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**INDO
AMINES
LIMITED**



Date: 5th June, 2019

To,
Listing Department
BSE Limited.
Phiroze Jeejeebhoy Towers,
25th Floor, Dalal Street, Fort,
Mumbai- 400001.

Dear Sir(s),

Subject: Transcript of the Conference Call held on 31st May, 2019

Ref: Indo Amines Limited Scrip Code: 524648

Please find enclosed the transcript of the Conference Call conducted by the Company on 31st May, 2019.

We request you to take the above information on your record.

Thanking You,
Yours truly
For, Indo Amines Limited



Vijay Palkar
Managing Director
DIN: 00136027



Indo Amines Limited
Q4 & FY19 Earnings Conference Call
May 31st, 2019

MANAGEMENT: MR. RAHUL PALKAR – JOINT MANAGING DIRECTOR





Indo Amines Limited
Q4&FY19 Results Conference Call
May 31, 2019

Moderator:

Good morning Ladies and Gentlemen .I am Vikram, moderator for this conference. Welcome to the Conference Call of Indo Amines Limited arranged by Concept Investor Relation to discuss its Q4 and FY19 results. We have with us today Mr. Rahul Palkar – Joint Managing Director. At this moment all participants are in listen only mode, later we will conduct a question and answer session. At that time if you have a questions please press “*” and “1” on your telephone keypad. Please not this conference is being recorded. I would now like to handover the floor to Mr. Rahul Palkar – Joint Managing Director. Thank you and over to you sir.

Rahul Palkar:

Good morning everyone. I am Rahul Palkar here, Joint Managing Director from Indo Amines Limited. Indo Amines Limited I would like to start the introduction here. Indo Amines Limited was incorporated in 1992 and got listed in the year 1994. We are significant worldwide manufacturer, developer and supplier of Fine chemicals, specialty chemical and performance chemicals, active pharmaceutical ingredients and products like that. The products manufactured by us find application in various industries like pharmaceutical, agrochemicals, fertilizer, petrochemicals, road construction, pesticides, perfumery chemical higher product performance polymers, pigments, printing inks, rubber, dyes, intermediates. The company has six manufacturing locations Baroda, Dombivli, Rabale, Mahad, Dhule and Tarapur. We have around 700 employees and around 200 contract based sort employees. Around 53% of our revenue comes from exports and the rest from domestic market. We export our products to more than 50 countries and US, China, Europe, Japan are contributing significantly in this market share. This was a short brief about our company.

Coming to our financial performance. Revenue from operations for the fourth quarter ended March 31st 2019 stood at Rs.133 crore, as compared to Rs.89.70 crore for the same period last. The company's EBITDA in Q4FY19 stood at Rs.13.80 crore up by 33.70%, EBITDA margin stood at 10.37%. The company reported an increase of 58.03% in profits after tax to Rs.5.33 crore for the Q4FY19 as compared to Rs.3.38 crore in the year quarter eighteen. Revenue from operations FY19 stood at Rs.470.91 crore as compared to Rs.350.65 crore for the same period last year. A growth of 34.30% year-on-year. Exports contributed 53.06% revenue. Company's EBITDA for FY19 stood at Rs. 57.03 crore as compared to Rs.42.72 crore up, 33.42%. EBITDA margin stood at 12.11%. Profit after tax grew at 58.03 percent at Rs.22.60



crore in FY19 as compared to Rs.14.30 croreFY18. Earnings per share increased to Rs.6.78 FY19 from Rs.4.29 FY18. For the year FY19-20 our focus will be on sustainable growth by increasing our market share for existing products, creating new business and new products both in domestic and export market. These things lead to the end of my comment. Now, I would like to leave the floor open for questions. Thank you.

Moderator:

Thank you very much sir. Ladies and gentlemen we will now begin the question and answer session. We have our first question from the line of Nitin Dharmavat from Aurum capital. Please go ahead.

Nitin Dharmavat:

My question is related to balance sheet. The standalone number shows in investment, non-current amount of Rs.5.04 crore, while in the consolidated it shows Rs. 9 lakh, can you explain why consolidated is lower and what are these numbers representing?

Rahul Palkar:

We are working on this question can you just go to the next one?

Nitin Dharmavat:

Yes, sure my second question is again related to the benefit, in consolidate unsecured loan receivable increased to Rs. 3.21 crore.

Rahul Palkar:

Can you please speak little louder sir I cannot hear you?

Nitin Dharmavat:

So, in consolidate balance sheet the unsecured loan receivable is increased to Rs. 3.21 crore from Rs. 22 lakhs so why it has gone up so sharply and who else been given this loan to this unsecured loan receivables? And, in case you are working on the second question also the third one is; what is the status of the merger of the companies that we acquired recently?

Rahul Palkar:

Alright so let me complete you answer to the second question. The loans in the consolidated balance sheet you are able to see the loans as given to the subsidiary Key Organics. Sorry, the loan is been given by Key Organics as an unsecured loan.

Nitin Dharmavat:

Yes, to whom it has been given?

Rahul Palkar:

So, it has been given for a particular business process so it was reflected in the balance sheet.

Nitin Dharmavat:

No, did not get you? So was it given by Key Organics or was it given to Key Organics?

Rahul Palkar:

It was given by Key Organics.

Nitin Dharmavat:

So who is the recipient party for this?

Rahul Palkar:

Sir, we will come back to you on this question, just give us some more time on this.

Nitin Dharmavat: No, problem this is slightly technical in nature so it could take time I can understand that. What is the status of the merger of the companies that we acquired recently?

Rahul Palkar: Right now, the status is, it is in the process of getting approved. A year ago we got an in-principal approval from SEBI and BSE right now. And it is in the final process of NCLT approval.

Nitin Dharmavat: Got it, okay. So when we are expecting this approval to come?

Rahul Palkar: We are hopeful that this should be before end of November or something like that.

Nitin Dharmavat: Okay. And my final question is related with the Chinese market, how is the market now are we getting the raw material there or disruption is still continuing in the terms of raw material. Also, our finished good are we able to get better margins because there is disruption in Chinese market so just wanted your view on that?

Rahul Palkar: Right now we have very low level of imports from China. So basically we are not too much depending on the level of imports from China which is probably less than 10% of the total inputs. Whereas our export numbers are much better than our import numbers in terms of selling to China. The main order of process which you are saying is about the margins, the margins are still because of the regulator part in China the margins are not to the extent where other countries or other businesses can really offer but still the market, since the market is very big we are in a position to offer the production do a quite a lot of sales in their region which was not here with us in the earlier days.

Nitin Dharmavat: Got it, that's about it. First two questions whenever you are ready you can come back to me I am on the call only no problem.

Rahul Palkar: Sure, sir we will do that as soon as we are ready.

Moderator: Thank you sir. We have our next question from the line of Kiran Naik from Mody Fincap. Please go ahead.

Kiran Naik: Sir who are our close competitors?

Rahul Palkar: Sorry, the close competitors?

Kiran Naik: Who are into the same product which we produce?

Rahul Palkar: Normally sir there are very small-small players in the market in most of the cases which are very small companies to the tune of hardly Rs. 10-15 crore of turnover, so they are not very significant players in the market for as far as large competition is concerned for us and then there is main competitors would be China in this case for the products and some of the European companies in some cases.

Kiran Naik: How much is the GST rate for us?

Rahul Palkar: GST it depends on products typically it is around 18 to 24%.

Moderator: Thank you. We have our next question from the line of Aman Vij from Astute Investment. Please go ahead.

Aman Vij: Couple of questions. First if you can give me a rough breakup of we are three segments so Fine Chemicals, Speciality Chemicals and Performance Chemical so how much each contribute to our sales?

Rahul Palkar: Typically, Fine Chemicals is around about fine and Speciality are 50-50 contributors, Performance Chemical is not very it's kind of an upcoming line so typically it's hardly a 5%-10% range of contributors it is a top line right now.

Aman Vij: Okay. The margin wise which is the most margin lucrative and which is the least margin lucrative amongst the three?

Rahul Palkar: No, everybody is like on their own average at whatever levels we are projecting right now. There is nothing like one giving low margin and other is giving high margin or something like that. So, round about whatever PPT has been shown is all coming from flatty from the same old business.

Aman Vij: Okay, so if we talk about the growth we have seen in the this year overall very good growth, so how much has Fine Chemical segment grown and how much has Speciality Chemical grown and maybe if you can talk about last two years growth what has contributed to?

Rahul Palkar: Typically, we are balancing the sales by investing parallelly in the Fine Chemical as well as the Speciality Chemical segment. So, eventually both the segments along with the performance area is increasing year-over-year. The growth has come more from higher sales to new customer markets, new customer regions.

Aman Vij: The export, what was the growth in exports?

Rahul Palkar: Export has actually little bit dipped a bit from the last year point of view, it has come in term of the number it has grown but in terms of the percentage the coverage versus locals, local sales versus the export sales, domestic versus exports the percentage has changed a bit from 55-56% last year to 53% this year so eventually the local domestic sales margin has grown rapidly in the last year and the sales are much higher as compared to the growth parallelly in exports.

Aman Vij: And, this was the same reason of a strong growth in last year as well?



Rahul Palkar: I think we are able to cover larger markets and many customers in a year which is probably addition of new customer base is much higher and as well as the product addition is also quite high, so that is the reason I think our sales top line is building up faster.

AmanVij: Okay. And could you talk about your receivables so it has increased the cycle has increased almost 90 odd days it's much higher than the usual days. So, if you can talk a little bit about that what lead to this?

Rahul Palkar: So, typically on higher sales there are certain products or certain categories which change the payment modes like if you are going into some markets like Agro Chemical markets which are eventually longer payment driven programs so there the payment term and average mood typically change so earlier we were probably the agro sector has gone up larger or higher in terms of sales and probably some reach under some markets we are attempting in which payment or payment cycles have improved even in export markets. So, that is the reason the impact of earlier days of say average of 60 days has now moved on to 90 days.

Aman Vij: Okay, and last question then I will come back in the queue. The 35-36% growth we had in revenues so could you quantify how much was volume or how much was price, I understand there will be some product mix also so volume is not the only matrix we should look at but if you can quantify the price growth how much was it?

Rahul Palkar: No, in terms of price growth you mean to say in terms of product price or?

Aman Vij: Yes, product price that would have improved I think last one or two years that has been going up for most of our products.

Rahul Palkar: So typically, product prices definitely have improved by 5% or around about 5% or 10% maybe, but it all depends on product to product as well. Or in some cases when you attempt higher markets with larger volumes the price growth is little not available sometimes in those cases. So, if you look at the overall mix on an average you can say there would be a 5% impact on product pricing growth or on the impact of the product price. If you look at the last year, there is a substantial impact of the oil movement as well. So the raw material prices have also driven up substantially based on the impact of the crude oil prices. Alright?

Aman Vij: Okay, that helps.

Rahul Palkar: So, your point was like basically the growth is 30% in considering the price range, price impact.

Aman Vij: And, in tonnage if you can give the number, what was the tonnage we did?



Rahul Palkar: We do not have any breakup on the tonnage as such but I think we have grown the tonnage by say 30% as well which I think would be at around consolidated around 20,000 tons a year around about.

Aman Vij: That is our selling tonnage? That is how much we would have sold?

Rahul Palkar: Yes, selling tonnage manufactured and sold.

Moderator: Thank you sir. We have our next question from the line of Agastya Dave from CAO Capital. Please go ahead.

Agastya Dave: Sir, I had three questions, the prices part you have covered. So, on the capacity utilization side for the fourth quarter how much was the capacity utilization?

Rahul Palkar: Right now, I think by March ended our capacity utilization was around 60%.

Agastya Dave: So, very similar to third quarter?

Rahul Palkar: Right. And last year we have done a capex around Rs. 28 crore in general and I think it is helping us to debottleneck the further plant processes, so that we can further again this year.

Agastya Dave: Okay. Sir you mentioned in the last con-call that there was one particular CAPEX that you were doing for, which was a very client specific capex of Rs. 30 crore so what's the progress there? I believe it was for some Fine Chemicals or for some pharmaceutical intermediates I am not sure so, it was a de-growth capex number?

Rahul Palkar: Right, so out of that we have started that project and initially around first level of investment is going on, I think the civil side of the project is partly completed so the process of investing is already on in that. We are hoping to start the project next year 2020 early of 2020.

Agastya Dave: Okay. So sir what is the guidance for next year's capex, including debottlenecking and maintenance?

Rahul Palkar: The probably around in the same range around Rs. 30 crore.

Agastya Dave: And this will increase the capacity by how much sir?

Rahul Palkar: I think it should debottleneck the process by at least 25-30%. 30% more.

Agastya Dave: Okay. Sir my final question for this round is, on the margins quarter-and-quarter what has happened our revenues are reasonably well and it seems that the capacity utilizations were similar but our the PBT numbers are different is there a one off item which I am missing or

there were some pressure on the margin scale if that is the case then what the reason for that?

Rahul Palkar:

So, basically I think there is no major change except if you look at there is an impact of other income in the last quarter ended, December there is a Rs. 2.5 crore of other income.

Agastya Dave:

Correct and it's only Rs. 74 lakh this time.

Rahul Palkar:

Yes, Rs. 73.88 lakhs this time and last time it was Rs. 2.5 crore. So, typically it was some revenue which was refunded through the government processes or something like that and that had an impact more to the profitability.

Agastya Dave:

But sir, even if I look at revenue from operations Rs. 120 crore has gone to Rs. 133 crore and even if I adjust for the other income our PBT level number is slightly down so I was just wondering is there some price change or some other change which has happened to this capacity utilization seem to be roughly the same so it seems the prices must have done down?

Rahul Palkar:

Normally, what happens in case we it all depends on the product mix as well so if they sometimes have larger sale number on products which are contributing little lower than the other ones. Sometimes, that could impact the profitability to that extent.

Moderator:

Thank you sir. We have our next question from the line of Rohit Nagaraj from Sunidhi Securities. Please go ahead.

Rohit Nagaraj:

Sir, just taking the earlier question forward regarding Q-o-Q there has been profitability. If I look at the gross margins they have dip from about 32% to about 28%, so is there any raw material impact which may have witnessed or probably high cost inventories which we have used during the quarter?

Rahul Palkar:

Sir, the point is in the last March ended quarter there was a substantial change in the crude oil prices and that has impacted in the raw material prices increase into certain regions of products which are based on directly linked with crude oil. So, that impact was not been able to pass on to the customers, by decreasing the finish product prices so that could have affected on the bottom line a little bit.

Rohit Nagaraj:

Okay, so in Q1 the situation relatively should normalize because the growth....

Rahul Palkar:

Yes, we are hopeful that the market is coming down and we will be in a position to pass on to that for this Q1 we will be able to pass on the impact of the last quarter's margin gaps which we have achieved.



- Rohit Nagaraj:** Okay. And, in terms of order book what has been the order book for next quarter rather than current quarter ongoing?
- Rahul Palkar:** The order book is, we are looking reasonably high like 20% we are targeting right now on an upper side on the order book.
- Rohit Nagaraj:** Any number you can assign because last quarter I think you had indicated close to about Rs. 125 crore to Rs. 150 crore for Q4?
- Rahul Palkar:** So, considered we cannot give you directly the number but we can like I can say 20% upside is possible.
- Rohit Nagaraj:** Okay. And in terms of I think last quarter you had indicated that the one new unit which will be operational by March from here Dhule facility so it is operational?
- Rahul Palkar:** No, the Dhule facility is still under investments and the process is going on and the partial phase of civil work is finished and then we are moving further with investments but I think there were information about the other little bit of subsidiary's getting commissioned and things like that, so we have couple of areas which we have started new add on to this year number as well.
- Rohit Nagaraj:** Okay. And, could you just give broader sense about how the business is currently, how the industry is shaping up for the segment that we are currently working and any new specific areas that we are targeting from growth perspective given that we will be investing this 100 crore in Dhule facility?
- Rahul Palkar:** So, typically the markets are looking good in general, and we are talking of trying to look at a 20% growth this year. At least to push up to and all the facilities which are under investments and setup will be starting typically the Dhule facility would be typically starting first quarter probably next year that is what our target is. And then we are looking at step by step investments because eventually the new opportunity businesses can be all lined up into the new facility.
- Rohit Nagaraj:** Okay. And just one last question on the margins front so, what is the highest margin that we can achieve from our business because typically we are into speciality chemicals business and the margins across the industry are hovering at around say 15% plus minus levels, however our margins have been around 11-12% so what is the sense on that, is there any operational efficiencies which will start coming in probably from FY20 onward or we will have some sense of increase in the pricing or taking some premium pricing or so, or to go to maybe 14-15% kind of EBITDA margins?



- Rahul Palkar:** I think we are trying to pull up to the requirement of the market as well as the best of our abilities but however every situations, every quarters are different and the market being very volatile we have to balance everything with the competition as well as opportunities. Considering all that we are trying to make our efforts to increase the EBITDA margin levels at least 1 or 2% every year-on-year but, eventually we are trying to work on those areas as well.
- Rohit Nagaraj:** Just one last kick in question, what is the total debt on the books and average cost of the debt?
- Rahul Palkar:** Including working and non-working term loan in working capital is around Rs. 125 crore and around 9.5% is margin rate of interest.
- Moderator:** Thank you sir. We have our next question from the line of Kiran Naik from Mody Fincap. Please go ahead.
- Kiran Naik:** Sir what is our market share in this industry?
- Rahul Palkar:** Sorry sir come back again.
- Kiran Naik:** What is the market share in the chemical industry in chemicals industry in India, Indo Amines' market share?
- Rahul Palkar:** There is like market share to determine is very difficult but if you look at our product segments whatever we are trying to service to the industry, we would be at least to the extent of around 40-50%.
- Kiran Naik:** 46%?
- Rahul Palkar:** 40 to 50%.
- Moderator:** Thank you. We have our next question from the line of JitenParmar from AurmCapital. Please go ahead.
- Jiten Parmar:** My questions are basically our exports have gone from 55 to 56 what is the guidance for this year?
- Rahul Palkar:** Sir, the export number are grown but in comparison to local sales they have been a little bit dip. In general there is a growth in exports and I think it is in the range of 30% in terms of export growth is 30% but in general as compared to the local sales it is little lower.
- Jiten Parmar:** No, what is the projection for this year?



Rahul Palkar: Projection is like we want to cross over around 50-55% of export sales over the total sales, so that is the key focus and we are trying to also increase the number of countries which we are trying to sell so we are currently selling our products in around 50 countries and we all like to proceed to 70 countries or something like that.

Jiten Parmar: Okay. Now if I look at the margins the profit margins have come down a bit last year compared to previous year or even in the last quarter. So, what is the margin guidance for current year?

Rahul Palkar: The margin is totally depended on the product mix as well so in some cases some products which are large volume category products are sold on a little lower margin numbers but based on the last years product mix yes definitely there is a product mix shift so because of which the numbers have been at the lower side. We are expecting to improve on the numbers and try to maintain those ratios as we were at earlier levels and we will definitely we are working towards this year that we should be at 12 to 13% of EBITDA margins.

Jiten Parmar: So, final question. What is the consolidated debt currently and what is the capex plan for FY20?

Rahul Palkar: The consolidated debt is Rs. 125 crore fund and non-fund based.

Jiten Parmar: That is same as last quarter if I remember Q3?

Rahul Palkar: Yes, sir there is no change and what is your next question?

Jiten Parmar: What is the capex plan for this current financial year FY20?

Rahul Palkar: So this financial year round about Rs. 30 crore is the capex plan.

JitenParmar: Okay. And what will be the source of funding for that? Will it be internal accruals or?

Rahul Palkar: Yes, it will be debt and internal accruals.

Jiten Parmar: So how much are we expecting the debt to go to this year?

Rahul Palkar: 75% would be borrowed out and ten probably 25% from the internal funding process would be done, so it should be touching around Rs. 150 crore this year.

Jiten Parmar: And, what is the volume growth we are targeting this year?

Rahul Palkar: In terms of quantity volumes?

Jiten Parmar: Yes.



Rahul Palkar: So, typically the quantity volumes targeted are to the extent of again 25 to 30% so that we try to at least reach our target to the extent what we are looking at.

Jiten Parmar: Okay. And, if I may be allowed to ask one more question. For FY18 to FY19 our revenue grew by 35% and our PAT grew by 55%. What do we expect for FY20 these numbers, revenue growth expectation?

Rahul Palkar: Typically, sir we are looking at 20% increase in top line and we are trying to see if we cannot maybe these are really good numbers in terms of profitability increase, but at least to the extent of 20 to 30% in the range of that in that scenario we will try to keep those numbers.

Moderator: Thank you sir. We have next question from the line of Agastya Dave from CAOCapital. Please go ahead.

Agastya Dave: Sir, my question was about the crude oil volatility that we are seeing now and also on the China tensions with US, so such situations how vulnerable we are to this, so you explained that imports are only 10% coming out of China for us. But overall how does our business get affected with crude price and with the volatility in international markets. So, if suppose crude falls then what kind of inventory losses we can expect or if crude spikes up suddenly then how soon can we pass on prices to our customers, how soon can we renegotiate contracts on either side thank you sir.

Rahul Palkar: So, typically sir answering your first question about crude oil volatility, so basically the crude volatile, crude changes if the change is drastically in like one quarter then the impact coming towards we are trying to pass it over to the customer in the next quarter also. Because we typically get quarter-to-quarter binded for supplies. And if the impact is coming over six months then it is easily able to, we are able to identify that and then pass it on as it is coming. So, it all depends on the vigorous changes in the market and based on that we will be able to play the game. The second question of yours was about the China - US tensions, the China - US tension obviously will always benefit India somewhere but that is the reason we are also very much keen and confident about investing further for growing the business and we feel that the situation remains like this, it is always going to be positive approach for India. Let's hope that it will also add on to better numbers for us in this coming financial year.

Agastya Dave: Sir, I get this point from the supplier side, that if Chinese suppliers get hit then we get the benefit but, do we face any problems on the demand side because China is not only a large producer it is also a large consumer and so is US so does it hit us on the demand side anywhere? And I am done for the day sir thank you.

Rahul Palkar: No, I don't think so sir that unless and until you are very much specifically depending on China for particular things to come in from there as raw materials it will not be affected and

second part is, China and US are both large consumer markets so eventually it is always a positive situation for India to work with both of them.

Moderator: Thank you. We have next question from the line of AmanVij from Astute Investment. Please go ahead.

Aman Vij: My next question is, do we have around 30-35,000 tons of capacity. If you can roughly divided into Fine and Speciality chemicals?

Rahul Palkar: Yes, around about you can say the Fine Chemicals are to the extent of 10,000 tons around about, Speciality would be around 20,000 tons and 5,000 tons of Performance Chemicals.

Aman Vij: Okay. And after this year's capex the overall net block will be around Rs. 100 crore in assets, is it right?

Rahul Palkar: Yes.

Aman Vij: So, how is it segregated into Fine and Speciality and maybe if you can talk about the asset we expect in both the segments?

Rahul Palkar: So, you can see the asset side is 50% of each, 50% of both the segments and Performance Chemicals done need very high level of assets base right now as far as what our products we are trying to do, that would be hardly nominal in terms of asset based. So, Rs. 100 crore can be divided back into two main business units which is fine and specialty.

Aman Vij: And, what kind of asset turn do we normally expect in our both the segments in Chemical and Speciality Chemical?

Rahul Palkar: So, 2% would be the ratio of asset to turnover.

Aman Vij: 2x you mean?

Rahul Palkar: Yes, 2x.

Aman Vij: In both the division it's almost similar?

Rahul Palkar: Yes, could be a little bit up and down but, I would say between two and three.

Aman Vij: Okay. So, just on this part correct me if I am wrong but we are doing a sales of Rs. 500 crore and our assets found about Rs. 100 crore fixed assets, so that means the asset turn is much higher?



Rahul Palkar: Yes, I would say that for this year we are driving it very-very rightly probably so that we are able to get that numbers but then to the specific note I would say it would be three times the number. So, probably we are able to get more asset to turnover conversions from our current systems. Probably our efficiency of doing it is right.

Aman Vij: So, in the last years we have done including this year we will be doing around Rs. 60 crore capex?

Rahul Palkar: Right. Completely last year was Rs. 28 crore and this year we are targeting Rs. 30 crore so around about Rs. 60 crore.

Aman Vij: And peak sale we are expecting from this will be around Rs. 180-200 crore, is it?

Rahul Palkar: Yes, 20% at least we are targeting so be same way right.

Aman Vij: Yes, 500 will become say 600.

Rahul Palkar: From 600-650 somewhere between that.

Aman Vij: So we need to keep doing this kind of capex for almost every year going forward?

Rahul Palkar: Yes. For the markets also to favor us. It's very important that the markets also keep on favoring the situation for growth.

Aman Vij: Second question is on the market part only, so you talked about we have like 40-50% share in most of the products. So, roughly our addressable market is like Rs. 800 to 1000 crore?

Rahul Palkar: Right.

Aman Vij: So how is the market growing sir?

Rahul Palkar: So, market is going very well right now at least for this year we are seeing it quite positive again. And I wish that, I hope that it will continue the same for couple of years so typically it should let's see because the situations globally are very volatile based on US and China tensions and stuffs like that, so we foresee that today it is very positive and hope to get the same kind of situation for the next couple of years to come.

Aman Vij: So, I was actually asking it from the other side is it two, three years back was our market share that high or in the last two, three years we have gained the market share a lot?

Rahul Palkar: Probably in the last two, three years we have been probably structured more specific to particular growth areas and segments and we are being very aggressive pushing products in India and globally.

Aman Vij: The market is also growing at 15-20%?

Rahul Palkar: In some regions not everywhere, and in most of the cases we are replacing global markets which is much faster than the grown markets for the where the markets need to grow to the larger size. So for particular product segment grows only 2-3% every year but that 2-3% plus the competition, global competition market share is being taken over or whatever. So we have been very aggressive in the markets for taking in the larger shares.

Aman Vij: Okay. So that was my point market share would have increased drastically, our market share.

Rahul Palkar: Yes.

Aman Vij: Okay, last question from my side is. Could you give a rough percentage in terms of how much does our top five or top ten products contribute to our overall sales?

Rahul Palkar: So, this is a little bit of a detail question so I would not give much of information on this area but typically let's say we have top 40 products which contribute to the main functionality versus the top ten but since we have so many locations to doing manufacturing we do produce a lot of products, more than 100.

Aman Vij: That I understand but is it top, if you can give a rough range not exact I am looking for. Top ten is like 40-50% or it could be even higher like 70-80%, top ten products?

Rahul Palkar: No, in chemical industry typically around 40% to 50% is the maximum thing which we can get, rest everything are sometimes below the numbers as well.

Aman Vij: Okay, your top ten products will be maximum 40-50% for us also?

Rahul Palkar: Yes.

Moderator: Thank you. We have next question from the line of Santosh Kumar Khemka, Individual shareholder. Please go ahead.

Santosh Kumar Khemka: Sales have grown by 35% and profit has grown by 54%, the EPS also has gone up from 4 to 7.4% consolidated. Now, in spite of this robust performance you have only, you have continued to pay 10% dividend what is your view on that?

Rahul Palkar: Actually, the decision was with the board members during the meeting as well, so it is not an individual decision but then the point is that we are growing substantially in the business and we would like to continue the growth so capital we need a lot of money for expansion as well so too much of dividend is not really viable process right now, so everybody opted for having the standard numbers of 10%.

Santosh Kumar Khemka: You have been paying for last five years 10% dividend but sales as in profits have grown up and you should be investor friendly company, you must at least it could have been increased to 15 to 20% but in my view. What is your view on that?

Rahul Palkar: Sir definitely, no it is not my single view but it is my everybody likes to have a higher dividend but as per as the board members and the decision was going, was gone or soon have larger growth in the coming years so there is a lot of requirement of internal accruals be added to the whole investment sector. So we are looking forward to maintain our growth status and to build the company little stronger for the coming years.

Santosh Kumar Khemka: Can we expect higher dividend in the coming years?

Rahul Palkar: Yes sir definitely, we are looking forward to give more and higher dividends even trying to look at opportunity to give bonus shares as well but right now it is all depend on the board to take a call about it.

Moderator: Thank you sir. We have next question from the line of ParthParek from Bajaj Finance. Please go ahead.

Parth Parek: Sir, my question is sir somewhere in last year we had received four to five approvals which we have filled for European[inaudible]regarding to the new product? Could you just haven an update on that whether the production has started or is it approved or?

Rahul Palkar: Right. So we have received the approvals and we have commenced on the sales as well for these kinds of products. And, however we are hopefully to pick up more sales in this coming year on those areas.

Moderator: Thank you very much sir. Ladies and gentlemen that was the last question. I now hand the conference over to the management for closing comments. Sir, over to you.

Rahul Palkar: I would like to thank all the members here for giving us an opportunity to have a call with everyone and I would like some unanswered questions will be conveyed by Concept on our behalf to the members who have been waiting for some answers for their questions. And I would appreciate, I thank all of you for giving us your valuable time and like to see you in the next quarter as well. Thank you very much sir.

Moderator: Thank you very much sir. Ladies and gentlemen, thank you for being part of the conference call if you need any further information or clarification please mail at gaurav.g@conceptpr.com.

