



“Transpek Industry Limited
Q3 FY2022 Earnings Conference Call”

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March 7, 2022



MANAGEMENT:

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Moderator: Ladies and gentlemen, good day and welcome to Transpek Industry Limited Q3 FY2022 Earnings Conference Call. We have with us today, Mr. Bimal Mehta, Managing Director and Mr. Avtar Singh, Joint Managing Director. 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 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. Bimal Mehta, Managing Director of Transpek Industry Limited. Thank you and over to you Sir.

Bimal Mehta: Thank you. Good evening everyone. On behalf of Transpek Industry Limited, I welcome everyone for joining us on our earnings call today. I am Bimal Mehta, Managing Director of Transpek Industry Limited. Along with me, I have Mr. Avtar Singh, Joint Managing Director, Mr. Alak Vyas, Company Secretary and Mr. Pratik Shah, Chief Financial Officer on the call. Our investor presentation post Q3FY22 results has been uploaded on the stock exchange, and we hope you had a chance to look into it. We will give you a quick overview of the recent developments of the company and post that, will open the floor for Q&A.

First of all, I would like to talk about Mr. Avtar Singh. We would like to introduce everyone on the call to Mr. Avtar Singh, who

has who has recently joined us as Joint Managing Director of the Company.

Avtar Singh: Hello Everyone.

Bimal Mehta: Mr. Avtar Singh has 4 decades of rich experience and expertise in Chemicals, pharmaceuticals, and Agrochemical Products. He developed several new products in Punjab Chemicals & Crop Protection Limited. His excellent knowledge of Chemistry and Chemical manufacturing processes can be a solid advantage in ensuring quality & efficiency to the strictest standards. We are sure that his technical expertise & rich experience will bring significant benefits to the Company's future endeavors. I request all the participants to welcome Mr. Avtar Singh. He will be attending this call for the first time.

Now coming to business performance, business performance has considerably improved over the last three quarters as end application markets regained their pace post covid situation. There has been a broad-based recovery in the global market and the overall spending has recouped to the pre-covid level. Our products are used in a wide range of industries like polymers, pharmaceuticals, agrochemicals, fragrances, paints & pigments, and other related applications. We are pleased to report healthy performance in terms of Sales & Profitability for 9MFY22. Total Revenue for the 9MFY22 stood at Rs. 481 crores as compared to Rs. 256 crores of 9MFY21. Profit after tax for the 9MFY22 stood at Rs 54.1 crores against Rs 12.4 crores of 9MFY21. If you really look at the numbers, we are getting back to the numbers that were there in the Financial Year 2020 and just before the last year and we are reaching that level on a consistent basis.

Now looking to what we are doing currently and what other activities we are planning to do. As you all know, we have a manufacturing facility in Ekalbara, Gujarat, near Vadodara, which is an advantageous location due to its export connectivity and qualified manpower availability. It is also a very large chemical industry hub. Our factory complex covers about 100 acres of land, with around 55% of that being a green belt. The entire production capacity, which includes captive consumption of some products, is estimated to be at 66,000 metric tonnes. We do have a scope for expansion at the existing location. Although, permission for any new expansion has been closely monitored by regulatory bodies and permission is not granted easily and even if it granted, it is granted on the basis of beliefs of the Regulatory Bodies. However, we have made an application for an increase in production quantity which is under process with the government authorities. The outcome depends on how the application has been assessed by those authorities looking to the existing situation. If permission is granted for increasing the capacity, it will be a mix of new products and some of the captively used materials so that we can reduce the outside dependence and bring more sustainability in long term. We will share more information on the same as and when approval is received. However, just to give you an idea, the additional permission we may receive should be anywhere between 450-800 MT/month depending on how the Govt. Authorities perceive the application.

On recent developments, We are working on a few areas to add new clients and/or products as we have already explained earlier in our previous calls as well as in presentations. We are looking at potential contract manufacturing opportunities with well-known organizations that will offer us long-term sustainability and for that we are in talks with both domestic and global MNCs.

As and when things crystallizes and when we are able to enter into some understanding with these customers, we will announce it appropriately. We have introduced four new products in the same chlorination chemistry that we do and some of them are going to give new customers and we also expect higher volumes from these products in the coming period. With our years of experience in these products, we can also move up the value chain by offering value added products to customers. We are also in discussions with our customers to determine how we can offer value - added products over a period of time. Some of these products which we have introduced would have low volumes initially but they are likely to increase in the coming period. These products are typically going into Agrochemicals and pharmaceuticals applications. We have also identified some products in the non-chlorination category which does not use chlorination as a process. These products are at different stages. Some of these are in the R&D stage, while some are awaiting customer approval for pilot/commercial production. We are looking at some pharma intermediates. Of course, we are very selective in terms of product selection and investing in it. In agrochemicals intermediates, the overall business environment is competitive, and we will have to select products where complexities are higher. If the complexities are higher, then definitely we can have better margins. Hence, we are evaluating our product selection in agrochemicals.

As you know, we are well equipped in terms of R&D setup, infrastructure and even the Human Resources and Technical Resources for R&D. We are happy to inform you that all products are manufactured at Transpek are developed in-house from the very beginning. We also get good support from recognized universities and scientists. Our current focus is to

retain existing market share, grow into the existing products and also diversify product baskets with an emphasis on environmental and safety measures.

Strategic Growth will be coming from a two-fold strategic approach. The First approach is to add products that are similar to current products in the chemistry profile but have varied applications including the current application. This would help in growing in the areas that are well known by the Company and also the Company has carried a solid reputation for globally. The Second approach is to examine and consider opportunities in the chemistry profile that is different from the current one and as I mentioned earlier we are already working on various products for that. The second approach is different from the current one but has a critical mass potential in terms of size & volume. Once we are able to capture this opportunity, when the customers are able to start buying, this can provide significant growth to the Company over the medium to long term. As you have noticed, we have seen some business revival in the last three quarters and currently, it is difficult to predict the global business environment due to ongoing geopolitical situation and of course there are uncertainties that we all are looking at but so far as the indications of our customers and business is concerned, we believe that the situation is gradually improving from hereon and we are well prepared to capitalize on future growth opportunities. Thank you. Now I would like to hand over the call to the moderator to open the floor for a question-and-answer session.

Moderator:

Thank you very much. We will now begin the question and answer session. Anyone who wishes to ask question may press “*” then “0” on your touchtone phone. If you wish to remove yourself from the question queue, you may press “*” then “2”.

The first question is from Niteen Dharmawat from Aurum Capital. Please go ahead.

Niteen Dharmawat: Thank you for the opportunity. Couple of questions. First Question is what are the dependencies for Raw Materials from Russia and China? Second Question is how the export market going on currently, you gave some idea in your initial talk but considering the geopolitical situation, wanted to understand about the export market. Third is What is the EBITA Margin and revenue target for this year and next year and how is the Capex going on?

Bimal Mehta: So, to answer your question relating to China and Russia situation, we do not have any business with Russia neither Raw Material nor Finished Goods. So far as China is concerned, we do business both ways. We buy Raw Material from China, and we supply products as well. It is not very large but we do business both ways. One or Two Raw Materials are only available from China. For Others, there are alternative suppliers in Europe. Second question regarding the export market situation, currently we are not seeing any impact due to the geopolitical problems that we are seeing. Right now we have not seen any change with what it was before this situation emerged. It is exactly the same as it is. Of course the challenge for not only us but for all the Industries is logistics. You know you have delays/difficulties in getting berth on the vessels. Those issues are also faced by us but we are able to manage with a very strong focus. Our logistics team is on top of the situation by working with customers and shipping Companies and are trying to ensure that we do not have any major negative impact. So far as EBITA and revenue is concerned, as you notice that we are already getting back to what we were doing in FY20 and what was before

the Covid situation emerge. We are looking at similar scenario where the EBITA margin can be anywhere between 18%-20% and revenues are expected to be very similar to what we saw in FY20.

Niteen Dharmawat: About Capex Sir anything going on with the Capex?

Bimal Mehta: Yes, currently there are no specific projects per se but routine capex is going on which largely is either of repairs/maintenance/improvement in process, safety measures but not significant capex that we do for projects. Once we crystallize new projects, naturally there will be capex associated with it and we will announce it separately.

Moderator: Thank you very much. The next question is from the line of Sunil Kothari from Unique PMS. Please go ahead.

Sunil Kothari: Thank you very much and hearty congratulations Bimalbhai and team for results and very well explaining the scenario in your opening remarks.

Bimal Mehta: Thank You.

Sunil Kothari: Sir my question is with 2-3 years of experience with this long term agreement, last 2-3 years covid related situation, some about China +1, Some about MNC's coming towards India, would you like to say few words on opportunity and with your experience on this long term agreement, do you see more volume possibilities or some new products from same customers. You already explained very strategically on this but specifically if you can say something on long term agreement experience?

Bimal Mehta: One thing I would like to mention is you know that many a times we are questioned, as you know since you are being there in various forums, that this concentration with customer or this concentration on product is a significant risk. While there is indeed a risk but it has given the Company a very strong stability in terms of business, in terms of revenue, in terms of profit, cash flow amount so definitely experience of this kind of long term agreement is very very advantageous for the Company. Now considering that whether we are going to get more revenue or more volumes from this agreement or such other agreement, you see this China+1 policy, definitely is there but it is not something you know as I have explained earlier that it can happen overnight. For e.g. Company A is manufacturing some product in China and suddenly within few months they will switch over to India, that's not going to be like that and ultimately business I would say business objectives or profit objectives finally drive the Company's decision. Many a times it is something that is being talked about a lot in terms of you know feel good kind of thing but actual action in fact if you have noticed that when China+1 thing came, many Companies actually announced new investments in China including chemical giants. For us, yes, we are definitely looking at such new contracts, such long term contracts. Not only as I have mentioned in my speech from global perspective but also from large Indian chemical company, some of them are already in the market looking for long term contract, so if the product profile, matches with our competence and capabilities, we will definitely consider that and we will move on that. There are definitely opportunities because of the regional or country diversification as objective of various customers globally, we will capture those opportunities as and when they arise.

Sunil Kothari: Sir secondly, I will welcome Mr. Avtar Singh, with so many years of technical capabilities and experience. He will be a strong hand in support to Bimalbhai and Transpek. Would you like Mr. Avtar Singh to share some of your thoughts on what areas would you like to see/improve in Transpek's strength? Where you see you would be helping to further increase the growth capabilities. Few words on this sir would be very helpful.

Avtar Singh: First of all, Thank you very much for your kind words. Transpek as Bimalbhai already explained that we are improving upon our existing portfolios and wherever required we are going to increase as soon as permissions are given to us and we are also going to look forward for long term contract with Multinational Companies as well as going into different type of chemistries apart from the Thionyl Chloride chemistry and we will be going into multi-step synthesis also where the margins are much better. So, looking at the present scenario, the opportunities looks good but with this risk factor is also there so we have to be very very selective on our take for the products as well as our customers.

Sunil Kothari: Sir my question is you being from outside, which area you would like to strengthen in terms of the internal capabilities of Transpek?

Avtar Singh: We are going to work more on the value added products as well as the addition of the intermediates for the Pharma as well as the Agrochemical section because if you see that we are right now going into Pharmaceuticals, it will take time because lot of other work is required to go into those areas like registrations, regulatory affairs and all that which is very time consuming process and for that the facilities also have to be updated according to the regulatory requirements. So, right now the focus

would be more on the value addition and the intermediates as well as contract manufacturing for the intermediates.

Bimal Mehta: Just to add, Mr. Avtar Singh has excellent experience and understanding of complex chemistry, complex products, multi-stage products, value added products, multi synthesis products, we can give any name. So basically, he will be able to drive this growth that we have been looking for quite some time in terms of this type of value addition.

Moderator: Thank you very much. The next question is from the line of Sreeram from Green Portfolio Management. Please go ahead.

Sreeram: Hello. Good afternoon. Sir, firstly, the other income has increased quite a bit reaching around Rs.10 Crores this time. What is the main component/reason behind this number?

Bimal Mehta: This is because we had the Interim Dividend coming in from Transpek-Silox Industry Private Limited which is of course renamed to Silox India Private Limited now recently. This is due to that almost about Rs.6.7 Crores dividend had been received.

Sreeram: Alright. Secondly, you know since we import majority of our raw materials from the outside, are we able to pass through the increase in price to the customers, even if we are able to pass on the increase, what is the time frame 3 months lag, 6 months lag, how are able to pass it on in terms of the long-term contract?

Bimal Mehta: Yes so far as long term contract is concerned, it is cost plus contract on a quarterly roll over basis so all raw material increase that happens are being passed on to the customers and so far as other products are concerned, we have been able to pass on the

raw material cost to a large extent but not in all cases because product pricing depends on three factors (i) if you have a cost plus contract then naturally you can pass it on (2) if you are in a semi monopoly or you know a situation where due to quality or due to some other factors, customers prefer you then you can fetch premium price and you can pass on entire raw material cost increase but there are quite a few customers and quite a few markets and products where it is competitive and you have to compete on a quarter to quarter basis so there you may pass it on, you may not be able to pass it on, you may be able to pass it on partly, so it's a mix and match of all this possibility, but as you know we have a significant volume coming in from the long term contract and that is cost plus so again large part of our raw material increase is passed on to the customer.

Sreeram: Madam, just very short two more questions if you can permit me, how much revenue is coming from long term contract in terms of percentage if you can give and from the top 2 customers, what is the concentration?

Bimal Mehta: One moment. About 40%-45% of the total revenue is coming from the long-term contract. And 2 major customers are DuPont and Momentive. We may not able to give specific numbers because of the confidentiality agreement with customer.

Sreeram: Ok. Sir on the Rs.120 Crores project that we have announced, I believe we are not going ahead.

Bimal Mehta: That is already on hold as we have been announcing every quarter. It is currently on hold.

Moderator: Thank you very much. The next question is from the line of Rahul Veera from Abakkus. Please go ahead.

Rahul Veera: Sir quick question, what would be the current capacity utilization?

Bimal Mehta: Current capacity utilization is about 82%-85%.

Rahul Veera: So is it fair to say that Rs.1200 – Rs.1300 Crores top line will be usually in terms of revenue if the capacity peaks out?

Bimal Mehta: No. No. Currently we are using about 82%-85% of our capacity so capacity that we have available is about 15% and as I mentioned that we are at similar levels as FY 20, so at peak capacity we can do about Rs.750-Rs.760 Crores revenue.

Rahul Veera: Ok. And Sir Mr. Avtar Singh is present here in the team, are we looking to get into any alternative chemistries except chlorination?

Bimal Mehta: Yes. As we mentioned that we are looking to the products which are not directly or indirectly connected with Chlorination. We are looking at other chemistries and we have been looking at it but with his joining the team, definitely, our initiative will get a big boost in terms of competence and in terms of the speed with which you know we get these products to market.

Rahul Veera: Ok. Thank you so much for the update.

Moderator: Thank you very much. The next question is from the line of Viraj Mehta from Equirus PMS. Please go ahead.

Viraj Mehta: Hi Sir. Sir, if we look at the presentation, there is a column in the revenue and in the split, which has gone up from Rs.5.00 Crores five quarters back to Rs.30.00 Crores for this quarter. Basically, Rs.5 Crores, Rs.15 Crores, Rs.17 Crores, Rs.18 Crores and Rs.30 Crores. What are the products in this others category?

Bimal Mehta: One moment I will just pull out the presentation. Which page are you talking about for the presentation.

Viraj Mehta: Just a second sir. Page 5.

Bimal Mehta: What else you wanted to know while we also check this?

Viraj Mehta: I wanted to check sir you shared about incremental capacity that we will raise about 450 -850 MT per month? How much does that mean in terms of revenue?

Bimal Mehta: That is dependent upon you know the product, the product mix of a product that we finalise but it can be anywhere between Rs.130-Rs.180 Crores.

Viraj Mehta: Yearly?

Bimal Mehta: Yearly.

Viraj Mehta: And Sir lastly, how much will be the lead time, let's say if you were to announce the Capex tomorrow, how much time will take lets say for you to get permission for green field capex, you see the demand, what is the lead time from announcement to actual production for it?

Bimal Mehta: Again it depends on the type of product that we are looking at but it can be anywhere between 9 months to 15 months.

Viraj Mehta: Only 9 months to 15 months? That sounds very low compared to other Companies that we follow.

Bimal Mehta: You see if you are talking about large scale green field project, yes, but when we are talking about capacity expansion, then you know you don't have to worry about land filling, basic infrastructure, many others things which a green field or a major project requires so supposing if we are adding just one plant, it can be anywhere between 9 months to 15 months. Sometimes, yes, there is a special equipment that has special requirements and there is a significant lead time on those equipment and those requirements, naturally, it can be more. Just to give you an idea, the last project that we did for this long-term contract, we did it in flat 8 months.

Viraj Mehta: But sir I was not asking about brown field expansion which is 450-800 MT per month, I was talking about if you do green field expansion, there how much time will it take? Like the ones you had announced, but cancelled later.

Bimal Mehta: That depends. That is something that is more academic discussion at this point of time so let's focus ourselves on to the current expansion and I have just got the presentation before me, you said at page 5, so what you were looking at on page 5?

Viraj Mehta: Sir, there is that others segment which has grown consistently to Rs.30 Crores a quarter. Now this quarter.

Bimal Mehta: You are talking about the application? Polymers? Pharma? Specialty? And others?

Bimal Mehta: Yes. So Sir polymers is 115, Pharma 23, Specialty 21 but this other segment has grown from 4 Crores five quarters back to 31 Crores this quarter. So 4 Crores, 15 Crores, 18 Crores, 19 Crores Q2 of 22 and Q3 22 is 30.4 Crores.

Bimal Mehta: What numbers you are looking at. We are not able to see those numbers.

Viraj Mehta: Sir, I will connect with your team offline.

Bimal Mehta: Ok. Ok. Thank You.

Moderator: Thank you. The next question is from the line of Faisal Hawa from H.G.Hawa & Co.. Please go ahead.

Faisal Hawa: At such a high post, why did we not look at you know a person who would be from a Company larger than us rather than a Company you know which is of our size and almost the same culture of Shroffs and the same larger family.

Bimal Mehta: Sorry I did not understand the first question. Can you please repeat?

Faisal Hawa: While having for such a high post in our Company, why did we not look at a person who would be from a larger Company than ours you know of a different culture rather than you know of the same extended family of the Shroffs and secondly you know with the recent rupee depreciation will benefit us or do we have to pass on the benefit to the large contracting client?

Bimal Mehta: So to answer your first question, I think you are of course speaking from your own point of view but we have a Board which is a strong mix of competence and understanding. They have probably combined experience of hundreds of years in Industry including people running giant companies like GACL, GSFC, GNFC are on our Board. We have pioneers in Chemical Industries who are on our Board and Mr. Ashwin Shroff who is one of the pioneers in Chemical Industry is Chairman of the Board. There is a lot of thought process and lot of wisdom that has gone into inducting Mr. Avtar Singh in our team and it is very very clearly and very very strongly believed and understood that he is going to be a great asset to the Company and I don't think that that kind of judgement should be made sitting outside of the Company being an investor or a shareholder and I do respect your view but your view is probably based on your own understanding of you know overall situation but I mean this is something that is question on the wisdom of the Board and which I believe anyone except the people who are inside are not capable or qualified to do.

Moderator: Thank you. The next question is from the line of Dixit Doshi from Whitestone Financial Advisors Pvt. Ltd. Please go ahead.

Dixit Doshi: Thank you for the opportunity. Just one question, in terms of whatever we sell in the polymer side, I think we have a big exposure to the aviation sector, so how do you see in current geopolitical situation, the demand from that side?

Bimal Mehta: So let me just tell you yes aviation sector is definitely one major application sector for our customers but based on the experience during Covid situation and as I had probably mentioned earlier in

previous call or probably during AGM, our customers have already gone into adding you know number of applications beyond their traditional application of defense, aviation and automotive. So right now we are not seeing or we not expecting anything significant impact/negative impact or positive impact due to this current geopolitical situation. For us so far we are able to see in foreseeable time that the business is usual.

Dixit Doshi: Thank you. Sir just for clarification, how much would be the aviation contribution? Is it mainly for new airlines sold or is it for repairs and maintenance?

Bimal Mehta: You see that it is our Customer's products application so we do not have any percentage or any specific understanding on what this is. I can definitely answer your second question, which is more technical and we have sufficient understanding on it. So it goes into actually manufacturing of aircraft so some of the components or some part of the body are manufactured from this polymers.

Moderator: Thank you. The next question is from the line of Rahul Jain from Credence Wealth. Please go ahead.

Rahul Jain: Thank you for the opportunity and congratulations to the Board and Bimalbhai. Good to see senior person, very well experienced Mr. Avtar Singh being there at a Senior Role along with you. My first question is in last 2 concalls and presentations, we have been talking about 3 new products being introduced and in this presentation and in your initial remarks also today you have mentioned about 4 new products and also with regards to the size of these products, in your previous call you had mentioned that each of these products could be 10-20 Crores roughly. So at what

stage we are in these products as far as we speak today in terms of the contribution compared to 3 now in the previous year and 1 more in 6 to 8 months?

Bimal Mehta: So basically as I had mentioned 3 products and now we have 1 more so we have total 4 products and 4 products in last one year as you said we have introduced in last one year I mean earlier we were working on it. SO the total revenue if you consider this Financial Year then we have so far total revenue is of about Rs.21 Crores so far from all these new products.

Rahul Jain: And you continue to maintain that these 4 products, each of them would be around 10-20 crores?

Bimal Mehta: Yes. They can reach to those levels.

Rahul Jain: And this 450-800 MT additional capacity is completely different from these 4 products? Is that understanding correct?

Bimal Mehta: See it is not something that is as simple. Actually 450-800 so some of them are existing product and some of them are new products. It a mix and match of existing products and new products including non-chlorination products.

Rahul Jain: Ok. I wanted to understand earlier we used to say our peak top line can be around Rs.750 Crores and these 3 or 4 new products which could give another 50-70 Crores and then you mentioned about 140-180 crores.

Bimal Mehta: Sorry I would like to just interrupt you here. When I said these 4 new products can give us 10-20 Crores per product which was included in 750 Crores because right now we are not doing 750 Crores as you know so that will be done in the existing capacity

and existing facility so that is not incremental. Incremental is going to come from this new permission, if we get it.

Moderator: Thank you. The next question is from the line of Ajay Surya from Niveshay. Please go ahead.

Ajay Surya: Sir I wanted to know what is the capacity utilization for the current quarter?

Bimal Mehta: Current quarter capacity utilization is about 87%.

Ajay Surya: And what are your targets for the next quarter i.e. current quarter?

Bimal Mehta: You are talking about Q4?.

Ajay Surya: Yes.

Bimal Mehta: Almost similar.

Ajay Surya: Ok that's it from my side.

Bimal Mehta: Thank You.

Moderator: Thank you. The next question is from the line of Ankit from Bamboo Capital. Please go ahead.

Ankit: My questions have been answered. Thank You.

Moderator: Thank you. The next question is from the line of Sunil Kothari from Unique PMS. Please go ahead.

Sunil Kothari: Just one thought process and question Bimalbhai is this is very hypothetical. Sudden demand and sudden contract possibility happens, are we prepared to put a green field facility with high capacity. Are we really internally prepared that is what just I wanted to know.

Bimal Mehta: So Sunilbhai, basically as investor you are looking for growth, we are also looking for growth in whatever form it comes. So we would be absolutely considering all possibilities whether it is green field, whether it is brown field, whether it is contract manufacturing, whether it is taking some facility on lease. All possibilities we will consider as and when you know

opportunities arise because you cannot ignore growth, you have to keep on growing and we are focused on growth. Only things is that we take growth in a very focused and you know very serious manner so sometimes you may not see the aggression that you are expecting but we are internally we are as aggressive as anybody else and we are working on this opportunities and once something comes up, we will consider and explore all options.

Sunil Kothari: Thank you Bimalbhai. Thanks a lot. Wish you good luck.

Bimal Mehta: Thank You.

Moderator: Thank you very much. I now hand the conference over to Mr. Bimal Mehta for closing comments.

Bimal Mehta: Thank you for taking the time to join us on this call. We are concentrating on strengthening our product mix, mitigating risk, and acquiring new customers. We are well prepared to capitalize on the opportunities that are emerging for qualified players like us. If there are any additional developments, we will provide more information on the matter through stock exchange intimation. With this, I conclude the call. If you have any further queries, please contact SGA, our Investor relations advisor. Thank you everyone for joining us today on this earnings call.

Moderator: Thank you very much. On behalf of Transpek Industry Limited that concludes this conference. Thank you for joining us, you may now disconnect your lines. Thank you.