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February 10, 2023

DCS-CRD BSE Limited First Floor, New Trade Wing Rotunda Building, Phiroze Jeejeebhoy Towers Dalal Street, Fort Mumbai 400 023 Fax No.2272 3121/2037/2039 Stock Code: 543213	Listing Compliance National Stock Exchange of India Ltd. Exchange Plaza, 5th Floor Plot No.C/1, 'G'Block, Bandra- Kurla Complex Bandra East Mumbai 400 051 Fax No.2659 8237/8238 Stock Code: ROSSARI

Dear Sir/Madam,

Sub.: Transcript of the Earnings Conference Call held on February 06, 2023 for Q3 FY23

Pursuant to the Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and with reference to our intimation dated February 01, 2023, regarding Earnings Conference call with Analyst(s) /Investor(s) held on Monday, February 06, 2023, we would like to inform that the transcript of the aforesaid conference call is attached herewith and the same is also available on the website of the Company at www.rossari.com/announcement/ under the head 'Investor Call'

The same may please be taken on record and suitably disseminated to all concerned.

Thanking you,

Yours Sincerely,
For Rossari Biotech Limited

PARUL GUPTA
Digitally signed by PARUL GUPTA
Date: 2023.02.10 17:05:25 +05'30'

ROSSARI BIOTECH LIMITED MUMBAI

Parul Gupta
Company Secretary & Compliance Officer
Membership No.: A38895

Encl.: as above

Rossari Biotech Limited

Q3 FY23 Earnings Conference Call Transcript
February 6, 2023

Moderator Ladies and gentlemen, good day, and welcome to Rossari Biotech Limited - Earnings Conference Call.

As a reminder, all participant lines will be in 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.

I now hand the conference over to Ms. Aesha Shah from CDR India. Thank you.,

Aesha Shah: Good afternoon, everyone, and thank you for joining us on Rossari Biotech Q3 & 9M FY23 earnings conference call. We have with us Mr. Edward Menezes – Promoter and Executive Chairman; Mr. Sunil Chari – Promoter and Managing Director; Mr. Ketan Sablok – Group Chief Financial Officer; and Ms. Manasi Nisal – Chief Financial Officer.

We will begin the call with the opening remarks from the management, following which we will have the forum open for a question-and-answer session.

Before we start, I would like to point out that some statements made in today's call may be forward-looking in nature, and a disclaimer to this effect has been included in the earnings presentation shared with you earlier.

I would like to invite Mr. Edward Menezes to make his opening remark. Thank you,

Edward Menezes: Good evening, everyone, and thank you for joining us on Q3 & 9M FY23 Earnings Call to discuss the operating and financial performance for the quarter. I hope you all had the opportunity to go through our results presentation, which provides details of our operational and financial performance.

We have reported a stable performance during the quarter despite the ongoing challenging operating environment. All our standalone segments, including HPPC, Textile and AHN have reported a stable performance. However, our subsidiaries witnessed a slowdown due to subdued demand, leading to lower consolidated sales during the quarter. During the quarter, we were able to improve our margin performance both on a Q-o-Q and on a Y-o-Y basis as a result of moderating raw material prices. Our focus continued on prioritizing products with better margins, which has resulted in improved profitability. As the market begins to stabilize, we should see improved performance moving forward.

The Company has been committed to the development of green and sustainable chemicals since its inception. This focus on sustainability is part of the Company's identity, and we have invested in R&D to create a range of eco-friendly products over the years. Given the global shift towards environmentally friendly solutions, we hope to capitalize on our investments as well as help create a healthier and more sustainable future.

With this, I would like to conclude my address, and I now hand it over to Mr. Chari for his comments.

Sunil Chari: Thank you. Good evening and a warm Namaste to everyone.

Q3 remained a challenging quarter for us with our subsidiaries facing some slowdown. At a stand-alone level, we have maintained our revenues while improving our margin performance. As the operating environment stabilizes, we believe we are well equipped to pursue high-growth opportunities given our comprehensive product offerings, flexible capacities and R&D capabilities. Additionally, our acquisitions have expanded our presence into new regions and product categories, further broadening our growth horizon.

Our commitment to R&D has been instrumental in establishing Rossari as a leading specialty chemicals manufacturer, providing intelligent and sustainable solutions. With a proven track record of developing innovative and tailored chemical solutions for customers across multiple industries, we aim to expand our customer base in our existing segments, while also exploring new industries such as water treatment, paper, ceramic and cement. Our recent launches in these industries have received favorable responses and we are optimistic about achieving growth in this segment in the coming years.

The specialty chemicals industry in India is poised for significant growth in the coming years, driven by factors such as increasing demand for specialized chemicals in various end-use industries as a shift towards sustainable solutions. Despite the industry facing some near-term headwinds, the long-term outlook remains positive and intact. The Indian government's support for the growth of the domestic specialty chemical sector is also a positive factor. In the long run, we believe that the specialty chemicals industry in India presents a bright future and offers promising opportunities for growth.

On this note, I would now request Ketan sir to share his perspective.

Ketan Sablok: Thank you, Chari sir, and good evening to everyone.

Rossari performed steadily during this quarter on a standalone level despite the pressures we experienced in previous quarters. Our subsidiaries witnessed a slowdown in Q3 due to decreased demand, which resulted in lower sales on a consolidated basis. However, I'm happy to say that post-acquisition, on a 9M basis, both our subsidiaries have done exceptionally well both in terms of top line as well as the margins. We have been able to synergize the business between the group companies very well, be it in operations, sales, R&D, and new business development. The impact of this will further be visible over the next few years.

We continue to focus on expanding our high-margin product portfolio. This was evident in our improved gross margins and EBITDA over the last few quarters. Our gross margins have improved to reach 30% in Q3 FY23 compared to 25% in Q3 FY 22. The improvement is visible in the stand-alone business also, with the gross margin moving up from 22% in Q3 FY22 to 29% in Q3 FY23. Furthermore, our EBITDA margins also improved to reach 14% compared to 11% in Q3 FY22. So, the uptick in margins is clearly visible both in the standalone and the consolidated business.

Rossari's financial position continues to remain robust. A solid balance sheet, positive cash flows and other inherent strengths will enable the Company to continue its growth trajectory in the coming quarters. Overall, we remain confident in our ability to deliver long-term value to our stakeholders through our focus on profitability, innovation and growth.

I would now request Manasi to take you quickly through the financials for the quarter and nine months. Thank you.

Manasi Nisal: Good evening, everyone. Let me provide you with a brief overview of the financial performance for the quarter ended December 31, 2022.

On a consolidated basis, revenues came in at Rs. 389 crore as against Rs. 428 crore in Q3 FY22. On a standalone basis, revenue from operations stood at Rs. 237 crore compared to Rs. 268 crore in Q3 FY22. Revenues from HPPC stood at Rs. 271 crore, contributing to 69.7% of revenues, followed by TSC businesses at Rs. 89.5 crore, contributing to 23%, and AHN at Rs. 28.6 crore, contributing to 7.3% of total revenues on a consolidated basis.

On a standalone basis, EBITDA stood at Rs. 32 crore as against Rs. 28 crore in Q2 FY23. PAT during the quarter stood at Rs. 17.5 crore as against Rs. 16.4 crore in Q2 FY23. On a consolidated basis, EBITDA stood at Rs. 54.2 crore as against Rs. 56.5 crore in Q2 FY23. PAT during the quarter stood at Rs. 25.7 crore as against Rs. 23.9 crore in Q2 FY23.

On that note, I come to the end of my opening remarks and would request the moderator to open the forum for any questions that you may have. Thank you.

Moderator: We have our first question from the line of Sanjesh Jain from ICICI Securities. Please go ahead.

Sanjesh Jain: Starting with the revenue side, can you explain, the standalone revenue, though on a lower base, it has been flattish, and Q3 is generally a stronger quarter and annualized Q3 number, we are still significantly lower than what we did in FY22. Then in the same context, can you help us understand what was the volume growth? Because I know that the prices have been falling because of the softening of raw material prices, so it doesn't give the right picture. So, to understand it better, two things the volume and secondly, I know you don't give the sub-segmental number, but can you just broadly help us understand how our Ingredient, Private Label, Buzil, and Performance Chemical are doing in the standalone?

Ketan Sablok: On the standalone business, we've been stagnant on the quarter-on-quarter performance. I think the one segment that has seen some headwind would be TSC division. We have seen a little slow down in the textile sector, and that's impacting the TSC business a lot. So, that's one of the reasons why we're not seeing real growth coming on the standalone. Secondly, on the HPPC, we've been able to maintain our run rate on the standalone business, even though we had some headwinds with at least one of the customers. But we've been able to cover that to a larger extent with some new customer additions, especially one key MNC that we've added in the last quarter. I think that's helping us play out quite well and helping us cover this business loss which we've had. I think going forward, in the next couple of quarters, we should be in a position to negate this loss entirely.

AHN, we have seen good growth year-on-year almost 20% growth we have seen. Q-o-Q has been a little stagnant, but we expect the momentum in the division to continue, and we are expecting Q4 in AHN to be stronger and then going forward into the next year, we expect this business to grow significantly, at least between 30% to 35%. Though it's a small base business, it's a high value and high margin business for us. So, that's on the standalone, if you have anything else on the standalone, I can clarify.

Sanjesh Jain: Just as a follow-up can you help us with the quarter-on-quarter volume growth because I think prices have softened. So, stable revenue is not the right picture, right? The customer we spoke about, where there is a headwind, is it completely zero or there is more impact which may likely come in the next quarter?

Ketan Sablok: Can you come to the second part again?

Sanjesh Jain: Just on the one customer where we spoke about a headwind in terms of the run rate, which has hurt the standalone business. Is that customer entirely zero or there is some more revenues to be knocked off from the base which need to be recouped with the new customer? How should we see that?

Ketan Sablok: No, the run rate with that customer now is completely zero.

Sanjesh Jain: So, that headwind is no more going into the next quarter, right?

Ketan Sablok: No.

Sanjesh Jain: And in terms of volume growth in the standalone?

Ketan Sablok: I think some amount of volume growth has been there. As I said, HPPC we've been able to cover up most of the volume which we lost because of this customer. But otherwise, we have not seen any volume drop. Textiles largely quarter-on-quarter been mostly impacted due to softening of prices because RM prices have kept coming down.

Sanjesh Jain: Second, on the subsidiary part of the business, where we have declined 18% from a seasonally weak quarter, which was in Q2. In general, agrochemical per se is doing fantastic if you look at agrochemical companies' numbers. There, at least, it doesn't show like there is a headwind from the industry perspective. Can you help us understand why Rossari has had a very muted performance this quarter?

Sunil Chari: Historically, agro season is strong in the first two quarters for last 30 years for Unitop. So, the third quarter is always a little weak. Therefore, the third and fourth quarters are weak for Unitop. If you see year-on-year, compared to Q3 of last year, Unitop has done very well despite RM prices falling and FG prices falling.

Sanjesh Jain: So, basically, my question was that even on a Y-o-Y basis, it's down 5%, while if you look at the industry growth, it's higher.

Sunil Chari: Yes, because the raw material prices have fallen substantially, and I think more than 15% of finished goods prices have fallen. So, we've done well comparatively.

Sanjesh Jain: What was the volume growth, if you can help us on that, in the subsidiary business?

Ketan Sablok: In subsidiary business, quarter-on-quarter, for Unitop and Tristar volumes have been slightly impacted, because Unitop with the agro season, as we said, generally is in the first half. We expect that to now pick up from mid-Feb onwards. In Tristar, we've seen little headwinds in our exports to Europe and probably also to Russia. There was a slowdown around November and December in these exports, and from late December, the exports have picked up again. I think in this quarter, we should see Tristar coming back to its quarterly run rate. So, these two things have impacted on our overall subsidiary volumes.

Sanjesh Jain: A follow-up on the guidance. We guided that in FY23, we will achieve Rs. 20 billion in revenue and Rs. 2.5 billion EBITDA. In the current context, it looks slightly challenging. Are we updating on the guidance? And how should one look at FY24 in that context?

Ketan Sablok: The way the second half has panned out, I don't think we are going to hit that number of Rs. 2,000 crore. Going by the current run rate, I think we should be closer to about Rs. 1,650-1,700 crore, around that number. So, around Rs. 1,700 crore top line, we should be closing this year.

Sanjesh Jain: And EBITDA?

Ketan Sablok: We should be at about Rs. 220 crore to Rs. 230 crore kind of EBITDA , which we should be able to do.

Sanjesh Jain: And anything you want to talk about FY24 now that the base is also favorable? Is it fair to assume that next year we should be doing upwards of 20% in terms of revenue and EBITDA?

Ketan Sablok: So, we are looking at FY24 to at least give us a 15% to 20% kind of growth on the top line and with better margin growth. That's how we're looking at it now.

Sanjesh Jain: Now that the raw material prices have corrected, base effect is not there, we should be moving faster towards the 17%-18% EBITDA margin, which we were doing earlier, in the next 1- 2 years. That is possible right now?

Ketan Sablok: I cannot say that for the next year. But yes, we are moving towards that. If you see our numbers, they are slowly improving. So, over the next 2 years, we should get back to our 16%-17% kind of levels.

Moderator: We have a question from the line of Rohit Nagraj from Centrum Broking. Please go ahead.

Rohit Nagraj: Sir, first question is again on the subsidiaries front. So, is there any element of inventory destocking at customers, and that has impacted our volumes and probably this phenomenon can continue for a quarter or couple of quarters and which may have further impact on the volumes?

Ketan Sablok: I think it is visible in Tristar, where we saw some slowdown on the export side in this quarter. So, what we understand was the phenomenon of destocking, which is happening with the customer. But we expect that to get normalized at least by the middle of this quarter. So, we should be doing a little better in Tristar in Q4.

Rohit Nagraj: And for Unitop, any comments?

Ketan Sablok: Unitop, we are not seeing anything going on. In fact, our non-agro business in Unitop has done well. So, we are quite happy with that. We've seen good growth in the non-agro part of the business.

Rohit Nagraj: Sir, second question is on the TSC. So, in the last 3- 4 quarters, we have seen that there have been multiple headwinds because of which this segment has not done well. Any green shoots that we are seeing from the demand perspective, or the segment now picking up and probably, in a quarter or couple of quarters things will start looking substantially better?

Sunil Chari: Textile industry, we are still seeing some slowdown in this quarter and indications are that from May-June onwards, again, demand should pick up well. This year, the domestic demand was good, but the export demand was muted for all good exporters, which you can see in the results of the textile companies also. We have seen exports picking up in textiles for Rossari and we think that next financial year should do better than this year.

Moderator: We have a question from Palak Shah from Infina Finance. Please go ahead.

Palak Shah: Sir, just incrementally, we've been discussing for the last 2 quarters that we are now focusing more on the higher-margin business. In that context, when you look at a new order or new chemistry, what's the benchmark margins that you focus on?

Edward Menezes: So, all our new projects are always targeted to 20% EBITDA. Now, of course, this depends on the market and the competition. But most of the projects that we've started would be at least 30% gross margins and about 18% to 20% EBITDA. That is how we look at our new projects. However, having said that, we have a few pieces up our sleeve like a green surfactant or the silicone-based wetting agents that we've developed recently, as well as some of the products in spin finish, and in-house production of esters, etc. there the margins will be higher. And very consciously, we have taken a decision to promote the Animal Health and Nutrition business, which we believe can grow much faster than the other segments. Historically, the gross margin in this business is upwards of 50%. So, we are looking at promoting Animal Health and Nutrition products very aggressively in the coming quarters and focusing on a few products which are coming up newly.

Palak Shah: And just, sir, secondly, given that you are saying, volumes have relatively been stable, but what you have lost is purely because of pricing. So, what would be our current capacity utilization across plants or across segments? And would you be required to put up more capacity over the next 2 to 3 years, depending on your projection of the revenue growth and volume growth?

Ketan Sablok: So, currently, our capacity utilization this year has been around average of about 55-odd percent. So, we have enough headroom now in our facilities, both in Rossari as well as in our two subsidiaries. I think immediately, over the next couple of years, we do not plan to put in any large CAPEX for any kind of expansion. We have enough room within our current infrastructure almost to double the turnover. So, currently, no plans of any further expansions.

Moderator: We have a question from the line of Mahesh Vyas from UTI Mutual Fund. Please go ahead.

Mahesh Vyas: Sir, how you think on your AHN business and HPPC business over the 3 years down the line? And my second question is, do you see any major challenge in your Textiles business?

Sunil Chari: So, we are expecting the HPPC business to double in 3 to 4 years, and AHN to double in 3 years or more. Ketan sir is saying AHN business will double in 2 years. Textiles business, we are expecting to double in 4 to 5 years. So, what is our plan until now, we are on track, except for the Ukraine war, because of which subsidiaries were down. I think in 3 to 4 years, we should double the sales what we have now.

Mahesh Vyas: Sure, sir. And what is the capacity utilization across the level of all 3 segments?

Ketan Sablok: As I said, we are at ~55% kind of capacity utilization.

Moderator: We have a question from the line of Harsh Shah from Nuvama Wealth Research. Please go ahead.

Harsh Shah: Sir, my question is on HPPC segment. So, in the investor presentation, you mentioned that the degrowth in HPPC was majorly attributable to the degrowth in the subsidiaries. So, sir, can you quantify how much was degrowth on standalone basis and how much was on subsidiary level?

Ketan Sablok: So, majorly, the degrowth that has happened is on the subsidiary front, ~9% kind of degrowth that we've seen in this quarter over Q2. Majorly, because of the lower demand in the Agro part and lower offtake from the exports of Tristar. So, these 2 have been the major causes for this drop.

Moderator: We have a question from the line of Rohit Nagraj from Centrum Broking. Please go ahead.

Rohit Nagraj: Sir, in terms of integration, the integration of the two subsidiaries, is it completely done now? And are we able to accrue any benefits from the same?

Ketan Sablok: So, I think I touched upon this in my opening remarks. If you see the performance of these 2 subsidiaries, they've done exceptionally well on a year-on-year YTD basis. And I think much of this could happen because of Rossari coming into the picture and a lot of the synergistic plans which we had put in, are slowly visible. So, be it in our operations, production activities, R&D, even on the business development and the sales front, I think the teams are working very cohesively and building the Rossari brand across all the three companies. I think quarter-on-quarter we're seeing an improvement in this. And I think going forward, you will see these assets playing out further in the next few quarters and few years. So, I think most of it, in fact, is a developmental activity and we'll keep seeing this improvement going forward.

Edward Menezes: For example, Rossari in certain product ranges like the spin finish. So, synergy happened between Unitop and Rossari. Then for the regenerated cellulose additive, again, Unitop and Rossari. If you look at silicone wetter, the silicone wetter was a combination between all the 3 companies, Tristar, Unitop and Rossari. So, you see, for many product ranges, the synergy has played out very well. And apart from that, the non-agro business has been really stimulated by the presence of Rossari and their network in both India as well as in the export markets. So, from the product synergy part of it, we've done extremely well. And of course, HR and finance and other departments, there was complete integration in the first 6 to 8 months itself.

Rohit Nagraj: Right, sir. Sir, just one bookkeeping question. In terms of maintenance CAPEX on a consolidated basis, what would be the number for FY23 and FY24? And during 9 months, what would be the exports percentage?

Ketan Sablok: 9 months export?

Rohit Nagraj: Yes, exports as a percentage of sales on a consolidated basis.

Ketan Sablok: On a consolidated basis, our exports were about 24% in nine months and our CAPEX spends, I think during this would be around Rs. 5 - 10 crores, not much.

Rohit Nagraj: And next year also, similar run rate would be there?

Ketan Sablok: We may do some small projects here and there. So, overall, we don't expect to spend more than Rs. 30-40 crores kind of number.

Moderator: We have a question from the line of Aman Shah from Jeetay Investments. Please go ahead.

Aman Shah: Sir, my question is on volume growth. I just missed, what was the volume growth on a year-on-year basis in subsidiary and stand-alone in this quarter?

Ketan Sablok: So, I think we've already talked about this earlier. The fall in revenue that we have seen in consolidated, most of it is due to the fall in subsidiary volumes. So, that 9% odd fall in the consolidated revenue, most of it is attributable to the volume degrowth.

Aman Shah: But because the prices have dropped, so like the volume degrowth also is similar to value degrowth on an overall basis?

Ketan Sablok: Yes. So, some part of the raw material price fall we are seeing, that's more visible in the standalone revenue, where more than the volume, the fall slightly has happened because of the price corrections that we have done. But in the subsidiaries, that's not the case.

Aman Shah: Sir, for next year, we are giving like 16%- 20% should be the revenue growth, with better margins. So, how should we look at the margin level? Like this year, we are giving a guidance of 13% that we will close at for full year EBITDA, considering Rs.

220 crore is what you said. And 16%-17% is what we think will happen over a 2-year period as we embark on high-profitability products. For next year, should we work with the 14%- 15% margin? Would you think that's a fair assessment?

Ketan Sablok: Yes, as an assessment, you can do that. But as I said, we will be moving towards like 15%. I don't want to give you a number as such, but movement will be from 13% to 17% over the next 2 years.

Aman Shah: Sir, the third is in subsidiaries part, we have total breakup on the consolidated sales between HPPC, Textile and AHN business. In subsidiaries, most of it is the part of HPPC?

Ketan Sablok: Yes.

Aman Shah: Sir, my fourth question is, on competition, we always say that we don't compete directly with our vendors, we actually take products from our vendor and improve on their products to make it customized for our customers. Who exactly is our class of competitors? That I want to understand. Is it like the customer itself does all these things at its own end that we actually give that service to the customer, because if we are not competing with our vendors, and I don't know much of who can be our direct competitor, except on the Textile part, if you can help me understand who are our class of competitors? Whether the work that the client itself is doing that we are actually helping him do that work?

Sunil Chari: So, in terms of competition, if you see Animal Health and Nutrition, we have Kemin, Cargill, Novus, Alltech, Jubilant, Zydus/Cadila, and Zoetis, these are the kind of competitors we face in Animal Health and Nutrition. In the HPPC segment, we always have given names like Dow, BASF, Croda, Solvay, these are the kind of competitors the ones we face. And in Textiles, we have, again, multinationals like Archroma, Huntsman, Croda, CHT, and Pulcra. Basically, we go for premium niche products, and we try to give value-added solutions where we try to reduce either the process cost or the process time or make their process more sustainable in terms of reducing TDS or BOD or COD. All in all, making the customers more sustainable is a focus for us, either in terms of green chemistry or in terms of cost.

Aman Shah: And basically, also, if I can understand, I think agility and giving the product at a very fast pace on a sustainable basis is also one of our advantages. That would be right way to put, against all these competitors.

Edward Menezes: Yes, that is true. Because that is the backbone, formulation, and giving customer customized solutions with our center of excellence at IIT Powai. That is one of the key differentiators that Rossari has with its competition. And the speed with which and the flexibility with which our teams are tuned to work, that also differentiates Rossari. So, if you ask somebody in the market, then you will notice that Rossari can really deliver solutions and products to the market much faster than most of our competitors.

Moderator: We have a question from the line of Ashit Kothi, an individual investor. Please go ahead.

Ashit Kothi: Just a follow-up to the earlier question on competition. If we have to you say that top two competitors in each segment, top 2 competitors to the Company.

Sunil Chari: One of the speakers asked a question that we don't compete. But companies supplying similar kind of products, the top ones, which I mentioned, in terms of acidic agents or surfactants, companies like BASF, Solvay, Croda, Dow, these are some good ones who we consider as competitors. People who copy us, we don't consider them as our competitors. So, Textiles, again, Archroma, Huntsman, Croda, and BASF are companies we admire. In terms of Animal Health and Nutrition, Kemin, Alltech, Novus, these are 3 companies we admire.

Ashit Kothi: In which criteria we beat them?

Sunil Chari: We focus on giving value-added formulations, which can reduce the process time or process cost or make them more sustainable. For example, if there's a product used in detergents. then we reduce the cost of the detergent or give better cleaning property, better shine to the cloth, or make it greener, more sustainable detergent. That would be the way we work in our R&D lab at IIT Powai and that is what has helped us reach this stage in our Company's growth cycle.

Ashit Kothi: And we are zero effluents in all our plants?

Sunil Chari: As a Company, our focus is always on products which produce zero effluents., As a specialty chemical Company, we have more than 5,000 products on our range. So, when we change over from one product to another there is washing and the washing has to be treated. So, we have permissions at Dahej for the requisite treatments.

Ashit Kothi: But the discharge, we don't discharge at all?

Sunil Chari: At Dahej only we have discharge permission.

Ashit Kothi: So, it means that with more product change, our water consumption would be always higher. And we cannot be 0% in terms of water consumption. That is, all, whatever we consume, we recycle, we reuse, so that we are net zero on water consumption?

Sunil Chari: So, we are a very green Company, as we said, and most of the products do not generate any effluent. And if you see our chemistry, we are into enzymes, silicone, acrylic and surfactant. So, these 4 chemistries are good and green chemistries in terms of comparison. We don't do any hazardous processes like chlorination, nitration, halogenation, or amination in a big way. So, our processes are more epoxidation, carboxylation, polymerization and distillation and effluent is not generated mostly in this.

Ashit Kothi: So, we can say our products are greener products and we can get all carbon credits in this case?

Edward Menezes: Yes so, we do that. We have a calculation for earning carbon credits.

Ashit Kothi: And how much of earning contribution and, over a period of next 5 years, carbon credit can become a part of our profitability?

Ketan Sablok: No, I don't think that's anything major.

Moderator: Thank you. As there are no more questions, I now hand the conference over to the management for closing comments. Over to you, sir.

Edward Menezes: Thank you, everyone I hope we have been able to answer all your questions satisfactorily. Should you need any further clarifications or would like to know more about the Company, please feel free to contact our team or CDR India. Thank you once again for taking the time to join us on this call and have a nice day.

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