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November 03, 2020

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

Dear Sir/Madam,

Sub: Transcript of the Q2 FY2021 Earnings Conference Call held on October 26, 2020

Ref.: Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Pursuant to the Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and with reference to our intimation dated October 20, 2020, regarding conference call with Analyst/Investor held on Monday, October 26, 2020, we would like to inform that the transcript of the aforesaid conference call is available on the website of the Company at www.rossari.com/about/announcements.

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

Thanking you,

Yours Sincerely,
For Rossari Biotech Limited

ROSSARI BIOTECH LIMITED MUMBAI

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

Rossari Biotech Limited

Q2 & H1 FY21 Earnings Conference Call Transcript
October 26, 2020

Moderator: Ladies and gentlemen, good day and welcome to the Rossari Biotech Limited earnings conference call. As a reminder, all participants' 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 would now like to hand the conference over to Mr. Anoop Poojari from CDR India. Thank you and over to you, sir.

Anoop Poojari: Thank you. Good evening everyone and thank you for joining us on Rossari Biotech Limited's Q2 & H1 FY21 earnings conference call.

We have with us Mr. Edward Menezes - Promoter & Executive Chairman; Mr. Sunil Chari - Promoter & Managing Director and Ms. Manasi Nisal - Chief Financial Officer of the Company.

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

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

I would now like to invite Edward Ji to make his opening remarks.

Edward Menezes: Good evening everyone and thank you for joining us on our Q2 & H1 FY21 earnings call to discuss the operating and financial performance for the quarter.

I trust that you and your families are safe and maintaining all precautions against the spread of COVID-19. I hope you all had the opportunity to go through our results presentation, which provides the details of our operational and financial performance for the second quarter and half year ended 30th September 2020.

To begin with, I am pleased to share that we have delivered a robust performance during the quarter driven by improved demand and traction across our businesses. Our HPPC business continued to record healthy growth as we were one of the early movers to tap upon the growing national demand for hygiene products and anti-viral portfolio sales, back in March. This was made possible by our fungible and agile manufacturing facilities that enabled us to swiftly address large volume requirements for these product categories. The demand momentum for this segment continued in the second quarter as well, which in turn enabled us to record strong improvement in HPPC sales. In addition, as the country moved to the

unlock-down phase towards the end of May, we also saw an encouraging pick-up in demand for our TSC and AHN businesses.

With the help of our fungible manufacturing capacities, we were able to again even out manufacturing processes to cater to this uptick in consumption. So, on the whole all three businesses reported improved performance during the second quarter and we are further encouraged that our revenue growth momentum is now at pre-COVID levels.

As one of the key highlights for the quarter, I am happy to share with you all that our new state-of-the-art certified R&D laboratory, Rossari's Center of Excellence, is now fully operational. The lab is strategically located on the IIT campus in Mumbai and is one of the key corner strengths of our business model.

This facility alongside our existing R&D arm at Silvassa will enable us to keep pace with the upcoming opportunities in the market and will help develop and seed new offerings in our product portfolio. During the quarter we had also further broadened our product offerings within the high growth categories of hygiene, laundry and fabric-care segments. These innovative and niche offerings are seeing great acceptance amongst existing and new customers.

On the whole, we are seeing increased demand across our businesses and we are confident that the momentum will continue to grow in the months ahead. Several micro and macro level economic indicators are pointing towards a medium to long-term broad-based recovery. The upcoming festive season should also lead to enhanced consumer sentiments. On the whole we are confident of our future growth potential and opportunities across the domestic market over the medium to longer term.

With a healthy balance sheet and adequate manufacturing capacity, we believe we are well poised to capitalize on the market opportunities and deliver a sustainable and healthy growth trajectory going forward.

With this, I would like to conclude my address and I now handover to Mr. Sunil Chari for his comments.

Sunil Chari: Thank you, Edward Ji. Good evening and warm Namaste to everyone. Following an unprecedented last quarter the operating environment during this quarter was relatively steadier. Demand in sales especially for our TSC and AHN businesses marked a significant rebound on a sequential basis. Our HPPC business, as Edward Ji indicated, continued to record a healthy performance during the quarter.

Overall, we saw improved traction in volume offtake and reported growth in-line with what we were witnessing for our TSC and AHN products prior to the lockdown. The quarter also witnessed sustained traction in client engagements especially from the FMCG and Textile businesses. From an operational standpoint as discussed in the previous call we have successfully commissioned the first phase of our Greenfield manufacturing facility at Dahej in Gujarat. Full operationalization of the facility is also progressing as per schedule and we remain on track to commission the plant by March 2021. The facility will have installed capacity of 132,500 MTPA and will help deliver a strong impetus to our overall volumes and production levels going ahead. Our manufacturing facility at Silvassa is also now operating at near normal pre-COVID utilization levels. In sync with improving demand across businesses, we have steadily increased production levels at this facility.

On the organizational front, we continue to add talent to the senior management team and key roles to strengthen the foundation of our Company. I am happy to share that the Board has appointed Mr. Manikantan Viswanathan as the Group CFO of the Company. He has assumed the position with effect from today October 26th. Mr. Viswanathan brings with him over 30 years of proven track record at various managerial and leadership roles in large and renowned publicly listed companies including Galaxy Surfactants, Godrej Group, Reliance Industries and Reliance Communications with his last position as Director and CFO.

In this newly appointed role, he will be driving finance and strategic initiatives of the Company. We are confident that he will add tremendous value to our Company and I welcome him to the Rossari family.

To conclude, we have delivered a steady and encouraging performance during the first half of the fiscal. Our customer engagements continue to be solid and we are steadily building our presence in the domestic market. Accordingly we are constantly seeding new innovative and high potential product offerings across HPPC, TSC and AHN businesses. All these three businesses are strong growth drivers for us and the outlook for each business remains strong in the medium to long term.

On that I would now request our CFO, Ms. Manasi Nisal to share perspectives on the financial performance of the quarter.

Manasi Nisal: Thank you, Chari sir. Good evening everyone. Let me provide you a brief overview of the financial performance for the quarter.

During the quarter, we have delivered healthy performance driven by improved demand and traction across businesses in the key end user industries of HPPC, TSC and AHN leading to a healthy performance in Q2 FY2021.

On a consolidated basis, revenue came in at Rs. 171.7 crore as against Rs. 150.3 crore in Q2 FY20. Revenues from HPPC stood at Rs. 87.7 crore contributing to 51.1% of revenues, followed by TSC business at Rs. 68.3 crore contributing to 39.8% and AHN at Rs. 15.6 crore contributing to 9.1% to total revenues.

On the profitability front, EBITDA stood at Rs. 30.1 crore as against Rs. 28.3 crore in Q2 FY20. As we had earlier anticipated, gross and EBITDA margins normalized in Q2 FY21 as compared to Q1 FY21 and stood healthy at 37.1% and 17.5% respectively. Depreciation was higher at Rs. 5.6 crore owing to part capitalization of Dahej facility.

As the Company further capitalizes this Greenfield unit, the depreciation charge should increase in the coming quarters. Additional charges will be absorbed efficiently as the new facility starts contributing to performance going forward. Interest cost during the quarter stood at Rs. 0.7 crore. PAT during the quarter stood at Rs. 20.7 crore as against Rs. 17.7 crore in Q2 FY20.

I would like to highlight here that Q2 FY21 PAT figure includes a gain of Rs. 2.3 crore on account of fair valuation of previously held equity interest in a joint venture in accordance with applicable accounting standard. Excluding this figure, the normalized PAT stood at Rs. 18.4 crore in Q2 FY21. From a balance sheet perspective our net cash position was Rs. 102.3 crore as on September 30, 2020. The Company utilized the IPO process towards funding its working capital requirements, prepayment of loans and general corporate purposes.

On the working capital front, our inventory days increased primarily on account of commencement of Dahej facility. We expect this to normalize going forward. Cash flows from operating activities during the half year ended 30th September stood at Rs. 20.9 crore. On the whole the Company's financial performance is very strong. Over the long term we will pursue all our defined strategic initiatives while always maintaining financial discipline.

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

Moderator: Thank you very much. Ladies and gentlemen, we will now begin the question-answer session.

We take the first question from the line of Rohit Nagraj from Sunidhi Securities. Please go ahead.

Rohit Nagraj: On the TSC segment, we have seen a marked improvement on a sequential basis as well as on a YoY basis we have remained almost flattish. So what is the current trend that you are experiencing whether the demand has been normalized in the segment and in Q3, do you expect further improvement?

Sunil Chari : The supplies to the distributor and the customer were depleted in the textile industry, and we saw healthy demand in the last quarter. Exports looks very robust, exporters especially like terry towel, denim, bed sheet and garments are doing very well. All our top customers have full orders till December. In the online retail, the business is very good, this is what we hear from our customers. As we start the business if we supply a chemical to a fabric processor, by the time it comes to the shelf it takes one-and-a-half to two months. So it means you know the lead time for our FG to reach the shops is one-and-a-half to two months. So our customers in the textile industry are bullish on the prospects in the coming months, but we expect this good trend to continue.

Rohit Nagraj: Yes, so on a YoY basis the other operating expenses have come off by about 8% and given that our topline has actually increased. So is there any element of permanent cost reduction due to say Covid reasons that we are experiencing and that particular cost reduction will go on henceforth?

Manasi Nisal: Yes, actually the expenses have gone down because of the pandemic. The administrative, travelling and office expenses have gone down. Hence there is reduction on y-o-y level. In H1FY20, we had lot of seminars, conferences so those expenses were also there which are not there in the current H1. That is why there is a reduction in the expenses.

Rohit Nagraj: So is any part of this expenditure permanent in nature and will continue in subsequent quarters as well or will it come back in a normal situation?

Manasi Nisal: When the situation starts getting normalized then these expenses will also get normalized.

Rohit Nagraj: On a sequential basis there has been a sharp improvement in AHN business. So will this particular growth momentum continue for the rest of the year?

Sunil Chari : For AHN, the market has been very robust in Q2 FY21. Our customers in the poultry sector got the highest realization for eggs and chicken, and so our

collection is robust and our sales are robust and we see good trend in this sector in the times to come.

Moderator: Thank you. The next question is from the line of Sanjesh Jain from ICICI Securities. Please go ahead.

Sanjesh Jain: Couple of questions from my side. First on the TSC, for the quarter as a whole, it is almost flattish, a small decline. But if I compare September to September, so exact run rate where we are and do you expect that run rate to continue? That is one. On the other side if you look at the offline retailers, they have not shown the kind of buoyancy, so are we gaining market share, is that is the case on the TSC?

Sunil Chari : Sanjesh Ji, in H1 FY20, we were at Rs. 125 crore approximately and in H1 FY21, we are at Rs. 85 crore. In Q2 FY20, we were at Rs. 70.9 crore and in Q2 FY21, we are at Rs. 68.3 crore. The customers we have is mostly exporters and this includes Welspun, Trident, Shahi, Arvind and all these have good export orders. The processors in cities like Surat, in cities like Ludhiana, in Tiruppur, again Tiruppur is also doing lot of garment exports. The order position is very, very good. So the last quarter we saw very robust demand and this looks like normalizing of the textile business for us.

Sanjesh Jain: We are telling that the export buoyancy is helping us more than the domestic retail sale?

Sunil Chari : And Sanjesh Ji, as I said earlier, the pipeline for us is nearly two months. So when we supply the chemical to a processor from that a cloth will be made. From the cloth, garment will be produced, then it will go to wholesaler, and then from wholesaler, it will go to retailer. So there is a time lag of one or two months. Now the pipeline is totally empty, and because the pipeline is empty now it is being filled at both our distributors end and the customers end.

Sanjesh Jain: So we are telling that in textile chemical performance of this quarter, we also have some benefit of channel inventory filling?

Sunil Chari : Yes and the festival season is also round the corner.

Sanjesh Jain: No, that was in base also, right?

Sunil Chari: Right.

Sanjesh Jain: So that is helpful. But do you think that your market share has also gone up?

Sunil Chari: Yes, I think doing an IPO helped us to gain more visibility in the customers and more confidence at the customer level and I think we have got higher market share.

Sanjesh Jain: Few questions on the HPPC category. The continuation of solid growth and I think we were run out of the capacity at Silvassa. So, the new facility which we started in July has also started to contribute in the HPPC category revenue this quarter?

Edward Menezes: At the Dahej facility, only some parts of the production have been shifted over there and therefore there is no big change in the production at Silvassa. The Silvassa remains normal but there is de-clogging happening now and slowly I think that de-clogging will happen better in the coming months once the facility at Dahej is completely up and running. At the present moment, we are doing about 2,000 tons plus at Dahej per month and I think that will then grow. Like we said that 25,000

tons to 30,000 tons we will do this year and that is what we are targeting by March '21.

Sanjesh Jain: So we are on course for that, right?

Edward Menezes: Yes, we are on course to actually commission the facility by March 2021.

Sanjesh Jain: And the first phase we have started, the operation have been smooth and the production has been there, right? And 2,000 metric tons is from the new facility, right?

Edward Menezes: Yes, correct.

Moderator: Thank you. The next question is from the line of Jason Soans from Monarch Networth Capital. Please go ahead.

Jason Soans: I have a very simple question actually. You have your three cylinders which is the HPPC segment, TSC segment and the AHN segment, all of them have done pretty well and I think it is adequately captured in the stock price as well. So just wanted to know from a future perspective, I mean COVID hygiene products, disinfectants, antiviral, etc., is well discounted in the price and in growth for the near term and the medium term as well. So just wanted to know from the future perspective, what more products we can see from Rossari in the future, which can fuel future growth?

Edward Menezes: Since the facility is now going to be commissioned at Dahej by March '21, in the HPPC segment other than hygiene products, laundry products and sanitization products, we have other segments that we were catering to like the paint industry, like the paper industry, like the water treatment chemicals etc. So since this capacity will come up, then we will push sales aggressively for these products in these segments. And that is what will come up new at Dahej and will take us towards the growth trajectory in the coming years.

Jason Soans: Okay you said the paint sector and the water chemicals as well?

Edward Menezes: Paint, paper, water treatment, these are the three segments that we will target initially and then there are other segments in the HPPC which we call as performance chemicals. In the performance chemical segment, we have a number of industries that we have lined up. Out of that, these three industries we will go aggressively in the first year and then as the business picks up, we have already seeded other industries like the ceramic and tile, the cement industry etc. The coatings and ink industry have also been seeded, but that will come one after the other.

Moderator: Thank you. The next question is from the line of Swarnabh Mukherjee from Edelweiss. Please go ahead.

Swarnabh Mukherjee: So I have two, three questions. The first one is on the product mix. So basically because of the higher sales of TSC and AHN, the product mix has now changed more towards them. So I just wanted to know your thoughts on how do you see this product mix panning out over the next couple of quarters and for the full year, because this also kind of helps us understand how the margins would be like you had guided during earlier meetings about the gross margin profiles of each of this business.

The second one is if you could share any update that you might have on the Personal Care subsidiary, what is the status on that, how are things progressing?

And the third one is you had also mentioned during the IPO time that you had plans to move into dairies and breweries segments as well as also certain products for the construction sector, water treatment chemicals I think which has also been seeded. So any updates on that on how those are panning out and how that might eventually have a bearing on the product mix, going forward?

Sunil Chari: The HPPC division has the biggest market potential for our products. So we feel the HPPC always would be the leading business in our bouquet of offerings. We feel in the current year also HPPC will contribute more than half of our business. The TSC and AHN have done well in this quarter and they will continue to do well because of our strong product offerings and we have good acceptance in the market for this products. These are our core businesses.

And regarding the personal care, we have added very, very good customers in this quarter also and the businesses keep growing well and we also have added WalMart as a customer, where we have launched the handwash. So we have a good set of customers which is growing very well and Purplle, Niine, Faces Canada, and Firstcry, these are our good customers other than Godrej, etc., which we mentioned in the past.

In terms of the new businesses because of lockdown we have not focused too much in the new businesses and the Dahej facility will take time to be at 100% full capacity. But you know our focus continues to be for seeding into water treatment chemicals, for products into paint, ceramic, paper these are areas, which will grow fast.

Swarnabh Mukherjee: So one last follow up from my side. I think in last quarter you had mentioned that there was a good contribution from the sanitizer segment during the initial days of the pandemic. So just wanted to know I mean do you expect that the sales to normalize and any kind of quantification that might have on the HPPC segment, if the sanitizer sales normalizes?

Sunil Chari : In the first quarter, we had fantastic sales of sanitizer and disinfectant. Now it is tapering down. So as you see in your societies and offices, the usage of sanitizer is going down and this we had predicted in the first quarter itself. But the other products in the HPPC segment have continued to grow very well and this shows that even quarter-on-quarter, our HPPC business has grown. If you see in Q2 FY20, we were at Rs. 66.7 crore and we are now at Rs. 87.7 crore in Q2FY21. So we have substantial amount of growth 31% growth year-on-year.

Swarnabh Mukherjee: What I wanted to also understand was that with the current capacity, with Phase-1 of Dahej, do we have further growth room for our HPPC or would we have to wait for the full Dahej capacity to come up for clocking similar levels of growth?

Sunil Chari : The HPPC business was also contributed from the Silvassa side, so we have definitely headroom for growth to cater to higher demand.

Moderator: Thank you. The next question is from the line of Siddharth Mohta from Principal India. Please go ahead.

Siddharth Mohta: Sir, my first question is on capacity expansion at Silvassa. Sir, we were planning to add another 20,000 MTPA to that unit. So that additional capacity, it has come?

Sunil Chari : Yes Siddharth Ji, it has come.

Siddharth Mohta: It has come in the month of September-October?

Sunil Chari: It came in Q1 FY21.

Siddharth Mohta: Okay first quarter it has come and the capacity was 20,000 MTPA?

Sunil Chair: Yes sir, 20,000 MTPA capacity has come up.

Siddharth Mohta: Okay and sir second in case of Dahej, you have clearly mentioned that the Phase-1 capacity has come. So if you can just quantify what that capacity is and the next capacity which is Phase-2, when it is going to come and eventually when we are going to see 132,000 MTPA capacity at Dahej? So if you can just help the phase wise and the quarter or the month wise whatever is comfortable?

Edward Menezes: As I already mentioned, the capacity that we have built is 2,000 plus tons per month approximately 25,000 MTPA is what we are targeting and the next phase will be complete capacity that is by March 2021 so we will be able to bring up the entire capacity at Dahej. That is the plan that we have in place.

Siddharth Mohta: In case of Dahej for FY21, we are targeting 25,000 to 30,000. So any similar plans that we might be having for FY22 and FY23, what type of visibility that we have?

Edward Menezes: So we had already said that we want to fill this capacity in three or four years, so that is the plan. So the businesses that we have seeded, we will go aggressively after those businesses and we are very confident that in the next three to four years we will be able to fill up that capacity.

Siddharth Mohta: Which is FY24-FY25 right for Dahej facility?

Edward Menezes: Yes.

Moderator: Thank you. The next question is from the line of Manoj Garg from White Oak Capital. Please go ahead.

Manoj Garg: On the personal care subsidiary, bringing Mr. Rupesh Agarwal on Board. So just I would like to understand your plan over time and if you can give us some highlights in terms of what kind of product portfolio we are looking into and with regards to plant capacity etc, if you can provide some color on that side?

Sunil Chari : The initial focus because of the pandemic was on cleaning and hygiene and health and hygiene has been a focus and driving area for us. The sanitizer and hand wash are the top products for the first half of this year. Going forward, we will venture into essential oils, serums and lot of other personal care products, body and hair care products as well, lot of other products which we plan to launch in the coming times.

Manoj Garg: Whether the new plant which we have put up in Dahej, will that capacity would be of use or we will have maybe a separate manufacturing line for this subsidiary?

Sunil Chair: The personal care facility will be at Silvassa for the purpose of formulation while ingredients will happen at Dahej. But at this moment, we are focusing on formulations first in the personal care area.

Manoj Garg: And we already have existing facility for formulation?

Sunil Chari: Yes, it is set up at Silvassa now.

Manoj Garg: We were working for some of the products on the detergent side or home and personal care side for a very large FMCG company. And last time when we spoke there was some products on the trial stage. Any progress on that account?

Sunil Chair: They are still on the R&D table and we hope to do it, because of COVID, labs are not working fully.

Edward Menezes: Because of the COVID situation, they are not encouraging us to meet each other. That is an issue whereas in some of these big FMCG companies, our products have been approved at the lab stage but the next stage is a semi bulk or as you call the bulk samples. The bulk sampling is not yet happening because these FMCG companies are very strict in meeting norms. So we are unable to meet any of these companies. So as soon as the complete un-lockdown happens, I think then we will start moving in this direction.

Moderator: Thank you. The next question is from the line of Naushad Chaudhary from Systematix Shares. Please go ahead.

Naushad Chaudhary: We were planning to buy the full stake in our Buzil JV. So what is the status now?

Edward Menezes: We have already purchased the 40% shares of Buzil in the last quarter. We have completed this transaction.

Naushad Chaudhary: I understand we have only around 10%, 12% of our contribution from exports. Just wanted to understand has this share gone up in last quarter and how is the exports business?

Sunil Chari: The second quarter of this year when compared to the second quarter of last year we have been nearly same in terms of exports. So export has picked up compared to the first quarter of last year, while it is nearly same as the second quarter of the last year.

Moderator: Thank you. The next question is from the line of Rohit Nagraj from Sunidhi Securities. Please go ahead.

Rohit Nagraj: In our press release you had mentioned about Buzil-Rossari that we have now made it to a 100% subsidiary. So what are your plans now and what was our rationale on this?

Edward Menezes: So what has happened that because of Corona in Europe, it has taken a big toll on their business basically. And Buzil internally they were reorganizing and trying to reorganize their business and focus and break it up into two different parts. One was manufacturing and the other was marketing. So we were very bullish in India for the cleaning and hygiene opportunity, and therefore we pounced on this opportunity to take over the shares of Buzil and because of the Corona, the German partners were more conservative than we were in India and because of this opportunity and the willingness of the German partner to exit, we thought that going alone would help us to accelerate our cleaning and hygiene business because the technology has already been transferred and we were getting the license for the next ten years, and once we get this license for the next ten years, I think Rossari on its own would be able to run faster than in a joint venture.

Rohit Nagraj: So how much have we paid for the 40% stake and in terms of licenses fees, will it be something like a percentage of revenues or how are the contours of the entire deal?

Manasi Nisal: Yes, total what we paid for 40% of Buzil Rossari share, is Rs. 4.59 crore.

Edward Menezes: And there is no license fee, no recurring license fee, it is just one time.

Rohit Nagraj; So the license is valid for ten years and after that we are free to use or will it get transferred?

Edward Menezes: No, there is no transfer. We are free to use it. After ten years, they are free to come into India if they want to. For the next 10 years, they are not allowed to come into India and the SAARC countries. So, we have the license for India as well as the SAARC countries.

Rohit Nagraj: Any new product launches that we did during this quarter and what is the upcoming pipeline for second half of the financial year?

Sunil Chari: Our R&D lab continues to work on different formulations and different variants for home, health and hygiene. So hand washes and body and healthcare products, hair care products, serums, essential oils, these are the product portfolios which we will focus for this quarter.

Rohit Nagraj: Okay and any product launches which are there in the pipeline for the next couple of quarters?

Sunil Chari: Yes, we have for the TSC businesses, we have the spin finishes which we have lined up and we also have sizing products which is lined up so these are good areas for us. Animal and nutrition, we have some more feed additives products and supplements, which we plan to launch in this quarter.

Rohit Nagraj: What is the net cash number at the end of September?

Manasi Nisal: Yes, end of September net cash was Rs. 102 crore.

Rohit Nagraj: Okay and this is including the payment of Buzil that we have made about Rs. 4.6 crore?

Manasi Nisal: Yes, it is after that.

Moderator: Thank you. The next question is from the line of Saurabh Ginodia from Stewart & Mackertich . Please ago ahead.

Saurabh Ginodia: What are our key raw materials and if you can help us understand a little bit on the pricing scenario on the raw material side?

Sunil Chari: Our key raw materials fall into different families like surfactants, acrylic, silicons and enzymes. These are four basic building blocks for our finished good products. The largest raw material which we use is acrylic acid and we have other products like acetic acid and surfactants, which we use in our formulations.

Saurabh Ginodia: Okay sir and some understanding on the pricing trend?

Sunil Chari : The pricing trend has been generally stable because there has been more over supply than demand because of the pandemic but it has been stable. There is no linkage of our major raw material with crude pricing.

Saurabh Ginodia; Okay and generally what percentage of our raw material requirement is imported?

Sunil Chari : Less than 10% of our sales is equivalent as in imports.

Saurabh Ginodia : Once the total capacity expansion happens as per the presentation you will be reaching about 252,000 metric tons, so on that capacity what kind of a turnover can we do?

Sunil Chari: Rs. 1,500 crore.

Moderator: Thank you. The next question is from the line of Jason Soans from Monarch Networth. Please go ahead.

Jason Soans: I can clearly see that HPPC has really grown over the last three years. Obviously you know the COVID factor has played its part. But the TSC and AHN has been more or less seen a little bit flat growth over 2018 to 2020. So just wanted to know I mean on those segments what is your outlook and any growth measures you would want to take on that?

Sunil Chari: This quarter has been very heartening for TSC and AHN businesses because we saw robust demand for all our products. Going forward, we see good traction in all the three businesses. Our guns are firing on all cylinders.

Jason Soans: In textiles, Tiruppur, Ludhiana, etc., are seeing good healthy export demand and that is auguring well for your TSC segment, am I right?

Sunil Chari: Yes.

Moderator: Thank you. I would now like to hand the conference back to the management for their closing comments.

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

Moderator: Thank you. On behalf of Rossari Biotech Limited, that concludes this conference. Thank you all for joining. You may now disconnect your lines.
