



“Oriental Carbon & Chemicals Limited Q2 FY17 Earnings Conference Call”

November 08, 2016



MANAGEMENT: **MR. AKSHAT GOENKA – PROMOTER & JOINT MANAGING
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Moderator: Ladies and gentlemen, good day and welcome to the Q2 FY17 Earnings Conference Call of Oriental Carbon & Chemicals Limited. This conference call may contain forward-looking statements about the company which are based on the beliefs, opinions and expectations of the company as on the date of this call. These statements are not the guarantees of future performance and involve risks and uncertainties that are difficult to predict. 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. I now hand the conference over to Mr. Akshat Goenka – Promoter & Joint Managing Director of OCC Limited. Thank you and over to you Mr. Goenka.

Akshat Goenka: Good morning and a very warm welcome to everyone. Along with me, I have Mr. Anurag Jain - CFO and SGA, our Investor Relations Advisor. I hope you have received our results and investor presentation by now, for those who have not, you can view them on our website. I am pleased to share with you that the board has declared an interim dividend of Rs. 3 per share that is 30% of the face value. I am also very happy to announce that the capacity expansion at our Mundra plant is ahead of schedule, the trial runs are expected to commence anytime this month, for the first phase and this will be 3 months ahead of our schedule. Our plans to enter new geographies to sell the product are also well on track. We have been well received by the companies of North America and China. Our relationship continues to strengthen with our existing customers. We also expect that the domestic market should further improve on the back of increase in the sales of vehicles and the growth in the rate of **radialisation** of CV tyres. Thus, our company is well placed to capitalize on the opportunities arising out of the improved market conditions.

Now, I would like to hand over the line to Mr. Anurag Jain to update you on the operational performance of the company for the half year ended 30th September 2016.

Anurag Jain: Thank you, Akshat. I will take you all through the financials of the company. Gross revenue from operations for the Q2 FY17 is Rs. 73 crores compared to Rs. 74 crores in Q2 FY16. Revenue for the first half of FY17 is Rs. 152 crores vis-à-vis Rs. 150 crores same period last year, growth of 1.4%. EBITDA for the half year stood at Rs. 47 crores similar to last year same period at 31%. For Q2 FY17, EBITDA including other income stood at Rs. 23 crores 31.4% margin. The margins remained stable even though overhead expenses increased. Power and fuel cost reduced by 8% for the first half compared to the same period last year. Profit after tax for Q2 improved from Rs. 12.9 crores to Rs. 14.7 crores, a growth of 13.5%. PAT margin improved by 250 bps to 20.1%. For the first half year of FY17, PAT improved from Rs. 27.3 crores to Rs. 29.3 crores, a growth of 7.2% and the PAT margins improved to 19% from 18%. Long-term borrowing stood at Rs. 51 crores. Rs. 83 crores was capitalized towards Phase-1 expansion project during this half year.

With this, I would like to open the floor for questions and answers please.

Moderator: Sure, thank you very much. We will now begin the question and answer session. We have the first question from the line of Kamalkant Sahu from India Nivesh. Please go ahead.

Kamalkant Sahu: This time net sale has decreased by 6% on quarter-on-quarter basis. What were the reasons behind that?



- Anurag Jain:** See, the reason for decrease in sales is basically because of decrease in raw material prices vis-à-vis last year and that is what we have said in our earlier concalls also that though there would be a marginal decrease in sales realization, it will be compensated by decreasing input cost, keeping our margins intact which you can see is the case.
- Kamalkant Sahu:** And if we were looking out in the operating cost, the overhead expenses have increased?
- Anurag Jain:** Yes.
- Kamalkant Sahu:** Can you give me the better idea about what are the overhead expenses?
- Anurag Jain:** Two or three major reasons for increase in other expenses is, one there has been more donations in this first half year than earlier half year, and other point is that because of difference in the finished goods inventories, there is an excise duty difference which gets added to the other expenses so, that is one major chunk. You would notice that the change in inventory for the current half year is +684 crores while it was (213) crores same period last year. So this has contributed to excise duty difference on finishing stocks which adds to the expense.
- Kamalkant Sahu:** Shall we expect this in next quarter also this kind of overhead expenses will catch up?
- Anurag Jain:** I think when the year ends, that is the right time to look at it because there could be some expenses which will eventually end up evening out towards for the year.
- Moderator:** Thank you. Next question is from the line of Ayush Mittal from Mittal & Company. Please go ahead.
- Ayush Mittal:** Sir, I have a few questions, first is about the capacity expansion that we are mentioning that we are running 3 months ahead of schedule. Can you elaborate more on it? When will the commercial production start, what kind of capacity utilization that you are expecting in coming times?
- Akshant Goenka:** Earlier we had said that commissioning would be in the month of April and we had planned that trials would start sometime in the month of Feb, but trials are already starting now in November, so I think depending on how the trials move, we will declare commissioning. I would not like to give a specific date as to when we will be declaring commercial production.
- Ayush Mittal:** Usually it takes 2-3 months for the trials to get completed and the commercial production to start, is that right?
- Akshant Goenka:** No, that is not correct. As I mentioned that as per our planning trials, were going to start sometime towards the end of Feb and commissioning is going to come in early April.
- Ayush Mittal:** One-one and half month or so?
- Akshant Goenka:** Yes.
- Ayush Mittal:** And as we are near to the timeline and we have been talking about entering the North American market or tapping new customers, any specific update on it?
- Akshant Goenka:** No, I would not like to give any specific update except for saying that we appear to have tied up our sales volume for this new phase.
- Ayush Mittal:** In past we have mentioned that we do not have Michelin as a customer because their capacity requirement is much bigger than we had spare capacity and we always wanted to tap them as a customer at the new plant.
- Akshant Goenka:** No, I do not think we would have ever said that we will be tapping Michelin as a customer to sell out this particular plant and this plant was always earmarked for certain customers and



things are going very well with them and we are on track to sell out this plant as well in the coming quarters.

Ayush Mittal:

So are these arrangements sort of like do they ensure like may be 80%-90% kind of utilization as you go along or will that kind of utilization take time?

Akshant Goenka:

I would not like to comment on this specific timeline of the capacity utilization but what I would like to say is that as things are going over the course of the next year, at some point we will hit 100% within one year of the plant commissioning. Again I would like to clarify if you take the starting point of commissioning and then see 100% from that, that won't happen. What I am talking about is the monthly run rate, at some point we will hit it in the next one year.

Ayush Mittal:

Any problems, teething troubles or something that you are facing as this new capacity is coming or is it smooth as it is a brownfield expansion?

Akshant Goenka:

I think by saying that we are three months ahead of schedule, should answer all questions.

Ayush Mittal:

Other thing that I wanted to understand was on the pricing, like in past we have mentioned that we have a pass-through kind of model on the currency risk and all that. However when we analyze the numbers since last two years, our numbers have been sort of flat and probably one of the reason is the currency fall of the Euro and the Pound, is that right?

Anurag Jain:

See, we had never said that we have a pass-through policy. What we have said is that we have formula arrangements with certain customers and obviously the currency does affect turnover, then the prices as also with changes in the raw material cost if they get revised. So what is happening in the last two years is that the raw material costs have been coming down.

Ayush Mittal:

How much would have been percentage effect, any like 10%-20% kind of softening?

Anurag Jain:

The raw material costs have generally come down by around 10% or more over the last year,

Ayush Mittal:

And sir, any update on the competitive intensity like in the earlier con-calls you have discussed about the competition from the market leader in terms of bringing of new products, retrofitting their new technology to bring down the cost, anything on those things or new competitor?

Anurag Jain:

That is a continuous process and we will continue doing that on a daily basis.

Moderator:

Thank you. We will take the next question from the line of Jinal Fofalia from AlfAccurate Advisors. Please go ahead.

Jinal Fofalia:

Could you please give us the segment wise breakup like what is your industry mix, PV segment, CV segment?

Anurag Jain:

No, basically we sell to one segment that is tyre predominantly and within that, what is the further breakup that we are not working, that is for the tyre industry and the particular plant to decide, we do not know about that.

Jinal Fofalia:

Sir, how do you see growth for next 3 to 4 years, can you give some numbers on that front?

Anurag Jain:

We have already given those numbers that in India, we do expect good growth maybe above 10% based on the growth in the tyre industry as well as increased **radialisation** and as far as the international growth is concerned, we think that anywhere between 3% to 5% is a good number.

Jinal Fofalia:

International growth 3% to 5%? And sir what is our export, what is the percentage?

Anurag Jain:

We are selling about two-third in exports and about one-third in domestic.



- Moderator:** Thank you. Next question is from the line of Shashank Kanodia from ICICI Securities. Please go ahead.
- Shashank Kanodia:** Sir, since we are confident of achieving 100% utilization level for the phase one in next financial year, so what is the timeline that you decided for phase two expansion and when will that get commissioned?
- Akshant Goenka:** So, we had declared April 2018 as our second phase commissioning date; however, as you all know over the last year, our capacity utilization has not been as per our planning. So April 2018 looks difficult but over the next six months, we will be firming up exact plans and then we will announce it. We just want to see the uptake happens properly from the phase three and the production happening smoothly and then we will firm up the plans.
- Shashank Kanodia:** And sir out of entire CAPEX of 159 crores, how much do we intend to spend for phase one and how much for phase two?
- Akshant Goenka:** Phase one is around 100 crores.
- Shashank Kanodia:** And how much had we spent till date on phase one?
- Akshant Goenka:** We spent 83 crores till 30th September.
- Shashank Kanodia:** 83 crores you have already spent. Secondly on the pricing front, can you make us understand how is the pricing as of now, is it stable in terms of half yearly basis if we see in the start of June September quarter or is it still in a declining mode?
- Akshant Goenka:** No and regards to pricing, we always have to see it in relation to margins, so I would say our contributions are in stable mode.
- Shashank Kanodia:** And in the past only Eastman Chemicals used to import to India and be competition to you but off late I think even Shikoku has been importing to India and selling it through, are you facing some increasing competition intensity?
- Akshant Goenka:** I think the competitive intensity in India is the same as it has been for last two years.
- Shashank Kanodia:** Any improvement in the domestic scenario because most of the tyre companies are reporting double digit volume growth, so are you witnessing good stable demand domestically as well?
- Akshant Goenka:** Yeah, we are witnessing good growth in domestic market as well.
- Shashank Kanodia:** And on the margin front, is it more lucrative for you to sell domestically or exports?
- Akshant Goenka:** It is almost the same because everything is priced the same worldwide if you calculated from the factory gate.
- Shashank Kanodia:** And lastly, so there is a huge volatility in your raw material cost as a percentage of sales at times it is as high as 30 odd percent, it drops down to 20%?
- Akshant Goenka:** Actually there is an Inventory point. I think you might be looking at Q1 and Q2 and then saying volatility but if you notice, in Q1 the Inventory went down a lot so you have to look at both together.
- Shashank Kanodia:** So even if I look at it together, 23 crores of raw material cost in Q1, 15 crores of raw material consumed right because of inventory, this may 23 on a base of some 75 crores of sales, 74, 30% whereas that in Q2 is as low as 21% but somehow other expenses have shot up to manage your cost, so feel to understand why this such high volatility?
- Anurag Jain:** I was just trying to look at this the power and fuel cost was 12% last quarter and it is still 12% this quarter and cost of material consumed was 26% last quarter and it is 21% now, but then if we look at the change in inventory and if adjust that, last quarter it was 200 lakhs and this



quarter it is 91 lakhs. Now if you adjust that with the cost of material, then the difference becomes nominal.

- Shashank Kanodia:** And this quarter 1.8 crores of other income, how much was it linked to FOREX gains and what was genuinely other income and cash surplus?
- Anurag Jain:** About 1 crores is FOREX gains.
- Moderator:** Thank you. Next question is from the line of Abhisar Jain from Centrum Broking. Please go ahead.
- Abhisar Jain:** Sir my question is related to the volumes, so could you sir give a ballpark indication of what kind of volume growth we could have seen in the first half for this year and whether it is more in the domestic market or is it like we have had some recovery in the export market which was low last year?
- Anurag Jain:** The growth has been both in the domestic and the export market and as you would know you have been attending our previous con-calls also, we do not discuss numbers, but I can tell you that there has been growth and it has been in both export as well as domestic market.
- Abhisar Jain:** But sir, is it safe to assume that the volume growth has been at least slightly more than whatever the realization fall that we have had in the first half from a year-on-year comparison basis?
- Anurag Jain:** It would be nearly same because the turnover as you can see is nearly same, 148 last year first half v/s 149 this year first half
- Abhisar Jain:** And sir you mentioned that further pressure on the realization is not there, so the input cost fall intensity so to say has kind of come to an end, are you just seeing an uptick also there?
- Anurag Jain:** Input cost is stable now. There has been minor uptake in sulfur prices and we do not know because again we are seeing the crude prices coming down a little but within a small band it is moving, it has been stable for the last some months.
- Abhisar Jain:** And sir, in terms of the staff cost actually if we see the numbers in both Q1 and Q2 on a year-on-year basis, there has been a 22% increase and on adjusted first half to first half also, that amount has increased so still I think the expansion related cost would not affect?
- Akshant Goenka:** See, there is a general annual increment as well as there was increase because of the three year settlement of the labor, so we have a three yearly settlement which also increased the retirement benefits provision during this current quarter, there is increase in basic salary that is also added and we have also provided for production incentives. Last year, the production incentive was provided for at the end of the year and this year it has been provided on a quarterly basis.
- Abhisar Jain:** And sir, for this retirement benefit provision, can you indicate the number, ballpark number which could have been there?
- Akshant Goenka:** No, I do not have that number ready with me but the thing is that once you have three-year settlement to increase the basic salary, the provisioning of retirement benefits go up.
- Abhisar Jain:** And sir for the full year ended, so we are right now at somewhere around 9-9.5 crores per quarter ended on employee cost, is that run rate is what we can kind of assume for 2017 and then if some guidance you can give on 2018 whether it will be more inflation-linked hike which you can build in for 2018 or it will be more in this range of mid-teens 15% to 20%?



Anurag Jain: No, it will be a little higher for the coming six months because once the new phase starts operating salaries, related to that will be charged to revenue expenses. So could be a little higher except for the fact that obviously retirement benefits have been already provided so but still a little higher. Going forward obviously for the first six months it would be higher than the normal increase because the current six months do not have the Phase-1 employee cost, so that employee cost will be there for the first six months.

Abhisar Jain: So, the H2 run rate for the employee can be taken as the base for the FY18, right?

Anurag Jain: I would say, Q4 run rate.

Abhisar Jain: And sir, just last question on this Phase-1 expansion which is ahead of schedule, so sir just to kind of reiterate that this will be largely targeted to the new customers and the new markets or are you going to tap even the domestic market more through this phase and if it all there is any pricing differential that we will have from these volumes versus what we do currently whether it will be?

Anurag Jain: See, this will be targeted to new geographies as well as new customers and pricing is not a tool that we are using to sell this.

Abhisar Jain: So we will not have anything of a negative surprise percent in terms of the realizations?

Anurag Jain: Yes, not because of additional capacity.

Moderator: Thank you. Next question is from the line of Kishore Kumar from Karvy Stock Broking. Please go ahead.

Kishore Kumar: My question is related to CAPEX only. So like how do you see CAPEX in 2017 in terms of percentage of sales?

Anurag Jain: You mean asset turnover ratio?

Kishore Kumar: Yeah.

Anurag Jain: It is around 1:1. For a new project, we take asset turnover of ratio of about 1:1.

Kishore Kumar: And second question is like how do you intend the finance the CAPEX in FY17 and FY18?

Akshant Goenka: See, the CAPEX for Phase-1 would be over during this year and what we have done is, it is about 100 crores and we had tied up about two third of that as term loans and one-third we are doing out of internal accruals

Moderator: Thank you. The next question is from the line of Bobby Jairam from Falcom Invest. Please go ahead.

Bobby Jairam: Just to clarify the Phase-1 capacity is that just with US or other geographies?

Anurag Jain: No, US is one of the major focus but obviously other geographies will also be there. We have mentioned China, US and obviously other places also but these are the major focuses.

Bobby Jairam: And now as we all know the raw material prices are pretty benign and your contracts that you have concluded must have been on these raw material prices, so if they show a significant jump could you pass them through, in other words are your contract long-term contracts or do they allow for frequent pass-through?

Anurag Jain: So there are all kind of contracts where the contractors quote quantities and the prices are adjusted on a specific period either quarterly, six monthly or annually and then there are some contracts which are based on formula they are based on **material** pass on either gain or loss. So in case of other contracts also if there is a significant increase or decrease in input costs, then those are discussed with the customers and then adjusted accordingly.



Bobby Jairam: So the RM volatility is not an issue for profitability?

Anurag Jain: We do not think so.

Bobby Jairam: Last question, the plant size is increasing from 23,000 to 28,500 right in the Phase-1, so how much your fixed cost benefit you get because this is a very scale and capital intensive business right?

Akshant Goenka: No, I did not get the 43,000, please repeat that part?

Bobby Jairam: No, not 43,000, 23,000 to 28,500.

Akshant Goenka: Yes, so you are asking about fixed cost. So what I would say is that without going into exact numbers on the overall corporate levels, the fixed cost increase will be minimal and at a plant level, also we will not see a doubling of fixed cost with both the new capacities coming in. So we should be saving in other expenses and salaries and wages.

Bobby Jairam: So which would mean your EBITDA margin should go up?

Akshant Goenka: This is a question always asked and my answer is always a very standard, we expect EBITDA margins to be in the late 20s going forward.

Bobby Jairam: The reason I am asking is because the Eastman clients would be a much bigger scale right, their fixed cost is spread over far more year, correct? Sir, what is the critical mass for these kind of clients actually?

Akshant Goenka: I think our company size is a pretty good size as well. It is an efficient size especially because this expansion is brownfield, so the more brownfield expansion you could do the better it is. But if you are saying whether we need to be more greenfield expansions to benefit more from fixed cost, I would not agree with that.

Bobby Jairam: No, I am not saying that, I am just saying is there a critical size for a plant?

Anurag Jain: Our size is a good size.

Moderator: Thank you. Next question is from the line of Rajesh Kothari from AlfAccurate Advisors. Please go ahead.

Rajesh Kothari: Sir, basically I have a few questions. One is in terms of your asset turnover ratio, you mentioned it is 1:1 that is what new CAPEX or on overall basis you are saying?

Akshat Goenka: This is a thumb rule that we have said in terms of new CAPEX but it is not a hard and fast rule, it is a thumb rule for new investment in this business.

Rajesh Kothari: But sir your existing asset turnover is also, I thought the new CAPEX probably can have the better asset turnover ratio?

Akshant Goenka: No, that is not true because the new CAPEX also has coal fired boiler included in it. So that is also quite a big cost and that contributes to savings in power and fuel but not to turnover.

Rajesh Kothari: So, second question is more strategic in nature that over next 3 to 5 years because if you see last 3-3.5 years what topline growth has been flattish and our net profit growth is also not that, 25% kind of compounded from 40 crores, last 2-3 years it is going to be 46 crores, so how do you see next 3 to 5 years if you want to grow faster than industry with say 15% kind of a revenue compounded growth and similar improvement in margins, what is your strategy because are you looking at any improvement in product mix, are you looking for any consolidation, is there any scope, is there is any scope for expansion into related segment, sub segments or ancillary segments if you can just throw your ideas on that?



- Akshant Goenka:** So what I would say is that we do not monitor revenue growth per se as a very important metric. What we concentrate on is bottom-line growth and we always target CAGR in double digits as far as bottom-line growth is concerned and that is what we are targeting over the next two years as well. With regards to any kind of consolidation in this industry, unfortunately it is not possible and we can't vertically integrate because one way it is tyre company, the other way it is refinery and in terms of horizontal integration also, it is difficult because most of the products are already commodities facing intense competition from China, so that is not the kind of area we would go into.
- Rajesh Kothari:** So, basically if one wants to grow say (+20%) in terms of the bottom-line growth because for that you need revenue growth of good double digit may be 10% to 15%, then you can have 20%-25% in a bottom-line growth because with a revenue growth of 5% to 7%, you may achieve double digit, early double digit kind of net profit growth but not beyond that, is that is right conclusion?
- Anurag Jain:** No, I will not comment on the correlation between revenue growth and bottom-line growth at all and we are not as stated target or commitments are nowhere close to growing bottom-line at over 20% and that is your question.
- Rajesh Kothari:** Let me put question in different format. If you want to grow profit at say 20% plus compounded, what should be the strategy?
- Anurag Jain:** See, our strategy currently is that we have put up a new project, we are selling that project for now and then the phase two is coming after this so that is the strategy for the next three years if that is what you are asking. So our growth will come from additional sales and margins from real expansions.
- Rajesh Kothari:** One last question, do you look at EBITDA per tonne that is the right way to look at your business?
- Akshat Goenka :** Yes, you could look at EBITDA per tonne.
- Rajesh Kothari:** What is the current EBITDA per tonne, roughly?
- Anurag Jain:** For that I would have to tell you the quantities.
- Rajesh Kothari:** What is the last year EBITDA per tonne?
- Anurag Jain:** So we are not giving out quantities, I am sorry.
- Rajesh Kothari:** Basically one of the most crucial factors which we all agree but you are not willing to share, then how we will ...?
- Anurag Jain:** See, you have to understand we are very open about many things, our competitors are not and unfortunately they are big conglomerates who do not need to mention anything at all for this part of their business and we need to maintain some kind of confidentiality in order to compete with them.
- Moderator:** Thank you. Next, we have a followup question from the line of Ayush Mittal from Mittal & Company. Please go ahead.
- Ayush Mittal:** Sir, any update about investment in Schrader Duncan, we have been talking about introducing new products etc.?
- Anurag Jain:** So, as far as Schrader Duncan is concerned, we successfully got the permission to close our loss making unit in the month of September and further to that, the matter is subjudiced as the workers are trying to approach the High Court. As far as other business is concerned, we



continue trying to increase the turnover to actually absorb the fixed costs that have spelled over into that business due to the closure of the other one and we are constantly working on that journey and we are trying to cut a lot of cost and make it profitable. So the results of the second quarter, I would not comment too much in detail about it but this financial year I do not see it becoming profitable, but we are hoping that in the next financial year it does become profitable with the business that we have left over there.

Ayush Mittal: But we have had plans of introducing new products or entering some new areas of business to utilize...

Anurag Jain: Yes, we are working on that. We are looking at entering rotary actuators, we have entered ISO cylinders, our traditional products are already there. So these things now need to all be really ramped up and executed.

Ayush Mittal: And in reference to Oriental Carbon, you mentioned about the next phase of the capacity that may see some delay like earlier you had said April 2018, I think. Any specific reason because for this capacity you are saying that it is already tied up and we should see the utilization, then why do you want to delay the next phase?

Akshant Goenka: See, because we just about started getting visibility on Phase-3 now and we are a little late to start phase 4 right now and get it in by April. We want to wait and watch the situation for the next 3 to 6 months and see how it is going on the Phase-3 front and as soon as we see things stabilizing, we will consider the CAPEX for Q4 and then whatever the execution timeframe is will be there. So to answer your questions in a different way when we had announced that we will have it after running by April 2018, we had planned to trigger the CAPEX around September of this year and mainly due to the slowdown that took place and the slow rampup of sales in the last one-one and a half year, we were not in that position to immediately ramp it up.

Ayush Mittal: But as you are saying that you have already tied up for this new capacity, does not that give you enough confidence to kick start the next phase?

Akshant Goenka: No, absolutely it does; however, with the Phase-3 kicking in and there are certain technological improvements that are done in it, so we just want to see how things go in operation in 2-3 months to make sure that the decisions, which we did take get confirmed and once we see everything is running, I think we can just go for a replica. We would rather wait for 3-4 months rather than taking jump, to be very honest we are just playing safe.

Ayush Mittal: Another question that we always have in our mind is as it is a very capital intensive business, any technological improvement or new technology that you see your steady that could have a material change in the business in may be next few years or something?

Anurag Jain: No, so I would say it is a continuous process, things keep changing, the market leader Eastman keeps raising the barrier high, we keep meeting them and this is the process which is go on.

Ayush Mittal: Perhaps what I meant was like the CAPEX like the fixed assets turnover today is 1:1, are there any technological improvements by which it can come down drastically or something like that the investment required to build up similar plant or technological improvement that you can do to improve the production significantly from the similar amount?

Anurag Jain: Incremental things can happen and keep happening, but I do not see any leapfrog event happening.



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Moderator: Thank you. Next, we have a follow-up question from the line of Jinal Fofalia from AlfAccurate Advisors. Please go ahead.

Jinal Fofalia: Sir, what is the current market share in India?

Akshat Goenka : Our market share in India would be roughly 50%-55%.

Jinal Fofalia: So 50%-55% and so who are other the players like if we have 50%-55% market share?

Anurag Jain: Primarily it is Eastman chemicals.

Moderator: Thank you. That was the last question. As there are no further questions, I will hand the conference back to the management for closing.

Akshant Goenka: Yeah, I would like to take this opportunity to thank everyone for joining on the call. I hope we have been able to address all your queries, for any further information kindly get in touch with me or our CFO or anyone from our Finance team here or Strategic Growth Advisors or Investor Relation Advisors. Thank you once again.

Moderator: Thank you. With this, we conclude the conference call. Thank you for joining us ladies and gentlemen, you may now disconnect your lines.