicals...
- Kirat Patel:** Even after this new project which comes up, we will still have land available.
- Moderator:** Thank you.
- Kirat Patel:** Kumar, it looks like, I think we are done with the questions. It seems to be we have answered most of the relevant questions which people have come up with. So, should we wind up the call now?
- Kumar Saumya:** Thank you. As there are no further questions, I would now like to hand the conference over to the management for closing comments.
- Kirat Patel:** Thank you everybody for listening in to our Investor Call, and as we have mentioned earlier, we look forward to the future with cautious optimism and hopefully to get better volumes and better margins when we meet next. Thank you. Thank you for listening in.
- Moderator:** Thank you. On behalf of Ambit Capital, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.