SHREE PUSHKAR CHEMICALS & FERTILISERS LTD.
CIN: L24100MH1993PLC071376
(A Government of India Recoginsed Export House)
An ISO 9001:2008 & 14001:2004 Certified Company
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Date:10th November, 2023

National Stock Exchange of India Limited,	**BSE Limited,**
Exchange Plaza, C-1, Block G,	P. J. Towers, Dalal Street,
Bandra Kurla Complex, Bandra (East),	Mumbai - 400 001.
Mumbai – 400 051.	
Script Symbol: **SHREEPUSHK**	Scrip Code: **539334**

Dear Sir/Madam,

Subject: Transcript of the conference call held on 6th November, 2023.

Pursuant to Regulation 30 and 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and with reference to our letter dated 6th November, 2023, intimating you about the earning conference call for Q2FY24 with Analysts/Investors held on 6th November, 2023, please find attached herewith the transcript of the aforesaid conference call.

The above information is also available on the website of the Company at https://shreepushkar.com/

This is for your information & record.

Thanking you
Yours faithfully,
For **Shree Pushkar Chemicals & Fertilisers Limited.,**

NITESH PANDURANG PANGLE

Nitesh Pangle
Company Secretary & Compliance Officer
Place: Mumbai.
Encl.:a/a

"Shree Pushkar Chemicals & Fertilisers Limited Q2 & H1 FY24 Earnings Call"

November 06, 2023

MANAGEMENT: **MR. PUNIT MAKHARIA – CHAIRMAN AND MANAGING DIRECTOR, SHREE PUSHKAR CHEMICALS & FERTILISERS LIMITED**
MR. DEEPAK BERIWALA – CHIEF FINANCIAL OFFICER
MR. NITESH PANGLE – COMPANY SECRETARY AND COMPLIANCE OFFICER, SHREE PUSHKAR CHEMICALS & FERTILISERS LIMITED

Moderator: Ladies and Gentlemen, welcome to Shree Pushkar Chemicals and Fertilisers Limited Q2 and H1 FY24 Earnings Call.

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.

Before we begin, I would like to remind all participants that some of the statements or comments made on today's call may be forward-looking in nature. This may include but are not necessarily limited to financial projection or other statements of the Company's plan, objectives, expectations or intentions.

The Company disclaims an obligation to update these forward-looking statements to reflect future events or development. Kindly refer to slide number 17 of the earnings presentation for the detailed disclaimer.

I now hand the conference over to Mr. Nitesh Pangle – Company Secretary and Compliance Officer of Shree Pushkar Chemicals and Fertilisers Limited. Thank you and over to you, sir.

Nitesh Pangle: Good evening, everyone and we welcome all the participants of Shree Pushkar Chemicals and Fertilisers Limited for Q2 and H1 FY2024 Earnings Call.

Joining us today from the Management's side, we have Mr. Punit Makharia – Chairman and Managing Director, Mr. Deepak Beriwala – Chief Financial Officer.

Now I hand over the call to Mr. Punit Makharia for his opening remarks. Over to you, sir.

Punit Makharia: Thank you Nitesh. Good evening and warm welcome to everyone for Q2 and H1 FY24 Earnings Call of Shree Pushkar Chemicals and Fertilisers Limited. Friends, I hope you all have got an opportunity to go through the Financial Results and Investor Presentation which we have uploaded on the stock exchange as well as on the Company's website.

Friends, now I will take you through the financial and operational performance of our Company for Q2 and H1 FY24:

In the Fiscal Year 2024, our prime object remains the efficient operation of the manufacturing plants with a strong emphasis on maintaining healthy cash flow through our business cycle. Our commitment is to avoid accumulating costly inventories and managing our cash flows that could have impacted us negatively on our financial health.

All while retaining our valued customers rather than pursuing rapid top-line growth without a long-term prospective, we have adopted a measured approach, prioritizing stability over shortterm gains. We have also been vigilant about monitoring commodities pricing and market trends to avoid unfavourable situations.

Friends, these strategic decisions allow us to navigate the challenges for the first half of the year and maintain our financial stability. I'm pleased to share a significant development in our operations, particularly in Ratnagiri region of Maharashtra, our efforts have resulted in noteworthy increases in total sales, and we are undertaking site development for our Unit-6. This is in strategic initiative in Ratnagiri, not only emphasize our capacity within the fertiliser segment, but also contributes to the overall growth of our organization. Furthermore, we take pride in ongoing projects to establish a 3.8 MW_DC solar plant in Ahmednagar district, Maharashtra. Once commissioned this facility along with existing solar plant will generate an impressive 9 MW_DC on green energy.

This project complements our previous strategic investment of 5.2-megawatt DC solar power plant in the same region refining our commitments to sustainable energy solutions and broader environmental goals.

In the Dyes and Dyes intermediate segment we have experienced moderate growth this quarter while the global demand has softened due to economic challenges and energy crisis.

Our efforts and initiative have enabled us to maintain stability. Despite various challenges, such as floods, heavy rains, droughts in some parts of Maharashtra and geopolitical tensions there are signs of recovery, and we expect production and demand for dyes to increase gradually.

Lastly, I'm delighted to report that your Company posted robust balance sheet and non-lien deposits of Rs. 113 crores, which provides a strong cash flow position for long-term stability and sustainability. Despite the challenges, circumstances of geopolitical tensions demand pressures, global supply chain disruptions, economic downturns and high inflationary pressures we have achieved moderate growth. Our unwavering commitments to sustainable growth in the face of adversity have been the key to our success.

Looking ahead, we are optimistic about our future and anticipate significant improvements in both profitability and revenue growth in coming quarters. We remain dedicated to our goals and confident that our hard work and strategic planning will continue to pay off. We're excited to face the challenges of life ahead, building on the success we have achieved so far.

With this, I would like to pass on the baton to Mr. Deepak – our CFO, who will provide you with the operational and financial highlights for Q2 and H1 FY24.

Deepak Beriwala: Thank you, sir. Good evening, ladies and gentlemen. I would like to provide an overview of our operational and financial performance for the Q2 and H1 FY24.

In Q2 FY24, our consolidated volume in the chemical sector showed a 15% increase, reaching 16,400 metric tons up from 14,363 metric tons in Q2 FY23.

For the H1 FY24, the chemical sector volume increased by 26% to 38,000 metric tons in H1 FY24 up from 23,800 metric tons in H1 FY23 on a consolidated basis.

Moving into our Financial Results in Q2 FY24:

Our consolidated revenue amounts to Rs. 185.2 crores showing a 2% growth compared to Rs. 181.3 crores in Q2 FY23. Our consolidated EBITDA for Q2 FY24 was Rs. 14 crores, a slight 2% increase from Rs. 13.7 crores in Q2 FY23 with the margin of 7.5% in Q2 FY24.

The PAT for Q2 FY24 stood at Rs. 8.5 crores, which represents a significant 74% growth from the Rs. 4.9 crores in Q2 FY23 with the PAT margin of 4.6%. For the H1 FY24, our consolidated revenue was Rs. 361 crores showing a 3% growth compared to Rs. 350 crores in H1 FY23. However, our consolidated EBITDA for H1 FY24 was Rs. 28 crores. The EBITDA margin for H1 FY24 was 7.8% and the PAT margin was 4.5%. The PAT for H1 FY24 was at Rs. 16.3 crores. With this I would like to open the floor for any question or discussion. Thank you.

Moderator: Thank you very much. Ladies and gentlemen, we will now begin the question-and-answer session. Anyone who wishes to ask a question, may please press "*" in "1" on your touchtone telephone. If you wish to remove yourself from the question queue, you may press "*" and "2". Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles. The first question is from the line of Dhruv Mukesh Bajaj from Smart Sync Investment Advisor Service. Please proceed.

Dhruv Mukesh Bajaj: Congratulations Sir, for good set of results in challenging times. So, the first question was after the completion of the chemicals in the SSP fertiliser CAPEX, what is the revenue potential of the two separate segments and like what are the margin profiles working capital intensity and the asset turnover of the respective segments since I couldn't find PAT numbers for the two different segments, that will be very helpful?

Punit Makharia: Mukesh looking to your question if we see that we have completed the CAPEX at Unit-5 in March 2023 and if I talk about a normal scenario and the normal business environment were in the stability and sustainability as far as the recent crisis what we are looking around us including geopolitical situations.

I believe that the chemical sector and the fertiliser sector on a consolidated basis should give us a total revenue of approximately Rs. 900 crores approximately or so on a consolidated basis and if I take it separately it should be around Rs. 350 crores to Rs. 400 crores in terms of the fertiliser and balance on the chemicals.

As far as profitability is concerned, if you look at our previous results, we will always be somewhere around 9% to 11% of the PAT levels, but for the last 1.5 years or so we have been trying to maintain our cash flows. We are trying to maintain our customers. We are trying to behave very conservatively in this tight situation market where the demand is under a very high pressure and the pricing volatility is very high. We are just trying to play very safe and extremely conservative.

We personally believe that right now accumulation of cash and not leaving with the costly and the heavy inventories in our books we are trying to behave very cautiously. So, right now profitability has taken a hit, but we don't want to compromise on a long-term standing.

Dhruv Mukesh Bajaj: Since our margins have dropped from 15% say in FY20 to 10% in FY23. Now partially you have mentioned that because the market conditions have been poor as such, but is there some change in the product mix that is happening or that is primarily due to the market conditions?**Punit Makharia:** There is no change in the product mix, products are the same. It is only due to the market conditions and the majority of the market conditions are beyond our control.

Dhruv Mukesh Bajaj: That is very helpful thank you sir.

Moderator: Thank you. Next question is from the line of Aditya Rathi from Aequitas Investments. Please go ahead.

Aditya Rathi: Sir, I see 25% degrowth in the fertiliser segment. Is there any specific reason why there is a degrowth of 25% in the segment?

Punit Makharia: Yes, basically there are two or three issues which we have encountered, particularly Kharif season Mr. Rathi. A) if you remember and if you think about it that specifically in Kisan, we have taken a degrowth in terms of fertiliser. If I give you a specific number in Kisan, the total revenue in this quarter compared to the last year quarter has gone down from Rs. 48 crores to Rs. 31 crores.

So, there is a dip of around 30% - 35%in terms of the Kisan phosphates. You see in FY22-23 in this Quarter 2 we have sold the total revenue was Rs. 48 crores and if you talk about the revenue in this particular Financial Year for Quarter 2 is only Rs. 32 crores. So, there is Rs. 16 crores dip. In terms of this percentage, I think it is close to 35%.

Mainly if you will see this is mainly because of the flood situation in Haryana and Punjab, which is our prominent area somewhere in May, June and July these three months were completely under water in terms of the Haryana and Punjab and if you talk about Maharashtra, Maharashtra is still considering to be declared as a drought in certain areas.

So, you know because of these issues, which are all these climatic conditions, which are not in our control also. So, there we took a hit into the fertiliser. Overall, if you see in the chemical sector, we have done fairly well looking at today’s condition with our peer competitors, but yes, the fertiliser section has taken a dip. Due to these kinds of climatic conditions and the pricing conditions and some subsidy which has been recently reduced by the Government of India and looking at that also that since the subsidy is going to reduce in 1st October 2024.

So, we were thinking when the subsidy is going to decrease then the prices are going to increase. So, all these things mixture upon everything there is a hit on the demand, and this is only in terms of fertiliser business.

Aditya Rathi: Sir, when do we expect the recovery of fertiliser segment because chemical segment, I can clearly see there has been a growth of 20% which is magnificent?

Punit Makharia: In fertiliser Mr. Rathi somewhere in Quarter 4 there could be a good sign of recovery. By that time, the entire pricing and the demand would have been stabilized. As of now, looking at the current raw material prices also of the DAP and rock phosphate are bit of un-stabilized phase, but I personally believe in this October, November and December generally it's a lean period for the fertiliser business and somewhere at a Quarter 4 I think we should come back on our original levels.

Aditya Rathi: Sir, as I said I can see 20% growth in the chemical sector. Sir, do we expect the similar kind of outlook for Quarter 3 and Quarter 4 also?

Punit Makharia: Mr. Rathi, in my opinion, this growth would have been much better, but looking at the scenario as I explained before we prefer to sell less, but not to be at a risky zone. So, there is quite potential if we achieve 100% or decent amount of this capacity utilization, I am sure the total revenue in the existing capacity has got the potential of giving us these total sales of around Rs. 1,000 crores on this consolidated basis.

Aditya Rathi: This year guiding for FY24?

Punit Makharia: FY24 is not possible to achieve Rs. 1,000 crores, but I believe somewhere in next year wherein I believe this complete stability we should be able to achieve somewhere in next year.

Aditya Rathi: Sir, like you mentioned about the utilization what would be the utilization now for the chemical sector?

Punit Makharia: In chemicals, it would be around 65% to 66%.

Aditya Rathi: Sir my last question coming to you, sir, when do we expect the remaining CAPEX to get operational and phase out?

Punit Makharia: We have already started CAPEX in terms of the solar and we believe that the new solar of 3.8 MW would be commissioned before March 2024. And as far as now Unit-6 we have taken up. We have already started site development at Unit-6 that would take probably somewhere Financial Year 24-25.

Aditya Rathi: And for Unit-5 of our chemical vertical?

Punit Makharia: That Unit-5 is completely operational Mr. Rathi and we are just waiting for the right opportunity and right market conditions to come. Unit 5 is totally completed from our side nothing is pending. We have already started this expansion work of Dyes also which you announced in our last board meeting that work we have already started, Unit-6 we have already started 3.8 MW expansion power plant, solar plant we've already started in terms of Madhya Bharat we have already started the modernization and capacity expansion at our Dewanganj site. So, all these things have already started, Mr. Rathi.

Aditya Rathi: Thank you so much, that's it from my side.

Moderator: Thank you. Next question is from the line of Parth Kotak from Alpha plus Capital. Please go ahead.

Parth Kotak: I just have two questions. One, if you could provide me with the revenue break up for H1 between chemicals and fertilisers that would be really helpful?

Punit Makharia: Parth just a second Mr. Deepak is calculating and giving you in next few minutes by the time you can go ahead with your second question.

Parth Kotak: Second question is regarding the capacity you mentioned that for Unit-6 we will probably start. What would be our total capacity post this CAPEX is implemented?

Punit Makharia: For fertilisers.

Parth Kotak: Yes sir.

Punit Makharia: Unit 6 definitely we are going into the fertiliser sector, but those are the completely different products what we have as of now. We are going into this complex NPKs. Though, it is a fertiliser segment, but there is a difference of the products like we manufacture existing super phosphate, we make the granulated NPK then we make water soluble SOP also like the same way this is a different segment in fertiliser business it's a complex NPK.

Parth Kotak: I can see in the investor presentation that we are planning a CAPEX of Rs. 89 crores as mentioned, what would be the revenue potential once the front is up and running?

Punit Makharia: See in that total CAPEX, including Madhya Bharat, Kisan and Pushkar total CAPEX which has been planned is around Rs. 215 crores and out of Rs. 215 crores CAPEX I'll tell you around Rs. 80 crores of the CAPEX is for the backward integration that may not generate any top-line revenue growth, but definitely that will improve on the bottom line and for the other it will be a this enhancement of the capacity in terms of the complex fertilisers, in terms of the Dyestuff and in terms of the SSPs.

So, though I have not calculated Mr. Parth, but I believe we should be able to touch somewhere around Rs. 1,400 crores or so in a normal market scenario. This I am telling you without any calculation, I'm just giving you out of this intelligence in the last few seconds.

And secondly the thing which you want fertiliser business is Rs. 89.27 crores on consolidated basis and chemical business is Rs. 97.30 crores.

Parth Kotak: That's very helpful and that's all from my side and wish you luck for the coming quarters.

Moderator: Thank you. Next question is from the line of Harshil Solanki from Equitree Capital. Please proceed.

Harshil Solanki: Sir on the working capital front, we have been maintaining that we want to avoid excess inventory and bad debts, but in H1 our inventory and debtors have increased. So, can you explain the reason behind this?

Deepak Beriwala: In March 23 total receivables was Rs. 128 crores and in September 23 was Rs. 141 crores. It's because due to start of our Unit-5 project and also the Deewanganj plant, hardly 5% to 7% increase in total trade receivables.

Harshil Solanki: Sir, inventory has also increased. So, both on account of Unit-5 in Diwanganj.

Deepak Beriwala: Yes

Harshil Solanki: Sir, if your perspective on the realizations the volumes we are seeing that they are increasing, but any trend on the realization how are you seeing the realization?

Punit Makharia: Realization, if you ask me honestly, I personally believe that as of now, realizations would be in a similar kind of level as of now where we are. I personally do not see though we are fighting against the wind. We are working against the wind, but then to also we are trying our level best to achieve and perform at the most ethical manner and the best way, but you are well aware that how the situations are around us.

And I think that, at least, in next two quarters also performance of the Company in terms of the PAT levels will be the similar lines. This is my personal opinion rest the time would tell that we should be achieving the same set of numbers as what we did in Q1 and Q2.

Harshil Solanki: And we are fairly confident that we can keep on increasing the volume based on the increased capacity?

Punit Makharia: So, we don't have to do much that is going to happen, but I can tell you one thing very clearly in this time we will earn less, make less money that will work, but we should not get stuck anywhere, somewhere inventory should not come wrong, somewhere Company money should not get stuck because what happens in today's time what is the customer position is now to judge it's very difficult and I believe in one particular concept that one wrong decision in the business may keep you out of the business for ever.

So, right now the situation what I see around me is that it is very important to work very cautiously and conservatively and sometimes working conservatively is beneficial. So, I am not focusing more on profitability. I am more focused on sustainability and stability then we have a plenty of time, we have got a good capacity, we have got a good customer network, we have got a good business model.

We are interest free Company; we are debt free Company in the time of recession also we are further putting us ourselves on this new expansion. There is a huge opportunity lying but let us wait for the right global scenario to come.

Harshil Solanki: Understood sir, that's it from my side.

Moderator: Thank you. Next question is from the line of Sanjeev Kumar Damani from SKD Consulting. Please proceed.

Sanjeev Kumar Damani: Sir, today my first question is regarding the dyes that we manufacture. I want to understand whether these dyes which we manufacture are being used by all sort of fibers that is cotton polyester, viscose, woolen etcetera and similarly yarns and fabrics both and then these dyes can also be used for some leather or other types of uses. So, kindly give me some understanding about it?

Punit Makharia: We basically produce reactive dyes Damani ji and what you said that it's perfectly for this cotton fiber, polyester and the few of the dyes what we produce is not good and not we recommend for the polyester also, but as far as the cotton is concerned, linen is concern, we suggest, and we sell to all these customers.

For leather business, we don't make any dyes, acid dyes generally goes for the leather. And as far as the reactive is concerned it doesn't go for the leather Damani Ji. Second, I would like to add here is that the reason why we are into the reactive dyes is that because the raw materials of the reactive dyes are being manufactured by us like dyes intermediates like H Acid, Vinyl Sulphone, K acid, Gamma acid and few other intermediates plus whatever the intermediates we produce, then there also we have a backward integration of our own acid plant.

And so whatever acid we produce goes into our dyes intermediates, whatever dyes intermediate we produce it goes into the dyestuffs and we call ourselves a zero waste Company. The reason being is that whatever the waste acid, spent acid mother liquor, what we generate from the intermediate business we use that waste acid in our other ancillary units for the cattle feed business and even for the fertiliser business.

So, what I want to emphasize here is that we are a totally six-staged backward forward integrated Company which produces dyes having part of our own energy generation in terms of the solar and as well as our steam pressure turbines what we have. So this is completely a zero-waste and self-sustainable six-staged backward forward this integrated business model.

Sanjeev Kumar Damani: Sir, one more thing about the fact that can I get a figure of sales of cattle feed in last quarter or first half if I can?

Punit Makharia: Sir, that we will post it to you, send it to you through our IR partner Churchgate Partners. Right now, we are not having that particular figure with us.

Sanjeev Kumar Damani: Sir, similarly, can we really think of producing some pigments or color for master batches? I mean, is it likely to happen or something in your thinking or it is totally?

Punit Makharia: Sir that is a different chemistry like pigments and master batches for the plastic business plastic industry, there's a different chemistry altogether Damani ji, and more in this context that has a separate production facility that requires a separate production facility and a separate set of raw materials which have got nothing to do with these dyes intermediates.

Sanjeev Kumar Damani: Sir, from your own conversation, I heard that Rs. 215 crores are still to be spent from today. Is it correct?

Punit Makharia: Right

Sanjeev Kumar Damani: And out of this some amount will go towards solar energy generation that is, some Rs. 20-30 crores will I think go towards it. The rest of all will go towards creating chemical or fertiliser facility?

Punit Makharia: You are right Damani ji.

Sanjeev Kumar Damani: And lastly sir, Rs. 141 crores debtors I think include our subsidies if any to be received from government or subsidies are fully recovered?

Punit Makharia: No subsidies ever recovered fully. It is always outstanding, and it is a continuous process. Our total book debt includes subsidies also.

Sanjeev Kumar Damani: Thank you very much Sir.

Moderator: Thank you. Next question is from the line of Rajesh Jain from NB Investments. Please go ahead.

Rajesh Jain: Sir, my first question is this Unit-6, it is at Ratnagiri, is it meant only for the fertilisers?

Punit Makharia: Sir, we have got a huge land parcel for Unit-6 and initially at this point of time we are developing approximately half of the land parcel and the kind of expansion what we are doing in Unit-6 that will be covered up in half of the existing land parcel and balance land parcel let us see what we put up there, but the whole land parcel will not be going for this expansion.

Rajesh Jain: But the existing whatever you're doing, the expansion at Unit-6 is exclusively for fertiliser?

Punit Makharia: Yes, as of now.

Rajesh Jain: My second question is you have mentioned that you are also doing expansion in Unit-5 for the chemicals vertical. In that you have mentioned maybe more than 50% or whatever the ratio is for the backward integration and partly forward integration also?

Punit Makharia: So, you are right.

Rajesh Jain: So, backward is I understood that if you're going to manufacture the products that required to make this the dye intermediate our type which currently you are buying from outside?

Punit Makharia: You're right.

Rajesh Jain: But forward integration, would you be able to share as what products we will be making?

Punit Makharia: We will be going into the dyes production, Sir.

Rajesh Jain: But you would be making some more different dyes?

Punit Makharia: We're expanding all our capacities for the dyes.

Rajesh Jain: You are expanding the capacities for the dyes?

Punit Makharia: That's right.

Rajesh Jain: You said all this Rs. 1,400 crore types of turnover.

Punit Makharia: These are approximately Mr. Jain.

Rajesh Jain: So, let us take Rs. 1,300 only, no issues, so that I know that demand is yet to pick up and it is becoming very difficult to predict. So, my question was, in spite of that you are taken a decision to plan and again expand what gives you confidence to do this?

Punit Makharia: See, Mr. Jain, it's a good question and let me share my personal opinion, my personal view with you since I've been into this industry at the age of my 18 years old now I am 53 years old it's has been 35 years I've been looking at this industry as a very close outlook.

Now sir what I personally believe is that we have a very stable and backward integrated, forward integrated sustainable business model point number one. Point number two we believe in our business what we do and we look edited different angle and I personally believe that it has got a huge potential still which has not been explored up till now.

Point number three the major country which are into this sector was China and now India. Entire globe focus is on India, China in the last few years has become completely unviable. I remember when I used to do these investor con-calls 3 years, 4 years, 5 years back at that time the plenty of questions were about the China and the competition from China. Now nobody asked anything about China. Everybody knows that China is on an exit mode.

So, now in the world, none of you neither me, neither you have left wearing colorful clothes and to the whole world India is the only supplier. As of now, looking at the current situation there is a bit of this conservativeness amongst a common man for it's purchasing, I also believe in this concept that as of now the kind of uncertainty we are looking around us for the last one year first about Ukraine and Russia and now about Israel and Hamas you know that a common man get scared, common man does not get a right picture of the situation and every person think that America will come, Russia will come, China will also come. Common man gets scared this is my opinion.

One common man for buying does not come easily. Though it may not impact us directly our business, but definitely this impacts the sentiments of the business. The situation which is running probably it will go for next one or two quarter more, but sir there is a substantial potential in the business, and we have to believe in it. I look forward that there is a great potential into this.

Though, today we are not achieving the existing capacity plus in the time of recession if you have to do any expansion or we have to plan growth then we should do at the time of recession it is better because when good time comes then we are sailing into the boat. Now, we have got good amount of money lying in our no-lien deposits. We will keep-up generating at least in this Financial Year also.

We are not going to spend in CAPEX investment in a year or immediately. This is also phased out for next 12 months to 18 months to accelerate our own money. We are not taking any kind of a bank funding or something like that for the CAPEX. We are getting ourselves ready and prepared for the next opportunity to come.

Rajesh Jain: Sir I want to take clarity from you what is the existing uncertainty scenario which is there as you have said that inflation is more in Western countries and U.S. Second the two wars which is happening it is because of that and third is also that China companies are dumping many chemicals in Indian market?

Punit Makharia: Mr. Jain, chemical is a very big sector and the sector in which we are working on and the sector which we deal in is specifically dyestuff and dyes intermediates. Sir, there China has got no presence. If you look at the import data for the last three years and today's also right in India from China, you will see that China exposure has come down to practically single digit. I am not talking about any other products.

I am not talking about any other product like API intermediate or API pharma, we are not talking about that. I am talking about the sectors what we deal into in that China has got hardly any impact on our business.

Rajesh Jain: If the impact of war decline and there inflation in Western countries it has been reduced so the demand as it comes in our products you feel that we will be on the growth path, is that a correct assessment?

Punit Makharia: 100%.

Rajesh Jain: So, there is no Chinese competition in our product?

Punit Makharia: Sir, you study the data.

Rajesh Jain: Sir, last thing is the capacity of dyes what we are doing more sir in today it is how much and after CAPEX how much it will be?

Punit Makharia: Existingly we have got an installed capacity of 6,000 tons a year which we are achieving around 65% basis.

Rajesh Jain: How much you are adding in 6,000?

Punit Makharia: Sir, almost we will be doubling it.

Rajesh Jain: Means we have so much space in Unit-5?

Punit Makharia: Yes.

Rajesh Jain: So, after this CAPEX the land parcel at Unit-5 would get exhausted everything would have been over?

Punit Makharia: Yes.

Rajesh Jain: Unit 6 whenever you will decide for the expansion so that you would have enough land bank whatever 50% is left what you are saying that is about some 10 acres that we can assume?

Punit Makharia: Yes definitely.

Rajesh Jain: Thank you very much for answering all the questions.

Moderator: Thank you. Ladies and gentlemen, as there are no further questions, I would now like to hand the conference over to Mr. Punit Makharia for closing comments.

Punit Makharia: Thank you everyone for joining us on Q2 and H1 FY24 earning call. If you have any further questions, please feel free to contact our Investor Relations Advisors, Churchgate Partners and we will be happy to address all your queries. Thank you very much and wish you all a Happy Diwali and Happy Dhanteras. Thank you.

Moderator: Thank you. On behalf of Shree Pushkar Chemicals & Fertilisers Limited that concludes this conference. Thank you all for joining us and you may now disconnect your lines.

Notes:

1. This transcript has been edited for readability and does not purport to be a verbatim record of the proceedings
2. Figures have been rounded off for convenience and ease of reference
3.