May 27, 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 Q4 and FYE 2022-2023 Earnings Conference Call held on 23rd May, 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 15th May, 2023, please find enclosed a copy of the transcript of the Investors/Analyst Concall held on Tuesday, 23rd May, 2023 at 12.00 p.m. on Q4 and FYE 2022-2023 financial result of the company.

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
SUNNY BHARATBHAI PARMAR
Digitally signed by SUNNY BHARATBHAI PARMAR
Date: 2023.05.27 15:07:49 +05'30'
Sunny Parmar
Company Secretary & Compliance Officer

FINEOTEX CHEMICAL LIMITED MUMBAI

Encl: As above

Manorama Chambers, S. V. Road, Bandra (West), Mumbai - 400 050. India. Phone : (+91-22) 2655 9174
Fax : (+91-22) 2655 9178 E-mail : info@fineotex.com Website : www.fineotex.com CIN - L24100MH2004PLC144295

FCL

Fineotex Chemical Limited

Earnings Conference Call
Q4 FY2023

May 23, 2023

Management:

Sanjay Tibrewala	CFO and Executive Director
Arindam Choudhuri	Chief Executive Officer
Aarti Jhunjhunwala	Executive Director
Bharat Mody	Strategic Advisor, Investor Relations

Moderator: Ladies and gentlemen, good day and welcome to Fineotex Chemicals Limited Q4 and FY23 Earnings Conference Call. We have with us today Mr. Sanjay Tibrewala, Executive Director and CFO, Ms. Aarti Jhunjhunwala, Executive Director, Mr. Arindam Choudhuri, CEO, and Mr. Bharat Mody, Investor Relations from Strategic Advisors.

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 "*" then "0" on your touchtone phone. Please note that this conference is being recorded.

Also, please note that Fineotex has scheduled a webinar to provide business updates. The webinar is set to take place on June 2nd, Friday at 11 A.M. IST. The invite will be soon updated on the stock exchanges, and we look forward to your participation. I now hand the conference over to Ms. Aarti Jhunjhunwala. Thank you and over to you.

Aarti Jhunjhunwala: Thank you so much. A very good afternoon everyone. It's my pleasure to welcome you all to Fineotex Chemicals Limited Q4 FY23 Earnings Conference Call. We have already made the financial statements and presentation available on the stock exchange and website and I hope you all had the opportunity to pursue the same. Fineotex is India's leading specialty chemicals producer with a major presence in both domestic and international textile markets.

We focus to expand the market by developing new products, entering new territories and offering value added services such as technical solutions in the specialty chemical sector. With the expansion of our Ambernath plant capacity to an impressive 1,04,000 MTPA, we are now well equipped to not only meet the demands of the new product contracts but also anticipate and fulfill future orders with utmost efficiency.

The increased capacity of our plant signifies a significant milestone in our company's growth strategy. By ramping up production capacity, we have enhanced our ability to cater to a broader range of market demands and seize new business opportunities. With this expansion, we have positioned ourselves as a reliable and trusted partner for our customers and ensuring that we can deliver on their evolving needs both now and in the foreseeable future. These accomplishments further demonstrate the company's commitment to leadership. I would like to thank our dedicated team for their commitment to serving quality products to our valuable customers. With this, we also continue to invest in R&D, exploring new avenues for growth and innovation.

Now, speaking about sustainability, we are deeply committed to ESG principles. We understand the importance of balancing economic growth with environmental responsibility and as such, we have integrated sustainable practices into every aspect of our operations. Our R&D team works hard to create innovative products that are eco-friendly, biodegradable, and have minimal impact on the environment. Our belief in long-term success lies in maintaining high standards of ESG and delivering value to our shareholders.

With this, I would now call upon Arindam ji to provide an overview of our operations.

Arindam Choudhuri: Very good afternoon, everybody. Thank you, Aarti. Let me start with an overview of our current business state and the strategic outlook for the upcoming quarters. We are excited to share the remarkable progress and success we have achieved over the past year. As a leading specialty chemical manufacturer, we go beyond providing standard solutions and strive to deliver tailored and high-end products to our valued customers.

Our dedication to producing top-quality chemical solutions has resulted in significant growth in demand of our products at our customer places. We have expanded our geographical reach to key international textile hubs, thereby enhancing our presence and influence in this market with our product line. These strategic moves allow us to leverage our strengths and establish a stronger foothold in the industry. Looking ahead, these trends will enable us to explore an entire untapped market, paving the way for the future growth and expansion of our company.

Our robust R&D infrastructure and strategic alliance with renowned institutions such as HealthGuard Australia, Sasmira Institute for Research and Development work, Eurodye CTC, our Belgium-based textile chemical company, play a pivotal role in driving our success. In the past year, we have obtained EPA certification for our market-leading antimicrobial treatments, which is non-agreemental, and HealthGuard AMIC and HealthGuard BK, one is for the antiviral product and one is for the antimicrobial.

With this milestone, allow us to seize the opportunity in the US market by introducing our premium product line from HealthGuard, which has a remarkable 25-year track record of global success and safety to all global brands like Walmart, Target, IKEA. The EPA approval permits export of treated articles to the US with over 70 approved site applications, which will be done by global customer end.

These achievements position us strategically to meet the market demand and establish strong partnerships in the US market. We are thrilled to leverage this certification to drive our company's growth and expand our presence in the antimicrobial industry, which is a special, niche market. Now I request Sanjay to guide us through the quarterly performance of our company. Thanks, everybody.

Sanjay Tibrewala: Thanks, Arindam ji. Good afternoon, everyone. Our financial performance for the FY23 has been remarkable, marked by strong revenue growth and robust profitability. We are pleased to announce that our operational revenues for Q4 have reached Rs. 1,377 million. Throughout the fiscal year, our revenues were at Rs. 5,170 million, which is a 40.4% Y-o-Y increase. Notably, our EBITDA saw a significant improvement in Q4 and FY23. The EBITDA was Rs. 327 million in Q4, representing a 52% Y-o-Y increase and EBITDA margin of 23.8%. Additionally, for the FY23, our EBITDA surged by Rs. 1,126 million, reflecting substantial 58.1% Y-o-Y growth with an EBITDA margin of 21.8%. Our profitability metrics also exhibit exceptional performance. In Q4 the PAT was Rs. 260 million, which is 53% Y-o-Y increase, and the PAT margin stands at 18.9%.

Similarly, for the entire FY23, our PAT was Rs. 896 million, which is a 57.4% Y-o-Y growth with a PAT margin standing at 17.3%. Additionally, we are proud to announce that the FY23 has been highly rewarding for our shareholders. Our ROC and ROE was 34.2% and 28.7% respectively, underscoring the success of our strategic initiatives and efficient capital allocation. Overall, our strong financial performance in FY23 reflects our commitment to deliver value to our stakeholders while maintaining robust operational efficiency.

We've been focused on sustainable growth and maximizing shareholders' wealth in the upcoming financial fiscal year as well. These results have now become a benchmark for us, motivating us to actively pursue new opportunities. Moving forward, we remain dedicated to diversifying our customer portfolio and expanding our product range across business segments. Our commitment to growth and innovation drives us to continuously strike excellence in meeting the evolving needs of the customers.

I'd like to mention also the entire FY23 highlights. Our company has been included in the prestigious NIFTY Micro-Cap Index. This recognition reflects our strong performance and market presence in the micro-cap segment, and we are proud to be listed amongst esteemed companies. We are pleased to share that our company has entered the A-group category of listed companies. This reclassification underscores our financial stability, transparency, and adherence to regulatory standards, enhancing our visibility among investors.

Our credit rating has received a notable upgrade from renowned rating agencies. ICRA has upgraded our rating to A, long-term, and A1, short-term, indicating the enhanced credit worthiness of our company. Similarly, CRISIL has upgraded our rating to A, stable, long-term, and A1, short-term, reflecting our strong financial position and stability. These achievements validate our efforts to drive growth, strengthen our market position, and build a long-term value for our stakeholders. We are committed to maintain high standard of corporate governance and delivering sustainable financial performance in the future.

We would like to also announce that Fineotex has scheduled a webinar to provide more business updates. The webinar will take place on 2nd June, Friday, at 11 AM IST. We will be sharing the invitation on the stock exchange and we look forward for your participation over there as well.

With this, we close our opening remarks and we open the call for interactive question and answer session. Thank you.

Moderator: Thank you very much. We have our first question from the line of Nikhil Rungta from Nippon India Mutual Fund. Please go ahead.

Nikhil Rungta: Hi, sir. Thanks for the opportunity and congratulations on a good set of numbers. Sir, two questions from my side. First is, we secured this Rs. 150 crores specialty performance chemical order from this FMCG company in Q3. So, has the full impact of that order coming in Q4 or we will see more impact of or positive impact of that particular order coming in Q1 and Q2 as well?

Sanjay Tibrewala: Shall I answer this first or you will like to add the next question?

Nikhil Rungta : Then I will take the next one. Okay.

Sanjay Tibrewala: So, well, actually, as you know, the FMCG business takes times to revamp and set the new systems and the product lines. It is generally, it takes average two quarters minimum to get the full effect of the business and the changeover definitely takes some time.

So, I would like to say the Q4 has not been the exact impact of, it has not yet shown the exact impact what is expected actually. But going ahead, yes, it has increased and that is the way we are expecting the future quarters to be having the full business of the new orders.

Nikhil Rungta: Okay. So, by Q1, Q2, we will have full effect of this particular order, right?

Sanjay Tibrewala: Yes, absolutely. This is what we are expecting, looking at.

Nikhil Rungta: Okay. So, second is coming on to our EBITDA margin. I mean, you have always guided that instead of gross margin, we should look primarily at EBITDA margin. So, if I have to look up to FY 18, we used to be in the range of 20 to 23 odd percent. Then from FY19 to FY22, we moved to 18% to 20% bucket. And this year, we have moved back to 20% plus bucket. So, do you think this 20% plus bucket of EBITDA margin is sustainable or will guide the range of 18% to 20%?

Sanjay Tibrewala: See, as such, we have been listed for last 50 quarters by now. And if you can also see, since listing, all the quarters, whichever, like from 2011, all the 50 quarters, our EBITDAs have been ranging from minimum 16%, 17% till 25%. So, broadly speaking, this is something which we have been always been, performing in spite of so many ups and downs happening globally and things like that. What happened was in FY18 to FY20, we were on the spree of increasing our, let's say, manpower, technical manpower, exhibitions.

There was a lot of sales promotion, cost, product audit, factory audits, product certifications, and other kinds of investments, which were, as such, these are revenue expenditures. Of course, from the accounting point of view. But these were the long-term investments which we have been looking at. And that has started to pay off also.

So, broadly speaking, I think, and this is the guideline which we have been talking about even since last eight quarters by now, that yes, this is what we have been achieving. If you also notice, the entire year's EBITDA margins is almost 22% right now also. And that is the average of four quarters. So, I think, yes, we can take this as a benchmark for the future as well.

Nikhil Rungta: Perfect. Sir, last question from our side. If you can guide on the growth for FY24?

Sanjay Tibrewala: Well, I would like to mention that even, see, I mean, in the last 50 quarters of being listed, our average CAGR growth has always been 24%, 25% on a product level. And this is something which we have always performed. The last two, three years has been exciting. And in fact, as you can also see, our biggest investment in fixed assets and plant and machinery has happened in the last two years.

In the last, let's say 18 months from now, we have invested and the 43,000 ton capacity has become 104,000 tons. And we are quite pleased to inform you in the Q4 itself, we have achieved 66% of the utilization itself in terms of the capacity. So, broadly, the way we are looking at it, this has been something which is definitely a transitionally phase for the company, which we have been discussing for the last two years.

And we are very happy about where we are going and where we are heading to. So, I think what we have performed in the last two years will definitely be again achieved in the coming next two years.

Nikhil Rungta: Perfect, sir. Okay, so basically around 25% to 30% growth we can easily get?

Sanjay Tibrewala: This is what we have been doing since a very long time. In the last two years, as you can see, we have done even 50% growth. Even, let's say, even in this quarter, the Y-o-Y growth is 52% broadly. Even, in fact, the Q-o-Q growth has been also 30% or so.

And so, this is something which we were always expecting about. And I think this trend should continue purely the way the kind of opportunities are coming to us from the point of view of our product getting acceptable in a lot of big customers wherever we are working upon the kind of, the attention which we are getting to be located in India as well. There are a lot of joint ventures opportunities which are coming to us.

Moderator: Thank you. We have our next question from the line of Ashish Rathi from Lucky Investments. Please go ahead.

Ashish Rathi: Hi, thanks for the opportunity. Sanjay ji and team, congratulations on consistently strong performances. Sir, one check on the capex front. Are we now at current utilization, the Ambernath facility is getting completely utilized on a month-on-month basis?

Sanjay Tibrewala: Well, as such, in this quarter, we have utilized 66% of the same. And so, this is something which we were always expecting about also.

Ashish Rathi: Is that the max we can do? And what is the plan in terms of utilization of that capex fully? By when do we achieve that? And I wanted to understand what is the capex plan going ahead after that?

Sanjay Tibrewala: So, we expect that in the coming times, in the quarters which we are seeing, this capacity utilization will increase more. That is number one. And we had always envisaged a further expansion which will be shaping up. And we have ample of land and a lot of planning already being done in the same premises as well.

And if need be, we are also open to acquire certain new premises also for the coming next 2-3 years. Because as such, the chemical plants in India, generally we need to work at least 1 or 2 years in advance. That is the way it works generally for the clearances and all the permissions and things from the authorities.

So, broadly speaking, yes, we are geared for that. We have ample of space and already the planning has been done for further expansion which we had discussed in the last con call as well. And firstly, we will be expanding the capacities in the existing premises and also we are looking at certain opportunities for the land opportunities also which will be in similar locations or something like that where we can expand for the coming few years.

Ashish Rathi: Okay. One observation, we have been showing consistent growth Y-o-y, Q-o-Q. Whereas competition seems to be struggling in terms of growth. I wanted to check what are the key areas where you are actually seeing this growth coming in. It is increased applications or is it also increase in volumes of the current applications where you are existing already?

And secondly, is there any scope of future increase in unexplored areas of application which the management is thinking about? And if you want to elaborate on this question in the business call also, I am happy to hear that. If you want to briefly talk about it now, I will be glad?

Sanjay Tibrewala: Actually, what has happened is in this quarter, I mean after the FY23, we have done a lot more groundwork and certain more applications and product lines are being worked upon which we can always discuss on the business update because I think this call is more relevant for the last financial year as such. But interestingly to answer that question, yes, we are very clear that what kind of businesses we want to enter either we enter with a more product line with the same set of customer and application or if that chemistry is going for different application which has a synergy because we are producing same kind of products.

So, we would like to explore those markets also for the new applications. So, this has been our, let's say our USP since before. All our capacities are fungible like we have been mentioning also. So, as from that point of view, we are expanding till now, let's say till Q4, the business growth which we have seen is more on the volume where all we have been present in the specialty fields of FMCG cleanings or textiles or oil and gas and things like that.

However, going forward, there are a lot more businesses which we are looking at similar kind of products are going for different applications and that also has been explored. So, the volume which you have seen already is totally devoted for the growth in the volumes as such in the sectors where we are present already.

Ashish Rathi: Right, and on the financial numbers if I may, we have seen two quarters back-to-back of high EBITDA margin performance. Shall we assume this like a seasonality and then going forward, first quarter, second quarter, we see a dip which we have seen a few years in the past or do you think this is kind of a new normal that we can assume? We have been doing 26%, 24% now like last two quarters. So, and you still seem to be guiding a little bit too conservative. Is it just conservative guidance or is it like we actually can see some new normalcy coming in?

Sanjay Tibrewala: No, actually our management is always under committing and we prefer to do that way as such. But let me tell you something about the point which you raised. The EBITDA margin in FY2021-22 year in the Q3 was 26%, odd 25%, in the Q3, you can check that also. So, I would like to mention that time the total devotion of the company was 90% on textiles as such.

So, it is not that only in the last two quarters we have been able to get this kind of percentage EBITDA numbers and it is also due to the kind of branding, the kind of acceptability of the product which we have, the kind of price demand which our products are, you know, it's happening that way for our, whether it's a textile specialty products or cleaning hygiene products.

So, that's just the kind of branding which has shaped up and of course I think that will, it's going to not only increase the EBITDA and one more thing I would like to mention the EBITDA which you are talking about the increase itself is a set off of lot of new seeds investments which we have been doing, which is let's say product audit, let's say developments, R&D, manpower, exhibitions.

Last week, two weeks back we had an exhibition in Tech Textile USA, we were present there. After 10 days we have the biggest fare expenses for any, textile chemical company which is in Milan. So, that is also a big cost, almost the cost is Rs. 1.40 crores. So, I mean there is a lot of more investments which have been going ahead as well and in fact these are already revenue expenditures as such.

So, I would like to mention here that it's not only the two quarters which has been performed well for us, I think it's, if you see an overview in the quarters in FY21-22 years was also quite fine enough. So, this is the guidelines which we have been talking about, I think this can be set as a benchmark for the future as well.

Moderator: We have our next question from the line of Rohan Gupta from Nuvama, please go ahead.

Rohan Gupta: Good afternoon, sir and congratulations to entire team on a great set of numbers and performance in this year. Sir, I think that this year has been marked by a remarkable performance in our detergent segment where we have been able to push couple of our products, taken market share from a leading player in the country which has been there from quite long time.

I just wanted to understand that what is our future business prospects are on detergent segment? We have definitely taken one big client and couple of products I think we have already been able to make inroads too. Are we in a position to use the strength of this one couple of products with one customer to other customers as well or any other new customers are boarded in detergent segment or what is the future course of action for detergent business?

Sanjay Tibrewala: Thanks Rohanji, I would like to mention all the participants which is quite important also. So let me put it in a way that even the textile business has seen a growth in the Q4 compared to I mean I am talking on Q-o-Q basis as well. And textile is such a market and a business where there is a big gestation period from the time you get the cotton is grown till the time it is sold in the Walmart's store. There is a gestation period of 6 to 8 months. So basically one has to view the textile business not on quarter on quarter basis but it is mainly on the 6 monthly basis or annual basis.

The COVID has also shown that you know textile business has boomed even in the COVID. So, these things do happen in textile sometimes there are let's say some quarters may not be as strong as the previous quarters or something, but if you talk about the annual point of view, the entire business is already been well taken care of and the growth is seen. So as such we have been doing very good in our textile specialties. There is no doubt about it.

The new businesses of cleaning, hygiene, FMCG business which we have been working upon from 2019. In fact, I would like to mention that we are already working with quite numerous customers maybe more than 40 to 50 customers in that. And in oil and gas or detergents if you want to become one of the biggest players, you need to go to the biggest guys of the Indian markets or the foreign markets. Some of them are already with us. Some of them we are working very aggressively with them. And things are looking very exciting with the development on that line.

So I would like to mention going forward we will be having a lot of great opportunities on the table and we are already working with 40 to 50 big customers in the Indian markets. I think that's a good number to have about. In detergents this is the way we have been progressing as such.

So it is not a dependability on particular few customers or not. But let's say, even in the oil and gas companies even if you talk of the biggest oil and gas chemical producers in the world, most of them will be having Aramco and Halliburton and you know Schlumberger as the biggest customers. So detergent business also if you want to mention about it is Unilever or Patanjali or Proctor & Gamble or Ghadi. These are the biggest players of let's say in the Indian markets at least.

So of course, you know when you go to them and start your dialogues it is a period of 2-3 years which takes time. It's a very tough market to enter FMCG. The entry and exit barriers are very high. But yes, it takes a very long time to get into it. And naturally you know these important customers will always be very precious and also will be holding a good brand image for the other companies to follow. So, this has been done very effectively. We have grown our businesses to almost 40 to 50 customers for the detergents and cleaning. At the same time, we have expanded a lot more product portfolio for that segment. That has been ever increasing and we are getting good response for that as well.

So, I would like to mention it is not to you know about the kind of just that it is depending on one or two customers but it's a global picture.

Rohan Gupta: Sir if you can give some share that what is the contribution in revenues from detergents right now. Where you see that this business heading and over next couple of years what can be the revenue contribution from this sector?

Sanjay Tibrewala: So, I can tell you in the Q4, I mean let me mention about the Q4 only actually because this could be more informative. So, let's say about the Q4 almost let's say 60% is still textile as such and 40% is cleaning hygiene business. This is something similar to what we had also experienced before. Maybe it is 58 and 42 something like that.

Rohan Gupta: And where you see that in moving in next two years, will it be similar or will it be changed?

Sanjay Tibrewala: I would like to mention here that as such the textile has also started picking up. Of course, the percentage growth of the detergent, cleaning, hygiene business will be much higher because it started from a lower level. So of course the percentage growth will be higher. So going forward I would like to mention also if the textile is back in its peak which was in 2021, Q3. And if we have the detergent business also on the peak which is yet to be experienced actually which is not yet experienced. So I think then the mix can be also 50-50. In terms of revenue. Not volumes. We are talking about only revenues here.

Rohan Gupta: And so, margin profile will be slightly higher in cleaning hygiene or will it be similar to textiles?

Sanjay Tibrewala: We are like an EBITDA percentage driven company as such. And here I would like to mention that in textiles, the gross margins are much higher. But at the same time, you have a lot of expenses, lot of exhibitions, factory audits, product certifications, manpower, developments and things like that which are very costly.

So ultimately it boils down to the same EBITDA margins. In detergents what happens is because it's a high-volume business and things like that. The gross margins are generally lower, but the EBITDA margins are similar to that. That is the way we are working at. At the same time what is also shaping up is that once our fixed cost has already been taken care of the variable cost is not so much. So we are able to also have the efficiency handling also in that part. This is also contributing to a healthy EBITDA margin.

Rohan Gupta: So, at EBITDA level you want to say that, both the segments will be having similar margins?

Sanjay Tibrewala: Yes, almost similar margins.

Rohan Gupta: Sir, in this category of cleaning and hygiene, though I think it's largely right now driven by the detergent, are we planning and as you mentioned that you are definitely expanding the product basket. Like in textiles we have almost, we have with touched almost all the aspects of textiles starting from the raw material washing to end product processing.

Cleaning and hygiene there is a huge chain of products there as well. So, what is the thought process here? How we want to expand the product basket like right now focusing on only one or two verticals or slowly expanding across the product basket or what is the thought process here? And will we need to go for any inorganic route to drive this growth or we plan to do everything through organic route only?

Sanjay Tibrewala: See actually in the cleaning and hygiene FMCG sector there are two kinds of businesses which we have been doing. One is that, we produce our specialty chemicals which are going to the detergent companies and they use it as an additive and a booster for their enhancement of the product lines. That is one business. That is B2B business.

And then again, we have another product line where we have like our plants are FDA certified plants. So we do produce our hand washes and toilet bowl cleaners, dish washes which we are offering only for the institutions. Institution means hospitals or hospitality, hotels and things like that which goes in a pack of 25 kilos or 5 litres something like that. Not the retail ones as such.

So retail one is something which is not our forte nor we want to enter that segment. That's totally off our targets. And so as such there are like two segments in the same. We are increasing our product portfolio in that segment depending on the needs of the customers. We are also helping them to solve a lot of, so we are also stepping in to solve a lot of problems which they face due to seasonal changes, due to the applications issues or storage issues and things like that. We are working and we are quite happy where we are getting the success about.

Now regarding your inorganic acquisitions, no as such whatever we are discussing is totally organic. We do not need any inorganic acquisitions to expand our portfolio on that. And as such we have already done an inorganic acquisition in 2011 after the IPO. And that has also flared very well with Biotech Malaysia coming into and we still own 72% there.

However, we are not looking at any inorganic acquisitions right now. I mean there are on and off a lot of topics which keeps coming on the table. But right now, our focus is totally to also have the organic growth digested because there are so many opportunities which are coming now. So I think this is the time for us to focus on our strengths and organic growth on that line.

Rohan Gupta: So just last bit on textiles and I'll come back in queue. We have seen definitely a muted business dynamics in textiles in last one year. You see and you have mentioned that you have already started seeing visibility of growth in textile business. So, this is primarily coming from international market or domestic market or what is driving this optimism in textile business and if you can give some kind of growth numbers in textile business for next year?

Sanjay Tibrewala: I would like to mention here as such, the growth in the textile is coming also from the kind of product offerings we are doing, the solutions which we have been providing. That is number one. At the same time, we are also being well accepted in most of the, let's say whether it's acrylic, wool, nylon, polyester, we are there with all the biggest customers of India right from Chenab, JCT, Aurodyne, Aurotextile, Mavi Spinning, Raymond, Baswada. You name the customers, and we should be working in that same kind of accounts for that matter.

So as such what happens in textile, it's quite a me-too business and once you have the premium customers of that segment, we have a lot more other semi-corporates, customers following them and going for the me-too kind of giving us the businesses for that. So we have been very successful in our strategies on that front.

At the same time, we are also grabbing the wallet shares of the customers. The kind of customers we are working right now are India's biggest customers. Most of them might be listed also and we are able to give them great technical solutions and technical services. We have almost 100 distributors, stockists in India, almost 35 technical highly qualified technocrats who are servicing the customers day in day out.

So, we are in fact becoming one of the dependable suppliers for them and this is the way we have been getting their attention as well and this has been shaping the growth also. Whereas the international markets are not getting too attractive right now looking at the last quarter from the point of view of the orders for these textile customers. But as domestic is picking up, we are increasing our wallet shares. So, these are also helping us to increase our businesses in textile speciality, that is the way we are looking at it.

Rohan Gupta: Sir, just lastly, if I am allowed. It's basically related to working capital. We have seen that this year inventories and both trade receivables have seen a decline in the current year while we have seen that there was an inflationary scenario. So why this reduction in working capital, inventories and trade receivables, I mean how it was achieved? This is primarily because of a shift from, I mean a higher share of cleaning and hygiene where probably maybe the working capital requirement will be lower and this is going to be trend going forward. Just want to your highlights on that.

Sanjay Tibrewala: So partly yes, you are right. The more we focus on FMCG and cleaning hygiene businesses, there will be a much betterment in the working capital for sure because the textile is little bit, we can say it has a traditional style of a little longer working capital days but that's also fine enough as long as our ROC and ROEs are maintained well from the textile point of view. But yes, the more-and-more we focus on the cleaning hygiene businesses, we can expect some much better working capital cycle. As such we have improved the working capital quite substantially in the entire year as such.

So the cycle which was 140 days, today is almost 85 days or something like that at the moment. As such we have reduced the receivables and rather I would like to say that we have reduced the payables also. And in spite of that, in spite of reducing the payables, our working capital cycle has still seen a great improvement.

Moderator: Thank you. We have our next question from the line of Anupam Agarwal from Lucky Investment Managers. Please go ahead.

Anupam Agarwal: Thank you so much for the opportunity and congratulations team on great numbers. Sanjay sir, my question to you was on the volume front. I remember Q3 transcript, I had asked you this question on Q4 volumes and great execution, you hit that target definitely. On a 55,000 ton base in FY23, what are you looking in terms of order book visibility for the coming year? What are your targets in terms of achieving volumes?

Sanjay Tibrewala: Well, on this note I would like to mention if we look at the Q4, the volumes are 17,300 approximately. If we analyze it, it is already 68,000 tons or 69,000 tons some number as such. Even for the top end goals, if you can just look at it, it is also Rs. 550 crores of analyzed business and even the PAT levels are Rs. 105 crores probably. So as such, because like I have been talking about also, we have been talking since long, that every quarter, we are getting great business coming up to us. I think rather than looking at the entire year, it is better to benchmark also the last two, three quarters because then we can be, this is something you would like to translate in the coming quarters as such.

As you rightly said, yes, the last financial year, the volumes, FY22-23 is 55,000 tons. However, if you just analyze the Q4, it is 69,000 tons or so. For us, we will be not looking at entire year's 55,000 tons as a benchmark. But yes, going forward, we will be also looking at the Q3, Q4 volumes and let's say, the Q4 volumes, which has a substantial growth compared to Q2 and Q3 also. I think that can be a good benchmark for the future.

Anupam Agarwal: Understood. If you can talk a little bit on your realization, which again in Q3 and Q4 was slightly lower than the first half. What led to the fall in realization? I understand that business mix has changed, which is one of the factors. Any other factor you would like to call out and going forward, what is the kind of base that one can look at?

Sanjay Tibrewala: I'll give you what is our business model. Our business model is proper solutions providing business. That is number one. However, what we have seen in the last, let's say, two to three quarters as we have all witnessed also, most of the basic chemical pricing, let's say caustic, which was Rs. 70 today, it is at Rs. 25, for example. And of course, what was happening in 2021 and 2022 was the prices of the chemicals was going up, the freight cost was going up, and also the containers availability was an issue. And everybody had increased their inventory levels.

Now, with this reverse trend, the prices of the chemicals going down, the freight are getting almost to the pre-COVID levels or something like that. The availability of the containers is totally not an issue right now. Also then the businesses are also not sharing, the volumes are also not that intact. And also, so everyone is looking at a lower inventory levels right now in the world in general.

Now, that also, in fact, adds to the problems of reducing the further businesses of most of the chemical companies as such. So, what happens with that, as such we are EBITDA-driven Company, there has to be some kind of, let's say, price readjustments to be done in textiles or detergents, which has been happening with most of the companies also. But keeping in mind, when we are doing that, we always make sure our EBITDA percentage are intact. And not only percentages, also we take care of the EBITDA per kilos. Because when it is going down, even if your EBITDA percentages are intact, you still have a lower EBITDA per kilo earnings, like you can understand.

So, we take care of that also. So, yes, there has been some minor adjustments on that part. And let me also mention here, as you have rightly pointed out, the cleaning hygiene FMCG businesses are at a lower realization per kilo kind of things. And when you have some of the entire volumes and the turnover, yes, you will see a good impact because of that also. That's the way this Q4 has been worked upon.

Anupam Agarwal: Understood. Just to touch upon this question, the comment that you made, how frequently is the price readjustment happening in our business model across FMCG and textile business?

Sanjay Tibrewala: Let's say the way we are working in textile, if we start a product with Raymond in 2007 or 2008, the product is still running till now. It's a perennial business. We are not, at the same time, this is not a government tender based business or a commitment based business that even if the price goes up, the cost goes up and they will not revise it.

So, more or less, generally what happens in the textile specialty business, as long as the trend is there of that fabric or substrate, the businesses are still there. From a technical, I mean, from a practical point of view, generally the customers give us the purchase orders for two months and then, they give the dispatches on intimation. So, after that, we can always readjust our prices when it goes up.

And for the prices to correct down and getting it down, textile actually is not too much a challenge for that matter. What we do generally in places where we have a strategic kind of an alliance or we are looking at something more bigger. So, we, let's say in a finishing package, if we are supplying two products and we are trying to pitch up three more products, so we try to give a certain more discounts on the first two products in view of getting the furthermore orders, in order to get an overall more basket of the products. So, that is the strategy which we are doing. It's not a forced reduction of the pricing as such.

See, we are not into those kinds of businesses as such we have been mentioning in our on-call. Our products are not a CO driven business. It is like a caustic 99%, soda 99%, glacial acid. It doesn't work like that. So, for us, the customer is not asking us what is not in fact bothered about what is the cost of our product. They are more working on what delivery it is, what kind of performance it is giving. All the kinds of products what we are producing right from pre-treatment, dyeing, printing, finishing together, there are 25 functional chemicals, all together only contribute 3% cost to the user which is only 3 divided by 25, 0.15% cost. So, the cost is insignificant as such. See, we can use the price reduction as our tool to grow the wallet share. That is the way we have been doing. That is about the textile.

Now, coming to the cleaning and hygiene business, as we have also witnessed that there has been a lot of corrections in the price of let's say soda ash, let's say caustic, let's say slurry. So, obviously there has been quite a trend in the last two quarters of a price correction has been happening. So, yes, on and off every three, four months we have to review where we are standing upon and then we have to be with these important customers and price it well keeping in mind the EBITDA per kilos and EBITDA percentage, and I think that is the fair way of business approach which we have with our customers.

Anupam Agarwal: Understood. Just on your opening remark, I wanted to understand what the percentage or an absolute R&D cost is that given our pipeline in the FMCG business is strong enough. What is the kind of R&D that one can look at?

Sanjay Tibrewala: Here I would like to mention as such, in the last two years our business has almost 3x. Our business was Rs. 218 crores in ‘21 and it has almost become 2.5x as we are looking at, or let say, if you analyze the Q4, it is 3x also. So, in the last two, three years there has been a lot of R&D developments also but the percentage will go down as such because the sales business has gone up very high.

We have interestingly developed, lot of more manpower has been added upon in the current quarters and lot of developments have been done at various technologies and universities. So, as such it is still within the 1% range.

Anupam Agarwal: Okay. Lastly, if I may, just want to understand our capex going forward, you mentioned it is still on the planning stage. What volume, what size of capex are we looking at? Is it going to be similar to what we did in the past two tranches or is it going to be something bigger and larger?

Sanjay Tibrewala: The capex which we will be looking at, firstly I will tell you about the source of the funds will be all internal accruals. Right now, as you are also aware about, our cash and equivalents are quite sizable. It is almost Rs. 135 crores to Rs. 140 crores by large. We are not having any working loans, we do not have any term loans at the moment and operating cash flow generated to EBITDA percentage is also becoming one of the highest we have achieved or maybe best in the industry. That's what I heard also.

So, coming to the point here would be that whatever funding will be done will be totally on the basis of internal accruals. The investment which we have already done in the past is almost Rs. 50 - 60 crores in the past, in the last two years. I think going forward, we will not require more than that for sure. And that will always be managed with internal accruals. So, as such it will be below Rs. 50 crores.

Anupam Agarwal: So, just Rs. 50 crores is going to add another roughly 45,000-50,000-60,000-ton capacity?

Sanjay Tibrewala: Well, the initial capex what we will be doing, will be done in the existing plant as such. And that will not be so expensive from the capex point of view because we have already laid the foundation the buildings are there, the land admins and other things already well invested. And accruals are in place. So, the initial let's say Rs. 15 – Rs. 20 crores will be also giving us a good capacity on that line. However, if we go for a new premises, and so then there will be a land acquisition cost and things like that.

Anupam Agarwal: Perfect, understood. Thank you, that's all from my side and wish you all the best in the future. Thank you so much.

Moderator: Thank you. We have our next question from the line of Ankur Periwal from Axis Capital. Please go ahead.

Ankur Periwal: Hi sir, thanks for the opportunity. Just a couple of follow-ups on the cleaning and hygiene segment which you commented earlier. So, I am just trying to understand this is bit better. What is the revenue contribution from this segment in FY23?

Sanjay Tibrewala: It's almost Rs. 210 crores.

Ankur Periwal: Okay, and I'm just trying to compare.

Sanjay Tibrewala: 40% of the turnover.

Ankur Periwal: Sure. And how was this number in last year, FY22?

Sanjay Tibrewala: Well, that was Rs 64 crores that time.

Ankur Periwal: Sure. And when we look at the cleaning hygiene business, while you did mention that we have been launching quite a number of products in that segment, but this business is more contractual as in maybe a short-term or a one-year, three-year sort of a contract? And how are the economics or the arrangements there?

Sanjay Tibrewala: So, let me add some info on that. So, it is Rs. 207 crores, the cleaning and hygiene FMCG business for the current year out of the Rs. 517 crores. And the last year was almost, let's say, Rs 38 - 40 crores.

Ankur Periwal: I was just checking, you know, from a revenue ramp-up in this business from around Rs. 40 crores to Rs. 200 crores plus. This incremental revenue is largely contractual? And if yes, then, what is the typical duration of the contract and how do we look at the volume, pricing mix, etc.?

Sanjay Tibrewala: No, actually, this is the business which we have been there for the last three-four years and gradually it has been picking up. We have expanded a lot more geographies on that, a lot many customers, a lot many different applications of those product lines also. So, we are getting more into that kind of a business. As such, nothing is contracted, nothing is a tender base or something like this. As long as our qualities, our prices and our new innovations are helping out, the customers are there.

And also, let me tell you, this is something which I would like to mention to the participants, like the two biggest competitors in this segment is BASF and Dow. BASF and Dow are the global companies. And ironically, they are not producing anything in India. All their product lines are coming. So, there is a big gestation period for the importers to go and store it here in India. And also, in fact they have not customised their products lines from the Indian water point of view and cleaning sector point of view.

All the products, whatever they are making is coming from Europe, which also had a hurdle in the last one year due to the Russia-Ukraine war and the gas shortage in Belgium, and entire Europe as such. So, that has also disrupted in the past and they had to shift from one of the geographies to another one. So, going forward, what we are also quite hopeful is because these companies are not able to give customized solutions, they are not able to understand the technical problems on the floor as such. And of course, for them, this business is not one of their important areas as such.

But yes, ironically, these are the biggest leaders and we are grabbing the market shares for them, whether it's in any of the customers, whether it's in Unilever or Patanjali or wherever. So, we are approaching and we are getting the businesses wherever we can as soon as possible. These are not contractual businesses. These are like perennial businesses.

Ankur Periwal: Sure, sure. That's very helpful. So, on an annual basis, when we are guiding for, let's say, 20% or 25% of revenue growth over a two-three year window, how do you see the share of, let's say, cleaning and hygiene and even oil and gas is one of the business segments which you had highlighted, plus the textiles bit. So, how do you see the revenue mix changing here?

Sanjay Tibrewala: Yes, actually, let me talk about the oil and gas businesses. It's more about government tender kind of businesses and I would not say to participants that we bank on that. As such, we do not bank on this. It's more like a hit and run businesses. The perennial businesses or let's say the COVID proof businesses are the cleaning and hygiene businesses, which is, in fact, one of the needs of the masses at large. So, this is the focus area where we have textiles also. Yes, one can postpone the need requirements, but some way or the other.

And the business cycle also shapes up after two quarters or so. So, again, the textile business will also shape up in the normal process. So, going forward, right now, we are very aggressive on textiles as well. We are getting a great, let's say, visibility globally and we are just trying to get all the opportunities and converting it one-by-one. And textiles, we are very bullish about it from the time from now on. As such, cleaning hygiene, we have been working very strongly.

There are some great new top management, which has been added, who were earlier in the multinational companies as business heads. And now they are also joined Fineotex a couple of months back in this quarter current. So, this is also something which we are very much setting up a great foundation. And I think in the future, we will be quite known as a strong FMCG and a cleaning, hygiene company as well.

Ankur Periwal: Sure, sir. And lastly, if I may, just on the margins bit, while, obviously, operating leverage did play out, in terms of a margin expansion this year, trying to understand, our policies on the RM inflation bit, both for textile as well as the cleaning and hygiene business there?

Sanjay Tibrewala: So, there's been already a correction in the prices of the raw materials. I wouldn't say that the price will go down further, but I doubt it right now. And as such, it's almost on the pre-COVID levels and things like that due to less demand globally or some, we can say so. And also, the freight rates have been readjusted almost. And so, of course, when the prices of the raw material goes down, every company will have certain raw materials of a higher price as well till the time these are consumed as such.

So, I think so that will also help us for the future quarters to have a better EBITDA margin, let's say from that point of view, once we get the raw materials at a lower price as well. And so, that's the way it is. I mean, we are generally not having long-term purchases for raw materials. We are always having a, let's say, a quarterly view on the textile chemicals or even the cleaning, hygiene for more than two months or three months. So, that's the kind of inventory levels we prefer to keep.

Ankur Periwal: And the pricing at the customer level is also revised in a similar timeframe?

Sanjay Tibrewala: Very much that way. Exactly, almost that way. There is two months, three months, that is the way we have been working upon.

Moderator: Thank you. We have a next question from the line of Ankit Bansal from Ab Investments. Please go ahead.

Ankit Bansal: Sir, congratulations for excellent results. Sir, my question is, you have been recently into various events like Ludhiana show in US now, now going to Italy. How will you see the traction of your products in the market? How you see the markets are responding while you are showcasing your new line products? Are they excited? How is the market share being dependent on the kind of events you are doing, you're showcasing your products?

Sanjay Tibrewala: Well, actually, we have started participating in almost all the trade fairs and exhibitions globally since 2019-20 onwards. If you can also go to our website, you'll see a lot, many exhibition images and pictures wherever we have been participating. So, whether it's in Indonesia or Turkey, we had in Turkey also a couple of months back and or Bangladesh for that matter or Vietnam. So, we have been participating in almost all the trade fairs. As such, this is the place because the brand which Fineotex has, the brand image which Fineotex is recognized as, we need to be present everywhere.

There are so many kinds of new opportunities which are coming up. So many companies are looking at the ways to enter into Indian markets through a channel either we can produce in India, like we had a tie up with EuroDye-CTC in Belgium, which is a plant producing specialty chemicals in Belgium. We got a tie up with them also in the last two years. That is also helping us. So, we are looking at a lot of kinds of opportunities. And of course, once you are in the marketplace, you get kept in a lot, many opportunities. Traction is there in terms of volumes.

This also helps us to reinforce and share with us the latest technologies, the latest kinds of solutions and sustainable products which we have launched. So, this is definitely helping us. We were the lead sponsors in Ludhiana also, like you rightly said. In ITMA also, we'll be there in Milan in the next two weeks or so. This is always a part of the business. So, we are getting a good response.

Ankit Bansal: Are the customers excited while you are showcasing your products? They will like, what kind of product? I've never seen that.

Sanjay Tibrewala: Yes. Sometimes we get, the excitement levels increases a lot because what we have also done is, we have worked upon replacements of basic chemicals like we have replaced soda ash from the systems. We are working on the goals of textile customers. The biggest challenge for any textile company right now is how much TDS, BOD, COD you can control and how can you be more ESG compliant and things like that. Because the norms and the authorities are very clear globally about the discharges and all.

So, what we have been doing is with the kind of product lines we have, we are able to achieve and meet their goals. And this is the places where we have been able to get a better innovative product lines also. And sometimes in fact we are increasing the cost of the customers or for the chemicals. But how we are doing it is, we reduce the utility cost of the customers. That's how we reduce the temperature of the customer, reduce the water cycles of the customers. We reduce the steam cost of the customers. So that is the excitement which they have when they understand about us. So, this is the way we are getting and this is also contributing to the growth actually.

Ankit Bansal: Okay. So, my next question is, sir, any update on Aquastrike? It's been so while. Any new excitement?

Sanjay Tibrewala: What happens in most of the product lines which we keep working upon and developing as such, the way we look at this, we are able, let's say for the textiles, let's say for detergents and cleaning business, these are more private businesses like corporate businesses. Whereas when you are talking about Aquastrike and other kind of product lines, you are totally, totally depending on the governments. And which of course will be this, it's a process. It's not a work process. It's a very slow process globally. And of course in the COVID times, the WHO has been quite busy in their own activities for the COVID-19 and things like that.

So right now what is more important for us is to focus on the strengths, the kind of action which we have seen in detergent cleaning FMCG is something, we have to focus on this business more right now and get it to a level where we'll be just one of the world's global strongest players in that business. I think this is the place where we are looking at right now. And we are focusing on our main strengths, which is textile specialties and detergents and cleaning hygiene businesses.

Ankit Bansal: Okay. So for this, you to be a world leader, how much time, five years, three years? Are you, what are you planning for that? Five years, three years down the line, 10 years down the line?

Sanjay Tibrewala: I would like to say there is no timeline for these things as such. It is more on the kind of the right things which we are doing. I mean, what is important is that our management has the aspirations. And I think we are on the right track from the point of efficiently in handling the, the EBITDA margins, the cash operations, the capex. And there has been a great attraction on the kind of product lines and the customers which we are getting. So I think we are in the right shape and we are on the right track right now. We keep focusing on what we are doing.

Moderator: Thank you. We have a next question from the line of Aman Vishwakarma from Robo Capital. Please go ahead.

Aman Vishwakarma: Yes, hello. Congrats on the good numbers. My question pertains to the detergent cleaning and hygiene business, right? So the question is as to what is enabling us to have such sort of stellar growth, right? I mean, what does your product have different than your competitors or is there any problem that you guys have solved that is enabling you to have such growth rates?

Sanjay Tibrewala: If you want me to express to you in detail about this, I'll give you a different analogy here. Now, like I would like to say about the BASF and DOW, they have their products called Sokalan and ACUSOL. They are the global leaders of the world. They produce their product in Europe using the European water and they are selling that product to the world as such as a solution for the detergent companies and things like that.

What is ironical to note firstly in India, every 20 kilometres or maybe lesser, there is a difference in the water. Once the water quality is different, the detergent does not perform. Even if you carry a soap from Bombay to Gujarat or any place and you can see the foam, the cleaning efficiency of the soap changes as per the quality of the water. The reason being there are a lot of metal ions in that. Calcium, magnesium, iron. I mean, there are so many metallic ions and things which are making the water very hard, as such.

Now, even if you notice, let's say, let me give an example of McDonald's. The McDonald's burger which has been sold in India will have something in Indian flavor. Maybe it was paneer or aloo tikki kind of a version for India, but the same thing will not be there in Malaysia. It will be some different peanut sauce and things. However, BASF and DOW have the same product design for the world, which is quite different from our point of view. Because for us, in fact, when we are customizing our product lines, we would like to mention here we have specialized customized products for the South Indian soap makers, for the North Indian soap makers also. Because in South India, the water qualities are different from the North Indian guys.

So, this is the kind of customizations we are into as such. Whereas this may be followed by BASF and DOW for the reasons perhaps would be that this is a great product line for customization is adding another SKUs and what are the kind of businesses or you know what they can expect before adding an SKU or whatever it could be. At the same time, we also have to understand here, earlier, the raw materials was also controlled in these countries, in Europe and things like that, acrylic and things.

Now, acrylic acid is coming from BPCL in Kerala. Their plant capacity per batch is 22,000 tons or 2,200 tons per batch. Now, the availability of the raw materials has come to India, made in India kind of concept has come up. There is no need for us to buy, I mean, of course, we do still import the raw materials. But then the point is here that if we make in India, we use Indian raw materials and we can definitely be not only economical, but we can customize the products. We are giving technical services. And the best thing is there is no inventory required from the customer's point of view.

If a customer wants to buy a product from DOW, they have to wait, they have to open LC's and then there are delivered and shipments, which we have experienced. So, who would like to do it when you have a product line that is customized for them. We can supply in one day time or something, things like that, which is economical, of course. At the same time, the quality is more customization and we have an upper edge. So, it's not only the quality, it's the quality is upgraded. We understand the customers and giving them the right product. And this is something which we are doing customization, but this has not been done by European companies.

So, this also happens in textiles, by the way. Most of the European companies, they are functioning in such a way to adjust their product lines or they do not want to adjust it for their policy point of view, whatever it is. And we are the guys who are quite agile and we are quite fast in getting into and spotting the opportunity and grabbing it. So, I think this is the way we have been looking at and this strategy is something our USP, I would like to say.

Aman Vishwakarma: Okay, fair enough. So, I mean, does this imply that there is no other major player doing this?

Sanjay Tibrewala: I would not like to mention that. I mean, everyone is there in the market, if at all they are. But let's talk about the big guys, the big names. These are the big two names like BASF and DOW. They are controlling still the 90% business of the world, maybe 85% or 90%. So, I think let's talk about that only because our capacities and our customers.

So, and also the kind of new customers which we are working upon or grabbing very soon are also the clientele of our competitor. So, I would like to look at BASF and DOW and that is the brand image where we have also achieved about. So, I think that is the right barometer for us to look at.

Aman Vishwakarma: Okay, fair. So, and last one is on the capacity. So, could you like give me a breakdown of this 1,04,000 metric tons per annum capacities? Like, how much of that is for the textiles and how much is for detergent and how much is for cleaning and hygiene?

Sanjay Tibrewala: So, I would like to mention on that note that our capacities are all fungible. It's like in the same capacities all are well adaptable to any kind of product lines. All are SS316L reactors, column condensers, receivables, thermo-fluid boilers, steam boilers, generators, power, and transformers. In fact, we have the solar systems also set up now in this coming month we are setting it up.

So, what I would like to mention here was that we already all the capacities are fungible. So, it's like a frying pan. You can make this vegetable or that vegetable something like that and then that is the way it's a batch wise production. It's not a continuous production. So, if it's a continuous production, yes, then you can bifurcate this continuous production is for this product, this is for this product, things like that. But for us it is the batch wise and that is the reason you can see our asset turnover ratios are 7x to 8x minimum. So, I think that's also underlining that this is a truly specialty chemical.

Because see, I'll tell you, don't look at us from only manufacturing specialty performance chemicals. We are a hard-core technical solution provider and we have a lot of sustainable product lines. This is very important. It's not only the product what we make, but it's also the services which we provide and we are very closely having great relations with the customers and making them excited with the new product lines which we are bringing day and day out. So, this is all a package kind of an approach which we have for the customers and that's helping us for the growth.

Aman Vishwakarma: Okay. And this last one is, could you give me the total volume for the year, like volume across all three segments?

Sanjay Tibrewala: Yes, the total volume for the year was 55,000 tons broadly. In the Q4, it was 17,300 tons.

Aman Vishwakarma: Okay, got it. Thank you. So, yes, that's all from my end. Thank you.

Sanjay Tibrewala: Yes, thanks.

Moderator: Thank you. Ladies and gentlemen, that was the last question for today. I would now like to hand the conference over to Mr. Sanjay Tibrewala for closing comments. Over to you.

Sanjay Tibrewala: Thank you everyone for your time and participation. We look forward to see you soon on 2nd June, Friday, 11:00 AM IST. And please feel free to contact our investor relations team or Bharat Mody or our management also. We are always very open to answer all the queries of the investors and we'll get back to you as soon as possible once we get some queries or something about it. Thank you very much. Have a good week ahead. Thank you.

Moderator: Thank you, sir. On behalf of Fineotex Chemicals Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.

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For further information, please contact:

Bharat Mody Strategic Advisor, Investor Relations bharatmody@fineotex.com +91 98980 46584	**Anvita Raghuram / Kavin Sadvilkar** Churchgate Partners fcl@churchgatepartners.com +91 22 6169 5988

Note: This transcript has been edited to improve readability

Corp. Office: 42-43, Manorama Chambers, S. V. Road Bandra (West), Mumbai - 400 050, India

Web: www.fineotex.com

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