FINEOTEX®
A Speciality Chemical Producing
Public Listed Company

June 12, 2023

To,

General Manager, Listing Department, **Bombay Stock Exchange Limited,** P.J. Towers, Dalal Street, Mumbai – 400 001 **Company code: 533333**	The Manager, Listing & Compliance Department **The National Stock Exchange of India Limited** Exchange Plaza, Bandra Kurla Complex, Bandra East, Mumbai - 400051 **Company code: FCL**

Subject: Transcript of Business Update Video Conferencing Call with Analysts and Investors held on Monday, June 05, 2023

Dear Sir/Madam,

Pursuant to Regulation 30 read with Para A of Part A of Schedule III of the SEBI (LODR) Regulations 2015 and with reference to our letter dated 27th May, 2023, please find enclosed a copy of the transcript of the Business Update Video Conferencing Call with Analysts and Investors held on Monday, June 05, 2023 at 11.00 AM.

The above information is also available on the website of the company i.e. www.fineotex.com

This is for your information and records.

Thanking you,

Yours faithfully,
For FINEOTEX CHEMICAL LIMITED
SANJAY SURENDRA TIBREWALA
Digitally signed by SANJAY SURENDRA TIBREWALA
Date: 2023.06.12 15:09:02 +05'30'
Sanjay Tibrewala
Executive Director
DIN: 00218525

FINEOTEX CHEMICAL LIMITED MUMBAI

Encl: As above

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FCL

Fineotex Chemical Limited

Business Update Video Conference Call FY2024

June 05, 2023

Management:

Sanjay Tibrewala	CFO and Executive Director
Bharat Mody	Strategic Advisor, Investor Relations

Moderator: Good Morning, ladies and gentlemen. Good day and welcome to Fineotex Chemical Limited business update conference call. Today we have with us Mr. Sanjay Tibrewala Executive Director and CFO and Mr. Bharat Mody strategic advisor, investor relations. As a reminder, all participant lines will be in a listen only mode only and there will be an opportunity for you to ask questions once the presentation concludes. Please note that this conference is being recorded. I now hand over the conference to Mr. Sanjay Tibrewala. Thank you and over to you sir.

Sanjay Tibrewala: Thanks Anvita. Very good morning, everyone. Welcome to Fineotex business update highlights conference call. We are delighted to have you all join us today as we share the latest updates and achievements of Fineotex.

At Fineotex, we are dedicated to pursuing continuous diversification and expansion of our businesses, which includes venturing in dynamic and most promising cleaning and hygiene segments as well, by combining our expertise in textiles, speciality segment and chemicals, with a strategic entry into the cleaning and hygiene markets, we aim to bring cutting edge solutions to both sectors. Our unwavering commitments to innovation enables us to anticipate and stay ahead of the industry trends, delivering the state of the art products that caters to evolving needs of the customers in the textile, cleaning hygiene and the oil business. To further enhance our offerings, we have been diligently expanding our portfolios. By expanding and diversifying the range of solutions we are better equipped to address a wider spectrum of customers demand while opening up for more revenue growth. With a strong market presence and our trusted reputation Fineotex has established itself as a leader in the industry. We take pride in our ability to deliver high quality products and services earning the trust and loyalty of our valued customers. We take pride in our extensive manufacturing capabilities across multi-locations including our strategically platform positioned in Amarnath, Mahape and Selangor in Malaysia. These manufacturing platforms serves as an essential hub providing us with the necessary flexibility and capacity to handle the expanding requirements of our product diversification. By leveraging these advanced facilities Fineotex maintains agility in adapting to market needs, ensuring efficient production and timely delivery of our wide range of innovative solutions. Our strong financial position provides with the flexibility to make our strategic investments in growth opportunities. With a robust balance sheet and financial footing, we are well positioned to seize promising prospects and drive substantial expansions. Sustainability is and has been our key focus at Fineotex. We have dedicated to promoting eco-friendly practices and supporting a more sustainable textile industry. Our products are designed to minimize the environmental impact and contribute to a greener future. With this, I would like to start the presentation.

The latest investor presentation is already uploaded on the websites and the stock exchanges. I'll quickly walk through all the slides and then we can open the floor for question and answers. You may also send us the questions in the in the chat box also which will be viewed by the panellist only and will be answered in general to all the participants or maybe one to one also. As such I would quickly glance through all the investor presentation slides and as and when we proceed, we'll just explain about certain inputs which will be important for the participants to know about Fineotex.

So, basically, let me overview like the two main portfolios what we have is the newer one is the cleaning and hygiene segment which has shaped up quite rapidly in the last three to four years and the main core business has been speciality textile segments. So as such, I'd like to take you to the history about it as such Fineotex has been not only producing speciality textile performance chemicals, but we are also providing a lot of sustainable solutions to the customer and also providing a lot of technical services. So let me bring down the journey to a level where we started our businesses, the entire textile market in the world has been dominated by European textile chemical companies and we have been working and supplying to these chemical companies under their brand up to the year 2005 and 2006 broadly. After the textile industry had its own challenges, lots of textile chemical companies were also having off or diversifying out their businesses. And there came a point when we decided to enter the market with our own brand with our own speciality chemicals and also providing the end users the best technical solutions and services. So all in all, I can say the products when we were supplying to the European textile chemical companies, they were only buying it from us there was no value addition being done on it and as such, it was being sold to the end users at a very phenomenally gross high margins.

So as such we have in textile chemicals there are basically four processes, pretreatment, dyeing, printing and finishing. All the four processes require 25 different functional chemicals all in all, and all these 25 different functional chemicals contribute only 3% cost to the user. So, the cost per chemical is three divided by 25 is 0.15%. What I'm trying to mention here is the cost is very insignificant for the customer, which is one part of it. It's something like the salt of the food from that point and at the same time, there is a big risk in changing and choosing a chemical. If something goes wrong in the pretreatment chemicals, there can be pinholes in the fabrics and the customers entire fabric can be wasted. Similarly, in the finishing process, if something goes wrong with the silicone, if there is a silicone separation on the fabric, there can be silicone spots, and which are not removable at all, till date and what it means by you need to sell the fabric and cut pieces. What I would like to mention here is the entry and exit barrier of this business has been very, very high. And once a customer starts to use the product, generally they don't change it. Now apart from these challenges, there is something more significant as well, which I would like to mention that every substate has a different requirement of a chemical. Let's say for cotton, there is a different set of chemicals which are required for polyester is different, acrylic, nylon for everything. Apart from that it also depends on what kind of processing has been done. Let's say, if a fabric is there, there are multiple processes to be done. Is it in exhaust? Or is it in padding? In padding also, or maybe let's say an exhaust also whether the pretreatment is done in the continuous jigger machines or the continuous Bruckner machines, in continuous machines, also, whether it's Bruckner, or dhal machines, or things like this, so we need to know exactly so it's a lot of customization there. And the same product cannot be given for another machine or something. It's not like a paracetamol. This business is not like a paracetamol where you know the product is same and made the baby a male, female, elderly young everyone can consume it. It's nothing like that. It's a customized solution. We need to understand the customer's requirements and then offer the product. Apart from that, I would also like to mention in this segment, it's not as a CAO driven business. It's not like a soda ash. It's not like acetic acid where the product of acetic acid is 99%, glacial acetic acid. It's fixed. I mean, there is no you know, nobody's asking about whether it's 99 or 98. It's 99. But this is more like a homeopathy solution what you're offering to the customers.

Fineotex has beautifully positioned itself and right now we have been working for all the biggest corporate textile customers of India. In the sense we have right from the top notch of the bedsheets, towels, yarns, acrylic, because in textiles, it's a very neat to kind of a business. If you talk about Bhilwara market, it's a suiting market if you want to sell to this Bhilwara market, we need to have customers of Raymond's category and things like that, if you're supplying to Welspun that customers are Bhilwara not bothered about it because they want the benchmark and the top notch company in that segment. So what has helped us in the last 15 years that Fineotex has been successful with all the biggest corporate customers of India which are not in the same category which are in acrylic let's say from Chenab, JCT Auto dyeing or textile Mavi spinning, Deepak Birla PC, Saluja, Reliance, Welspun, Bhasvada, Syntex, Raymond Vapi, Raymond Chinwada, Donear's, Himmat Singh cars, the Jaishree, to name it, and we will be there, it's something like that there will be almost and most of them are listed. Also, these are the biggest corporate customers. And once you get these entries and these customers, it's quite an easy way of selling to the semi corporates because those markets are quite me too driven business.

So, I would also like to mention that textile is little like a me too kind of businesses and we have the best solution company, or you know, technical people. What is very important for us is we have the best 34 professionals who are providing technical solutions to the customers. So, in all the textile belt we have all the kinds of marketing guys and technical marketing guys in Ahmedabad, in Surat, in Ludhiana, Panipat, in Delhi, south we have an office and things like that. So Biotexs is leading our R&D so Biotex. Biotexs after our IPO in 2011, we invested in a European founded company producing speciality performance chemicals. And this company has been doing business with Fineotex from 2005,07 and 08 in a way that we were also selling to them certain products which are produced by Fineotex India plant, and we were importing certain products from Biotex. Biotex's The synergy what we could see is that they were also supplying to all the European chemical companies and we like what we have been doing here and then we decided let's work together let's synergize our strengths and then we can go into market and get more market shares and technological advancements and do a lot of R&D and work on those lines. So as such, I will take the discussion ahead, we have almost all 450-product line like I said, we have pretreatment, dyeing, printing, finishing, we have all these range for all the kinds of substrates we have the best certification, which is called blue sign. Blue sign is one of the most difficult, sustainable document. It's like costing 60-70 lakhs per annum. The Europeans fly down to the plant and they do they have a list of 2000 final questions listed and they do off site audit also for six months. So, they do ask sustainable question like what the gas is used in your air conditioner also, so, this is the most so what happens with that certification is most of the bank houses like Zara's, and you know, they prefer Inditex, Walmart's will prefer OekoTex. So, this is the kind of once you have a blue sign, you are already accredited in the category of getting the sustainability in place, because there is a big future of sustainability. So, we are one of the early movers in the sustainability. This is what we have been talking about from 2011 to all our customers and things like that, of course it was too early actually. And now the trend has picked up in the last three four years for sustainability few you're the interviews of all the biggest textile promoters and top management in on LinkedIn or wherever most of them are talking about sustainability only because in textiles the way and mission now is to reduce the environmental load POD COD, and we are already the early movers in which we have been able to reduce their energy, steam, manpower, water consumption, number of chemicals also instead of using three chemicals, we have offered one chemical which is doing the work of three chemicals. So, all in all, this is the point where we are, these are the certifications. We have 100 distributors, let's say stockists and distributors all over India, our capacity is now 104,000 tonnes with the recent expansion in the 16 months before or let's say 18 months before the capacity was 43,000 tonnes. Gradually we started the Amarnath plant we brought it to 81,000 tonnes and now it's 104,000 tonnes we are very delighted to mention that our new plant is already in the quarter four last year financial 23 has already been consumed, utilized by 66% of the capacity. So, from 43,000, we have come 104,000 capacity in the last 18 months. And the best part is that 40 or 66% is already occupied in the new plant expansion also, of course, there'll be more expansion happening on that premises and future plans also there. About CRISIL rating we have been upgraded now a couple of I think two quarters back by CRISIL. And our long-term rating is now A stable short-term rating is A1. The ICRA rating has also been upgraded from long term A to short term A1. As such, we have been working with like almost 70 countries today. In fact, we have been exhibiting all over the world. In fact, today our director, Mrs. Aarti Jhunjhunwala. And our CEO Mr. Arindam Chaudhary is also

also traveling to Europe for the fair, the ITME fair, which is once in four years, this is one of the biggest fair in the in the European nation and also for the business. And so, we have a good kind of exhibition budget also. Let me talk to you about the cleaning and hygiene. So, let me tell you, how does the cleaning and hygiene business works. So let me be telling you about the capacities are fungible. In the same technique, textile chemical businesses, there is a sector called pretreatment, which I said about which is the cleaning stage, which is almost similar to that, let's say 98% similar to that. And that has a market in other businesses which we have started working upon. Our plants are FDA certified. We have our hand washes sanitizers, we do a lot of institutional sales now to hospitals and hotels, about floor cleaners, glass wall centers, toilet bowl cleaners, and washers and things like that. And the interesting part is that for this businesses we do not need an any particular machinery capex because it's in the fungible like I said.

So, this is something which have been going at the same time we have started offering our speciality products to the detergent chemical companies and they are adding it detergent FMCG companies they are adding our products as additive in their product lines and marketing and using it for the entire orders of the detergents and things like that. This business has also shaped up very well in the last three years. Brands like Patanjali brands like Ghadi like power, so brand like Aryason in south and many more such plants and of course the big names are also we are targeting, and we are on a very highest stage of discussion with the global FMCG giants also for global orders and things like that. As you can see, the FMCG companies are the best places to be because the entry and exit barrier businesses for there is much stronger. At the same time, the flip side obviously is that, you know, the entry is also very time consuming, because these are FMCG. And the entire brand of the company and the customers will depend on their quality and that's the point where they are very much slow in giving the approvals, the stability test is done for one year and things like that. So, however, it took us time and we did all the efforts and investments on those lines, I would like to take to the next slide further, already, we are working with like 69 countries, and this is very interesting. We'll read about that in the next slide. I would like to highlight is, let's say from the last four years, there has been a lot of changes happening, I will start with 2019 we are we got the blue sign in the year before the COVID. In 2020 I would like to mention that we during the first COVID One the first quarter, which was the most unpredictable quarter, we were on set of finding another piece of plant and land for more expansions, which was quite you know, a challenge as such during those times and we did it in six months, we acquired the land as well by November 2021. And in the last 18 months, like I said that 43,000 capacities have gone up. Let me also be mentioned all the capex which have been done even till now is done by internal accruals there is no bank loans, it's a debt free company no working loans as such also no networking loans. In 2021 we had a lot of I can say a lot of changes happening around in the sense we started working on becoming the most reliable textile chemical company for the customers in the sense we started bringing all the foreign companies to India, we brought health guard, HealthGuard which has one of the best product line for anti-microbial and antiviral kinds of businesses in which we have been partnering with them. the products are already approved and Targets and Turner Bianca which are the big brand house like Walmart's now if Trident and Welspuns are doing any orders for Targets and Turner Bianca they will be they have to use the products of health guard. So, basically what happens in textile is quite they need you know a company like we have become like Amazon like a platform for the textile companies, whatever products they want they will get it from here. So, what we are doing is whatever chemistry is best in the world, we are trying to tie up with these companies so that our product range gets better because textile is little bit I can say like they are looking off a lot of technical services they need somebody who have stockist whereas what happens for us if our technical team is going to market the products, they are selling Fineotex products

Biotexs products now they are also offering Euro dyes and health guards. So, for us the variable cost is not increasing, we are increasing our wallet shares increasing our menu card. And we want to become let's say Kiranewala for the textile chemic textile industry also because the textile companies love to buy more from the same suppliers when we get an order let's say from Guatemala or El Salvador when the containers are being you know planned off, which are the products to be added they do it becomes very easy for them to include some more products Lenovo HealthGuard or eurodye ctc. Eurodye ctc is a company in Belgium it was ex Unilever plant, this company already acquired the business of defense in UK in just before the COVID for the whole specialities this company is already having bluesign and other things and as such they are doing the same things what we have been doing in India. Buying the raw mats and producing the products for the textile companies. However, there is a big change like in Europe, the industrial the cost the gas price of last year and today the freight costs which we have experienced container availability not been seen these kinds of challenges have made European manufacturing almost unviable and it was a good time for us to tie up with them and start doing make in India kind of concept, from India we can do supplies in all over India, Sri Lanka, Bangladesh or wherever we have and you know our mutual agreements with them. So, this is the right way also of looking at the things and bringing lot more joint ventures to India this is also one of our strategies going forward. 2022, Like I said we increase the capacity further and this is where we are, I will get to the next slide. So, I will try to be quicker on my next slides and try to finish up so that we have a good question and answer round also. So as such Fineotex overviews customized solutions this has already been said about in my presentation. These are the strategic rationales and numerous chemical this has already been done and discussed. As we go to the next one, like I was talking about the pretreatment, product lines, dyeing, printing and finishing and finishing is our major share. Okay, this is very important, finishing is almost, let's say 40% of our businesses. And finishing is the place where we would love to be. And it's the most difficult place to be. And that will obviously have the biggest EBITDA margins also, because a consumer will buy the fabric on the basis of the colour and the touch and the feel, this is what it is. What is happening in COVID times their consumer demands have changed a lot the consumers like us, when we go to the malls or something we are also asking some technical functional chemicals or technical functional attributes on the fabric, let's say anti-microbial, dust free, no blood stains, antiviral, you know that thing has changed now. And luckily, all these fabrics cannot be these properties cannot come from mechanical processing, it will come only from chemical processing. And there we are. So finishing is the stage let's say whatever products in finishing generally starts it's the customers don't change it, the products which started in with Raymond's in 2007 at 2023 those products are still going on. So this is the cardiologist kind of the business where we are in the finishing. And that's our main share, our different kinds of you know, the co-producers of textile chemicals or certain competitors, we can call it they are more focused on the pretreatment, which is not our main focus area, because pretreatment is something where the customers can always change the chemical depending on price. And then this is not the kind of businesses where we will love to be and naturally, where the consumers can change the product, the EBITDA margins will be much, much, much lower. And whereas for us, if you see our 50 quarters of being listed, average EBITDA for our businesses, has been from 16% to 20-25%, broadly, and that's always been there in the last 50 quarters of being listed. So, this is also because of our focus on finishing area and that's our key strengths. Right now, our strategies for textiles have also changed a lot. We go to the customers, we take them take the targets fabric, and they are untreated, and we match them with our own recipes using permutation and combination. So that's something technical, which I will not touch more now, but I'm just giving you what kind of product line we are talking about.

. So yes, this is the place where we are cleaning hygiene drilling specialities, we are working for drilling also. Drilling is mainly going to the government kind of supported companies like ONGC types. And it's more of a tender business and it's not. So, one of the companies in this line had approached us with asking for certain solutions, they were using a powder which is not eco-friendly, not economical, difficult to use, things like that in powder form. They wanted to ask to do some R&D with them together, we worked with them together we produce certain things, which has started off and shaping up well, it's also we are one of the you know, I think the only companies with for that product line, but of course oil and gas is government dependent, it has a lot of it takes a very long time to take to a mature level. So, we are looking at that business also. These are the synergies of Biotex and Fineotex. Fineotex, like Biotex is heading our let's say the R&DR&D developments also. So Biotex is owned 72% by Fineotex 28% with the European people. They are from x Henkel, and X Thor Henkel is the mother company for all surfactants so a lot of our textile related R&D and detergent related R&D and like knowledge and technical know how it's come from them. They are the 28% shareholder, the German guys they take care of all the directional things, and they will also be exhibiting ITME coming forward. For Eurodye ctc this is what I have mentioned to you already just a while back about the plant is in Belgium, it's a Unilever plant. They have reached and other things we have started doing a lot of distribution and production for them in India and pan Asia. HealthGuard I have already mentioned interestingly last month, I think three weeks back one another product of HealthGuard has got the US EPA. So with HealthGuard what we have been doing is we are not buying and selling as such, we are also investing with them together for the licenses, we are partnering them for the licenses of the you know like US EPA or any kind of licenses, whichever is required, then the customers availability and the customers interest gets on a very high page. Sasmira, yes, sasmira it's a textile University near Siddhivinayak Mumbai. And so our doctors, our team for R&DR&D in India are placed in Sammira, this is the first collaboration of Sasmira with a chemical company like us Fineotex and the scope of the activities is that we because most of the technical people in India for textile business and others are mainly from ICT, UDCT, or from Sasmira that's in textiles broadly. So, what we have sent to the message to all the textile companies is that if you need any solutions, sustainable solutions, and troubleshooting, because our business is more like troubleshooting, we are like the doctors for them, we are the doctors for textiles, that is the way we sell our products. So, of course when we do that, that helps us to sell our solutions. This helps us to get a better EBITDA depends on you know a sustainable long-term businesses also with their customers, so Sasmira is the place where we are doing our R&D. We also mentioned about the growth in the hygiene and textile chemical businesses. Textile, I can say you know textile has become a business which has a very big, I can see a gestation period right from the cotton growing to the fabric being sold in the Walmarts. It's more than six eight months and generally what happens when the cotton prices go up. The challenge is that as soon as the cotton price goes up most of the buying houses reduces their purchases, and then there is a little bit diminishing production in the textile industry as such. So, this is a business where one should look at every not every quarter and quarter business textiles broadly it should be looked on let's say pre-covid times. COVID has been very good for the textile business broadly. And this has helped the entire textile businesses like endocount has invested in GHCL plant and bought them a lot of investments also still going on with emerging cause and Raymond's is also doing fairly well, Vardaman also. So, these are our major clients as well. I think you know this is something which we have quite established players in that, and we have the best solutions. We are one of the most chosen ones from that end also. Cleaning and hygiene, this is a business for FMCG where things are shaping up dramatically. And you know, the more and more focused we are getting a cleaning and hygiene is helping us to get into more and more FMCG players getting into more product lines, this has also helped us a lot. See actually the cleaning hygiene is also more going mainly for the textiles, because detergents used in machines or used in handwash ultimately has been for textile, we are the best guys for textile. So, we understand textiles more than others. And I think that's also helping us to innovate our products get to the customization and make the products which are more useful for the cleaning and hygiene FMCG players to you know to choose us as their suppliers that's also helping us. Well, here I would like to mention the quarter one quarter two quarter three of the last year has been quite interesting. So, we have been in great place certified in quarter one last year. Even last week, we have been renewed the second year for the great place to work earlier we had ESOP for 91 employees in the last nomination remuneration committee, they have approved for another 19. So together I think we have touched 110, 111 employees are having the ESOP the scheme and so that's what we believe in. Quarter two we have been okay, so these are the approvals for the HealthGuard we got into the category of what you call as the A group companies and things like that. And quarter three yes has been quite interesting. The credit rating has been upgraded by ICRA and by CRIISL also. CRISIL was in quarter four. Okay. So yeah, we expanded the capacity in quarter three, we could get started off quite Well, we were we were awarded by Dun and Bradstreet for certain awards and quarter four then you know, this is the kind of the crucial upgrade and the new approval which we got from the US EPA. This is certain things; you know the capacity like I said in the last quarter for financial 23 capacity utilization 66%. Of course, we have almost all the certifications, what a company needs including GMP with manufacturing things. So, these are the countries where we are working upon till now the international businesses 35% of our business 65 Is India. So, this is our list of board of directors and the committee members and the committees which we have and the things the management team is here. And so that's our CMD on the left. On the second is Me, Aarti Jhunjhunwala, Arindam Choudhari, Mr. Noa N Ouakass, the German guy whom I mentioned about Mr. Kedhar, Mr. Madhukar Shenoy who has just joined us a couple of months back not even a couple of months back actually. So, he has been having a great experience in the consumer industrial care. He was the business head for European company for 13 years, he was included in chemicals for three years, and also certain water treatment and detergent based companies. So that's something which we are also looking at. Coming to the financial performance, I will I mean most of these things are available on your paper, I mean in front of you, I will not take too much of a time here. So as such, I'll talk about the EBITDA numbers. Let me tell you in detergents FMCG business and the textile chemicals the storyline is that the gross margin in textiles is always much much higher, for sure. At the same time, there will be certain expenses also that line. Detergent business has its own, you know, a volumetric businesses, the price average line is quite lower, the proceeds are much faster. But basically, how we look at our business is more of an EBITDA driven EBITDA margin driven businesses. And that's the way we have been working quite well. Our EBITDA margins, if you are also checking over the last eight quarters have been on average about 20% to 20-24 broadly, that's the place where it is. I'll just go to the next slide. So, let's say yes, if you talk about your CAGR for last 12 years of being listed, our CAGR has been always 23% for last 12 years also, of course from this part also you can see that. Return on capital employed is soaring up and up. This is also the more and more we focused on cleaning FMCG businesses this will still be much higher.

This is financial things I would not like to I'll keep this part open for our questions and answers round rather because this is something which is already published and while watch certifications we have touched already. certifications, and sustainability. Yes. Interestingly, from this month onwards, in a couple of weeks, I think from now, we'll start with the solar also, it's already installed, there are certain government processes which are taking time and we will be not will be having our further investments in the ESG activities as well as, at the same time we have a special ESG portal on our website, you can also please go through it, these are the task and the actions which the company has done. It's mentioned here also ESG Profile link. I think, Anvita, maybe we can start with some question and answers, we can keep it open for that.

Moderator: Sure, so participants have options to either raise your hands and then you can ask a question or alternatively, they can also put in their questions through the Q&A chat box that we have. So, we have a couple of questions lined up already. The first question is, how complex are the products that we manufacture in terms of number of steps, chemistry, skill sets required, constant R&D, etc?

Sanjay Tibrewala: Yeah, this is a point which I was thinking about, but I did miss up in my explanation or taking through the presentation. So basically, we have the facilities of polymerization is certification sulfonation, phosphorylation, polymerizations are homopolymer copolymer, terpolymer, also the homopolymer terpolymer, and the copolymers are of different monomers, acrylic, Melih, bouteille, styrene, balm, things like that. So, these are the kinds of special chemistries which we have been handling. Our skill is, this has been done since last three, four decades as such. So, wherever these chemistries are shaping up, let's say, for cleaning, FMCG, oil and gas, we are making sure that these chemistries are also being used for producing products for those industries. That is one, the steps are not certain, because it all depends on the kind of product, because like I said, we have more than 470 product categories. And it's not easy for having the same it's not easy. I mean, it's not law, you know, there cannot be the same steps of producing the same the products for everything. Let me give you an analogy here. It's like for a kitchen. It's like, you have this SS reactors SS 316 I column condenser jacketed limpid coils kind of reactors with thermal fluid Boilers and steam boilers. And now you can do the different kinds of products. It's more like a kitchen industry where you can in the same frying pan, you can make some different products, but the product timing and the steps will be different based on the technology and the product what we have to provide. So constant R&D, yes, this is something which we have been doing about in the last four years, if you look at our numbers, there have been an increase in our investments, that investments was for sales promotion, having more technical marketing people for more exhibitions, and also a lot of more factory audits, product certifications, and R&D as well. So, this is a constant process. We are already early movers in sustainable businesses. And that also had been started shaping up in the last few years. So, this is answering this question . Anvita we can move to the next one please.

Moderator: Sure Mr Sanjay, the next question is from Shreyans Katani. What is the dependence of raw materials on China? Also, is there any threat of cheaper Chinese product?

Sanjay Tibrewala: is also quite interesting question. So let me tell you, we are a light of restaurant company. And let's say the vegetables are coming from China, China doesn't produce these kinds of products, where there is a lot of customizations and tailor made solutions, China produces products, which are mass selling, which are our raw material, and they we already from a purchase point of view 60% of our purchases is local, indigenous 40s with from the imports. Now the 40 also what is import doesn't mean that we need to import it, but they have lots of agents and stock is in Kandla, Mundra or Bhiwandi ports or whatever it is. And we can always measure the I mean, we can compare the prices of both the products which we want to source let's say a glacial acetic acid, even if it's a GNSC product or a looksee Korea or you know something from China if it is we can have to just compare the price and we can source it because acetic acid will be glacial It's needless to mention it will be 99%. So, this is the edge we have we do not have dependency on China and whatever the tendency you can see in the last three years what has happened because of that the Chinese stopping production, the freight costs going up containers not be available. So, we were switching to the Indian companies also and this is well managed. I think that's not our challenge and Chinese cannot come into our businesses for sure because our business is a solution driven businesses, it's more tailor made. And Chinese are not into those kinds of products and even the textile businesses and textile psychology of the business doesn't invite the Chinese for that purpose. China is good for acids, peroxides and things like that other things. We can move to the next one. Anvita please.

Moderator: Sure Mr. Sanjay, the next question is from Satadru Chakraborty. Further, and the question is for the drilling speciality chemicals business, how do you see this? How do you see this business evolving? Will this ever attain significant scale within Fineotex? And you mentioned that this is primarily with government companies? So, is it fair to say that the working capital requirement is more for this vertical as compared to the other two verticals?

Sanjay Tibrewala: Yes, let me tell you one thing, any government related business is something it's not completely dependable or sustainable, because it's too much of a government things and these are all oil and drilling businesses in any country, I think mostly in India also is more driven by government policies and things. And I would like to mention here that we do not want to depend on this on a broader level, because this kind of businesses it can be that two quarters, you don't get a business third, fourth quarter, you get a good business. So, , our focus area is more on businesses, which are more COVID Proof business, like detergents, textile and FMCG business are comparatively covid proof business., let's say, you know, oil and gas is not a COVID proof business, as soon as they have this, you know, drilling issues and things because the oil and gas drilling is not happening for today, this year. Oil and gas drilling, whatever has been done today is for 2025. So, in a matter of if they have some government or political things, or sometimes they decide to postpone six months of drilling and you know, things like that it can, it's not a dependable business, we are not too much on to it. Working Capital, as such, the maximum is used for textiles, textile is little bit traditional as such. But of course, when you're working with Vardhman's of the world, or Raymond’s of the world, you don’t need to bother about the, you know, your payments been going to a bad direction, but it’s just so that it’s little traditional business. So, there can be a working capital requirement more in textile that has been happening. But the more and more we are focusing on FMCG business that the mix is getting covered. And the blends results, as we can see, has come down from 140 days. Today, it's almost at 90 days, the working capital more broadly speaking. So, this has also been possible because of the more and more focus which we have done in our other businesses.

Moderator: Thank you, Mr. Sanjay. The next question that we have is from Mr. Ankit. Bansal. Mr. Bansal, now you are allowed to speak Can you please unmute yourself and ask your question?

Ankit Bansal: Hello Sir, my question is the kind of corporate you're working with the bigger, bigger houses but Sir, your revenue share, like you're doing everything providing solutions, giving everything but your market share, your revenue. With this kind of product line, you should have been 10x revenue from now you're having any problem in execution or implementation? Because you're covering all the corporates of India?

Sanjay Tibrewala: Okay. All right, I'll try to answer your question in a short way of distinct. See if you notice, we have already if you analyse the quarter things we are already on almost 600 crores company today, which two three years back was a 220 Crore company. And what is important from that point that already organically were all we have been stepping we are being able to gauge more customers we have been able to get more and more, let's say wallet shares of the customers. The EBITDA margins are intact. We are looking at we are not if we talk about only towards turnover is not the place where we are we are not a general physicians of this market. We are the cardiologist. If the moment we start talking about products which are more voluminous and turnover driven which will hit the EBITDA margins, which our CO producers love to do, by the way, and that is the kind of businesses we don't want to enter strategically. So, we would like to be very sure on what the customers look at us the perception and the kind of the you know, the kind of our USP has to be very clear, the message has to be very clear to the customers that this is not what we are doing, this is what we are doing, and we love to be in this place, because this is the most difficult area where we are the 600 crores business what we do is even more important than 1,200 crores business of somebody else's, which is not sustainable, which can be working on a price gap or whatever it is. So, we know what we are doing. I think this is the best place. You know, the best results, the team has been achieving it. Anvita maybe we can go to the next one.

Moderator: Sure. So, we have the next question from Mr. Subhadra Chakraborty Fineotex is at 67% capacity utilization. Now, when do you foresee this capacity being fully utilized? And consequently, when shall you be going for further capacity expansion? What kind of funding next to you envisage and what asset turns would you be able to generate there?

Sanjay Tibrewala: There are very interesting clusters of questions rather not one question. So, I would like to answer to the all the participants about this yes, we have reached 66-67% utilization quarter four as such every if you can see gradually we have increased the capacity from 43 to 84, and then 84 to 81 and then from 81 to 1,04,000 tonnes and that has been done at the same premises, we have quite a good space in the same premises and we will be keep on adding certain more capacity in that same premises. However, what we are looking at we are very long-term planning things are going on, we would like to mention that there will be certain new investments also being happening in the land and building areas. Because what we are looking at is not about this year or next year, we are talking of everything is 2000 How does that 2026, 27 and 28 is looking at same thing, if you talk two years back or two and a half years back in, let's say In the year 2020, when the COVID was there just three years before that was the time when we were almost at 60% capacity and we went to you know expand to place at doubling the capacity even if we were at 60% and there are a lot of questions were coming from investors when the capacity is still 50-60% utilization and so COVID time why you want to go ahead and you know, expand it. So, let me tell your number one, we the chemical plants do take a little bit time to for the permissions and things and like as we understand, at the same time, if the kind of vision we have the kind of things we have these kinds of things will happen every two years or three years, which we are also in envisaging. Now, as such the cash bank balance of the company is at the moment, you know, including the Treasury and the cash and cash equivalents more or less almost quite a sizable number today it's more than 100 crores or 120 crores at the moment, console level and all the investments done by the company till now for this business has also been done from the internal accruals. So, there will be no kind of funding required for expanding organically for more land building and other production capacities. So generally, our asset turnover ratios on a broader level have been always 6x to 8x and after the capacities are in place. So yes, this is something which our participants can expect happening way forward also. So that could be quite interesting for the future.

Moderator: The next question is from Jinesh Dilip Karla, risk management strategies in place for risk like geopolitical risk, natural calamity risk, recession, etc?

Sanjay Tibrewala: So, I would like to mention in the last few years, everything has happened. We had the biggest pandemic of the century, perhaps. And we have geopolitical situations of Russia, Ukraine, things like this natural calamities at Turkey and things like that recession, let's say from last year, we are talking about slowdowns and recessions. So, in spite of these things happening from April 2020, I think the company and the team has performed substantially well, especially in comparison to the peers. And I think that should be rather a good way of rating our company and understanding where we are coming from. I think these management strategies must be on place. Of course, that's the reason we have been able to sail through in spite of the freight shortage, freight price jumps, material shortages, China not working, whatever we have experienced in the past. So, I don't think anything more is left out in the in something which is unpredictable to be left out right now. So, I think these things if we can deal with these things, I think the company can deal with most of the future things if at all somethings are happening globally.

Moderator: Next question we have is from Keshav Kumar. He has three questions. The first one is for speciality chemical catering to Indian textile industry, what is the finishing segment contribution? What is a market share in that?

Sanjay Tibrewala: Well, for the speciality Chemical Company, speciality chemicals catering to Indian textile industry. Like I said already in the presentation, the major focus is for us and for the customers is finishing. Finishing will be the major area because in finishing, you have to use too many chemicals and these are expensive chemicals. And, let's say Biotex's slogan and the punch line is your textile, your textile chemical experts that you're finishing chemical experts. This is the punch line of Biotex's. So basically for Biotexs the major product lines are water replacements, flame retardants, finish a blackening agents, Burka blackening and things like that those have been the specialities, and this is the place where the consumers need more speciality products. And the cost also will be higher for them as well. So that's the answer to it.

Moderator: Second question is what is the level of penetration in Bangladesh and Vietnam textile's value chain? And how do we see that contribution shaping up in five to seven years?

Sanjay Tibrewala: So, Bangladesh has been a good country for us. From a revenue point of view, I think it should be the top two countries and way forward. You know, we are already having our good dealer network right now we have opened this month, also an office in a lightning office in Bangladesh and adding up to the team members and things like that. And this Bangladesh will be always interesting. Vietnam has its own things, we are prevalent in Vietnam to some extent, but Bangladesh is something which we are more aggressive upon. And we are looking at great days going forward in Bangladesh. And let's say the entire India, Pakistan, Bangladesh, Vietnam, Russia, and things like that, that they will be the countries of the future for you know, producing the textiles and the garments going ahead. So, I think let's say in the next five years, these businesses and seven years going to be you know, growing rapidly for these countries.

Moderator: The third question from Keshav Kumar. Is it fair to assume that the finishing chemicals would have a more textile industry mirroring rate of growth whereas finishing could move at a higher growth?

Sanjay Tibrewala: Finishing of course is going at a higher rate because the consumers preferences and demands have gone up every company every new I mean every consumer is asking for like I said asking for something which has more technical fabric or something functional water repellent or perspiration observer, wicking properties things like that these things have to be done chemically. It will go for finishing so these things are definitely will be more useful to know that market of finishing in Textiles is goanna grow that's for sure. There's no doubt about it.

Moderator: The next question is from Haman. Sumi, what is the capacity expansion plan now? How much Will it expand and to and how much time will it take?

Sanjay Tibrewala: So, like I said, we did we are having certain capacity expansion plans, we will come and inform the investors and when things are at the right stage, we are working on it and maybe by this quarter and I think we should be having certain concrete plans going forward in the sense of assets capacity expansion will like I said will be done in the same premises, where we have just started off there is ample of space, but also we are looking at certain new additions to it, which will be we are working upon it the time taken for production capacity expansions in the same premises will not take more than two quarters max, because already all the things are laid off the machinery foundations and the admin team and things like that are already there. Yeah, if you talk about something new premises and things like that, it generally takes one year or one , you can say for permissions and you know, the Industrial Corporate Development Operations, approvals and things like that. So pretty much it's still in line, and we will be able to do a lot of good things happening going forward.

Moderator: The next question is from Jinesh Dilip Kalra. Does the company maintain any 5 to 10 year plan?

Sanjay Tibrewala: I think this is related to P&L, 5 to 10 years plan or I mean I have not understood exactly the point here, okay, they have mentioned, maintained and published 5-year plan. So actually, we would, you know, we would not like to share too much or diverge too much of our, plans like that. However, what we have seen in the past, were also certain plans of the company, which were actually improving and quite executed very well. We are excellent in execution in time, within cost. And this is because you can see the kind of Capex we have and the kind of our operating cash flow stream data is touched 95-95% or so, our volumes has almost, you know, the volumes have grown by 85% year on year basis. I think this all attributes with EBITDA margins also been intact. I think these are all, you know, signs of well executed team and well executed projects in time within cost. I think this is the place, where the participants can expect the company to be going forward.

Moderator: Thank you. The next question is from Chinmay Shah, how do you see the next three years for textiles industry? And how do we envisage the FCL growth for the same?

Sanjay Tibrewala: So, let me tell you one thing, textile is now let's say, from the volume point of view, 40% of our volume FMCG 60%. So, for us, the major business and the major volume business right now is FMCG, cleaning and hygiene business, which has been faring quite well and the growth rate in both industries is good enough. How do we see the next three years of textile will be growing for sure as such, there is no doubt about it. If you can see three years before the COVID, one first quarter for textile was very bad, quarter two was not good. Or Quarter Three, quarter four was phenomenal. And that led to a lot of companies doing expansion plans and things like that, because textile, may you we all need to see the businesses year on year business, it will no longer be a quarter and quarter growth, because textile has higher gestation periods, fluctuation in cotton prices become higher. So naturally, the Wallmarts of the world, they will not be having this consistent planning for the spinning companies or for the young companies or things like that they will keep and there is a big inventory always in the pipeline. So, this is something we should look at the textile business. I said this is my opinion, of course. And so that's the point we can say. So, textile will be growing for sure. Percentage wise cleaning and hygiene will be growing perhaps more higher in terms of percentages.

Moderator: The next question is from Mr. Siddharth Lakhanwal, since you mentioned that your demand is customized to do you think it will pose challenges for scale going forward?

Sanjay Tibrewala: Well, this is a good question, but I would like to mention that we are already geared up for that. We have a great USP on that kind of businesses. It's not new for us, we are already doing this business for last 30 years. So even if the demand goes up for customizations, we would love it because the more the customizations, the higher the EBITDA, the higher the exit barriers. And this is what we love to that's what we dream the industry should look at more, more and more customization is good for us. This is the way we look at up. And so challenges will not be there, this business, what we are doing right now is based on those kinds of customizations already, as you can see the capex, the asset turnover ratio is 6x to 8x and so that I don't think that is also a challenge for the company to it's not like, it's a very big investment and then there is a change in the technology, nothing like that. And firstly, all the capacities are synergy, this is the best beauty of the company, where we do not have specific investment for one product or one or two products and things like that. So, 99% or 98% of the products are in the same kind of machinery setup, which are with the little permutation combination, which we are aware about, and we have been doing executing it very well. So, that's about it.

Moderator: The next question is from Anirudh Daga, what does the total capacity transform to in terms of the approximate turnover at 100% utilization?

Sanjay Tibrewala: So, interestingly, let me tell you, what has happened in last six eight months a lot of the chemical raw material prices have been going down and down caustic price, is at 70 rupees was the price, now it is 35 rupees today. Now what happens with that there is a general drop in the basic pricing. So, generally what happens every company will reduce the inventory levels. So, earlier and when there was a shortage when there was a freight cost going up and things like that, freight has become quite important for the entire product line, the companies are storing more every company was running on two months or three months of inventory levels broadly generally, and now slowly what is happening is that these companies have fell down to let's say keeping only one month stock keeping 15 days to one month store, so that the because the next product what you will be procuring will be at a much better price at as such, so, there is a double hit happening in the in the chemical prices that the volumes go down because of the inventory levels of the customers plannings are changing as well as the average leisure preserves are going down. Now similarly, for hours, the cleaning and hygiene business has picked up dramatically and the textile business has been still growing in that space as the blended. Let's put it in a different way the textile average product is 100 rupees a kilo and for detergent cleaning hygiene FMCG if you average out everything it will be around 60 rupees a kilo or 58-60 rupees a kilo and a blended we can talk about 80 rupees a kilo at the moment. However, if you talk about two quarters back the blended was above 100. So, I would like to mention here that once the prices of the chemical starts moving up the average relation will go up and that will be the time then you know with this 200% utilization is also I can give you a number which will have more impact and useful now what has happened the average relation price has gone down. But keeping in mind we have our EBITDA per kilo is not going down. In fact, the EBITDA percentage has gone up though prices are going down because we have been able to retain that drop in our profitability. And that is the way we have been growing the company's EBITDA absolute numbers as well.

Moderator: Thank you, Mr. Sanjay, the next question we have is from Meet Shah, going forward, do you see the company more as a textile chemical company or FMCG supplier which segment will contribute more towards EBITDA out of these two?

Sanjay Tibrewala: Well, I like to mention here that now, once our base cost is same, the operational efficiencies will be shooting up and that will lead to better EBITDAs going forward. That's the general things which we have experienced in the past also, the more and more we are focused on FMCG today in FMCG businesses 60% of our volumes as per quarter 4 textile has been good enough and has been growing good profitable business, repetitive orders, things like that, and we already a brand there. So you know it's so, basically you know, textile we are already a big brand and FMCG is the place where we are developing our brand to be and going forward the contribution to a EBITDA percentage, I think textile is also in a good shape as such from the EBITDA percentage value, the more and more FMCG businesses if we are able to crack some global accounts, I think the jump in the business can become something which can be expected in a good way going forward. So, this is what we are looking at. It is very hard to mention today or estimate, how much will this contribute in an EBITDA but at the moment percentage wise more or less all are in the line.

Moderator: Thank you Mr. Sanjay. The next question we have is from Siddhartha Chakraborty, for raw material sourcing as well as finished product sales. Do you have any sort of hedging mechanism in place if not is there any merit in looking into such a mechanism?

Sanjay Tibrewala: So, here I would like to mention the raw material sourcing, what we have been doing generally we are keeping an inventory of almost two months of the entire inventory. So, raw materials are quite easy to get its maximum 15-20 days is not a challenge for sure. And as you can see our gross margins and EBITDA are good enough. So, generally in textiles and cleaning hygiene businesses runs in a fashion where they give you an order for two three months broadly and then you can they intimate you want to dispatch so, you know, we have a purchase order for two to three months and then we have to keep dispatching it intimation. So, these are perennial business as such, but the process in practicalities is that in two, three months POS are received and that is the way we're working. So, generally up to that much level raw materials also, we have been secured as such. And whenever there is a price rise or something, we can always request them that, you know, the new purchase orders what has been done. So, I'm touching on another question, which, you know, which might be one of the important point also. So, how much is the price flexibility and things like that. So, this is not a government-based business. Yeah, if you talk about oil and gas business, you have to sign a contract for one year, even if the price of the raw material doubles or gets half. But in this business, you get a room always to push up the prices or all the other way around. If the consumers are requesting for some price benefit, maybe we can pass it on after the month of after two months till that time we execute the existing contracts. So, it's a natural hedging, I would like to say there is nothing greatly intentional happening on that there is no mechanism required, because the raw materials are so easily available in India, and also the imported raw materials, let's say 95% of the raw materials are very, very easily viable for 3-4% raw materials, which we want, we stock it for three months, four months, that's also enough. So even if the goods are coming out of India, it just takes one month from the time we place an order till the time we get it so, for one, two months we are always in a good shape to do it, nothing particular to look at on that and also that doesn't affect our profitability, because the gross margins are sufficient enough to take the hit, as the cushion is intact .So, there is no great hit ever happening and no gain also.

Moderator: The next question is from Jinesh Dilip Karla what investments will be made for organic and inorganic growth plans?

Sanjay Tibrewala: Organically something which we have been doing regularly, which we discussed in this webinar now, and so, this is answering the organic things, we are having sufficient cash on books more than 120 crores is the cash on books at the moment. And still as I said, as we have mentioned also the cash from operations, EBITDA is also on a very high scale. So, going forward, I think, you know, we do not need any great any kind of debt or anything as such going forward, for the at least for the organic or inorganic, as you can see that, you know, after the IPO in 2011, in three months, we had deployed that funds for acquiring us a stake in Biotex, which is a European Chemical Company, which we just talked about. So Fineotex holds 72% of that group now, it was the first made in inorganic acquisition, which Fineotex had done. Not only that, I can also mention that the synergy had shaped up very well, it has also made the management quite confident enough because having international made in acquisitions and making it successful, where you have a lot of, let's say, government interventions from both sides, lot of new psychological mindset of the team and others. So, I think this has fared very well. So, we are the company is you know, we are open I can say to keep looking at certain opportunities, which makes synergy which has a great value. And of course, we are very cash disciplined, we are very much if you can see we have been crushed by debt free for a long time. But that doesn't mean that we buy an asset or some company just for the sake of raising funds or going and buying something and buy something and end up in a point of not only getting the right ROI, but also losing time, because I think the time is one of the very important thing apart along with the money. So, if we buy any company acquire it and then you know we have to give our time and energy and we have to understand what the organic opportunities is right now. So, right now the company is enjoying on the organic opportunities, let the company digest also the organic opportunities and this is the way we are looking at our businesses in order to gain opportunities. Yes, we are there we have 16 access to capital. We have lot many fund companies were approaching us also for any fundraising activities are being done or not. However, that can be done if we get a company or target, which has synergy bring value to the shareholders to us and all and mean a lot of great things happening way forward. So, we are not those kinds of hungry peer companies, they, you know, who love to look, look at buying companies for the sake of, let's say, easy capital or something like that, or I don't know, how do I phrase it. So anyhow, we are quite focused and we know what we are trying to do. So, if there is something that can be, we are not close to it. But yeah if there's something we'll bring something value, we will always love to examine it. Sometimes we do keep getting proposals, it gets to some levels, and then, you know, it's always something or the other has been discussed about inorganically.

Moderator: Yes, the next question is from Kasia Kumar. As we get deeper into FMCG value chain and say the finishing chemicals share also moves up where we build a decent wallet share amongst our customers, does this also enable a custom synthesis like business model, where some part of the R&D is also outsourced to us and we get a more customer funded business?

Sanjay Tibrewala: Well, the finishing chemical share is going up, there is no doubt about it, we are getting more decent wallet share from the customers. Like I said, the biggest exhibition is happening in the next two days, our team is already there, we have almost 10 people moving from Fineotex and Biotex to attend the exhibition, this is one of the most expensive exhibitions the company has been looking at and our focus there is finishing chemicals and this definitely guarantees that the finishing chemical share will go up, no doubt about it. And we will be gaining more customers and things like that. At the same time custom synthesis like businesses, you know, we are not those kinds of a model that, we are not only providing some R&D or this and that we would like to work on a way that, we don't need customer funding there is no need of that, of course, the payment in cleaning hygiene and FMCG is already much better. The working cycle is almost one month or something like that, which is excellent. And so way forward, I don't think we need those kinds of businesses where the customer is funding our business or things like that, at the moment, we are well equipped internally that we know we can give to any kind of expansions also using our own self fund. So, this is the way I would like to message.

Moderator: The next question is from Ajit Kumar. Can you please quantify market potential or opportunity for textile chemicals and what is the current market percentage?

Sanjay Tibrewala: See, all in all, if we talk about globally, we can say this market is around let's say 25,000 crores market in the world broadly. And this has been still dominated by the European companies of course the companies have having off like, colour came became clearer and clearer it became the NBS color it became a chroma BSF went to a Achroma, Seba became Hansmann, Hudson became a chroma last month a lot, two months back, ICA became close Pinkle became Pulchra. So, a lot of the chemical companies, you know, the Europeans are already having off and so they are still the dominating position as such, even after the place where we are. I think in the next five years, there'll be a dramatic change. And I think more of these companies, they're already uniting now, because of this problems and things. And I think the share will come to more like companies like us, this is the way we are expecting it to be.

Moderator: The next question is what our revenue and margins expectations now going ahead for FY 24 and next two, three years given the new segment?

Sanjay Tibrewala: We will refrain from giving too much of forward looking statements, but I can say the trend is positive for wherever markets we are. The products rangeis expanding. We are in the one of the best times I can say for right now. And going forward we are very excited with the opportunities which has come to the table what you have seen in the last few years definitely we will be trying to execute something better than that if not same. So, this is we are very positive on the coming years on that lines.

Moderator: The next question is from Sriram, you spoke about targeting top FMCG players from whom you will take market share from whom will you take market share and in F&F industry I have seen it's difficult for Indian chemical companies taking market share from F&F blenders?

Sanjay Tibrewala: See, I would like to mention that the biggest competitors for us globally for FMCG player product lines is an European companies they are the giant companies with a billion dollar net worth, there is a lot of you knows, let's say and ironically both the companies are not producing their products in India they are bringing it from Germany or Belgium or now that the Euro you know the gas price and shortages happen they have moved to another plant and bring it here which of course means longer gestation period customers waiting. Let me tell it this is also something which I would love to explain about detergents performing good water and if you take a soap in Mumbai or and use the same soap in Vapi you will see the foam is not coming whether it's a Detergent Powder, cake or our bathing soaps also the reason because is that the water is so hard that detergents are not performing. So, the point here is most of the FMCG brand companies especially in India. In India, every 15-20 kilometres the water quality is different, whether we are aware about it or not. Every place there are different metal i calcium, magnesium, iron, nickel and all the lead and what not everything is there in the water. So, basically what I mean to say is that the water in India or any developing country, let's say for that matter will be the challenge for the detergents and the cup products need to outperform. Okay, now, what is happening here in the big European names, which I just mentioned, they are bringing the products from Europe made in European water and they do not have customization for Indian markets. Whereas in India, you need to definitely customize your products, what product we give to South Indian companies, detergent makers, and what we give to the north Indian companies are also different by the way, the reason for that is because the hardness of the water in north India and the south India is quite different. So, we are customizing it there. However, it is quite ironical to note that the biggest companies of this business, of course, they are giant companies, so they don't care about too much of this business perhaps, but they have not customized the product, this is something which is we are touching upon this, as a USP also that we are customization, we understand your markets, we understand your water, and that's one of the reason why our products are even performing much better than the let's say, the founders of this businesses 200, 100 years back as such. Now, let's say I also we also address our customers in a different way that you know, even a McDonald's if they have a burger for India, they will have something to do with the Indian curry and Indian flavour something to do with paneer or Tikka and something this and that, and the same McDonald's in Malaysia, we'll be having something with peanuts sauce or sate or something like that. So, of course, there is a customization required for all geographies. That's the point. Whereas in this business, the European companies, there are not customization they have the same product, whether it's sold in Indonesia, India, Bangladesh. It's something which the customers are now understanding about. So, this is one of our USP of marketing and I think this is helping us dramatically to customize the product. So, the same solutions of textiles, what mindset we have is customization, same thing we are bringing to the detergent companies as well. So, , I would not mention that you know, it is difficult or something like this of course, this is the comparison which I have mentioned about the companies and things like that touching upon also what kind of differentiation we have. So, differentiation is what excites our customers, and we are right on target on that.

Moderator: The next question we have is from Krishna Patra, what will be the future projection of the coming year and what is the percentage of R&D expenditure in terms of same?

Sanjay Tibrewala: So, I mean, future projections, again, it has been repeated, we have answered to the best level we could we cannot go further on that percentage wise R&D expenditures are always less than 1% of the sales and this is the place where we have been able to achieve very well and I think this is the place we are looking at as the turnover is also increasing right now and I think that will be the normalized less than 1% would be the benchmark for us.

Moderator: How do you typically have pricing with customers? Does this have raw material passed through clauses trying to understand how margins are impacted during volatile raw materials? The above question was from Shreyans Katani.

Sanjay Tibrewala: So, basically, I have answered this question also a while back in some of the topics that the pricing is generally for two months, and then we can always increase the prices. As such, broadly speaking, two months is also from the point of view of being, you know, it's like a purchase order is there in place. So, we have the raw materials also we approached them on a price for the future and this and that, but generally speaking, the prices generally it doesn't have too much of a change in the products, which we are doing in the speciality range in the finishing specialities. If you talk about the other companies or peers or whatever, for them, if because they are doing a commodity product. So it's like a caustic let's say soda ash, acetic acid and peroxide every day, they will have a price or let's say weekly, they will be having price because and similarly in textile chemicals, which are less EBITDA driven, more volume is more turnover less profitable, easy to change kind of products, those will be of the similar category, because they are customers are always looking at comparing with others, whereas when we are talking about solutions, there is there cannot be a comparison of course, we have to be something which is nicer to them for the matter of price is going down also in price going up also. But this is the edge which we have in our product line where we are in for the textile customers.

Moderator: Like this business call also request management to organize a plant visit for shareholders

Sanjay Tibrewala: So, broadly speaking, we did we do have sometimes the plant visits for certain set of shareholders in group or individual that can be always organized, that's in the plan. The point is that we are happy that this, the participants have come in good numbers today. And I think this can be also taken up where you can meet the team and to see the site, state of the art plant this and in fact, most of the investors and you know, who have seen the plants have appreciated it to the level of even referring to see our chemical plants, because chemical plants as such is known to be more, let's say not so cleaner or nicer I can say but if you see our state of the art plants are now the one at the Ambernath but now and it will be something which you would be having a good word about it everywhere, wherever you are in touch with them. So, I think yeah, that will be planning up. And yes, you can approach our Churchgate Partners Anvita is there are email ids and contact numbers might be there on the investor relations. Mr. Bharat Mody is also their investor relations. Also, you can write to us on our email address our company can, the management will be in touch with you. And whenever there is something, we can see and make certain groups for the plant visits.

Moderator: Thank you, Mr. Sanjay. Thank you, ladies and gentlemen, which was the last question for the day. I would now like to hand over the conference to Mr. Sanjay Tibrewala for his closing comments. Over to you Mr. Sanjay.

Sanjay Tibrewala: Thank you, everyone. Thank you, participants, for listening to me. And this was quite an informal discussions, actually. These things cannot be too much spoken sometimes on the you know, earnings call and things like that. Having a video is something which we always endeavour to do next time also webinars kind of a thing where, you know, we can keep having more interactions. We are very open, and I can assure you, you know, better things to shape up in future. So, see you then in our next interaction wherever it happens. Thank you so much. Have a good week ahead.

Moderator: Thank you, everyone. Thank you.

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