"Sharda Cropchem Limited Q2FY'23 Earnings Conference Call"

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MANAGEMENT:	**MR. R. V. BUBNA – CHAIRMAN & MANAGING DIRECTOR – SHARDA CROPCHEM LIMITED** **MR. ASHOK VASHISHT – CHIEF FINANCIAL OFFICER - SHARDA CROPCHEM LIMITED** **MR. DINESH NAHAR – GENERAL MANAGER FINANCE - SHARDA CROPCHEM LIMITED**
MODERATOR:	**MR. MANISH MAHAWAR – ANTIQUE STOCK BROKING**

Moderator: Ladies and gentlemen, good day, and welcome to Sharda Cropchem Q2 FY '23 Earnings Conference Call hosted by Antique Stockbroking. 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 Star then Zero on your touchtone phone. Please note that this conference is being recorded. Please note that this conference is being recorded. I now hand over to Mr. Manish Mahawar from Antique Stockbroking. Thank you, and over to you, sir.

Manish Mahawar: Thank you, Lizann. On behalf of Antique Stockbroking, I would like to welcome all the participants on the call of Sharda Cropchem. From the management, we have Mr. R.V. Bubna, Chairman and Managing Director; Mr. Ashok Vashisht, CFO; and Mr. Dinesh Nahar, GM Finance on the call. Without further ado, I would like to hand over the call to Mr. Bubna for opening remark. Post which, we will open the floor for Q&A. Thank you, and over to Mr. Bubna.

R.V. Bubna: Thank you, Mr. Manish. Good evening, and very warm welcome to everyone present here on the call. I hope all of you are keeping safe and healthy during these times. Along with me, I have Mr. Ashok Vashisht, our Chief Financial Officer; Mr. Dinesh Nahar, General Manager Finance; and SGA, our Investor Relations Advisors. Hope you have all received our investor deck by now. For those who have not, you can use them on stock exchanges and on the company website.

We are an agrochemical company with a good position in the generic crop protection industry. We are engaged in the process of marketing and distribution by procuring wide spectrum of formulations and generic active ingredients, fungicides, herbicides and insecticides across the globe.

Extending this rich experience, we have also entered into biocide segment to cater disinfectant market. Leveraging our experience and product registrations capabilities, we have carved out a niche for ourselves and built a robust core and identifying generic molecules, preparing dossiers, seeking registrations, marketing and distribution.

The company continues to identify opportunities in the generic molecules and corresponding formulations and generic active ingredients, repairing dossiers, seeking registrations in the relevant jurisdictions. Sharda Cropchem's total product registration stood at about 2,750 as of September 2022.

Additionally, about 1,120 applications for the product registrations globally are at different stages of approval. The Capex for H1 2023 stood at INR 230 crores. Every jurisdiction has different legal and procedural requirements for seeking registrations. With our rich experience, the company has successfully obtained the necessary regulatory approvals from these jurisdictions. The company is well equipped to respond to the potential issues, as well as the readiness to efficiently respond and comply with the regulatory requirements.

We maintain a healthy relationship with multiple manufacturers in the agrochemical industry, mainly in China and India. Sourcing from multiple manufacturers, helping the company in getting quality products at optimum price, and thereby de risking its sourcing capabilities. Over the years, we have built a strong brand franchise within our global markets.

We are benefiting through the economies of scale in our portfolio and leveraging value of our supply chain to deliver value to our customers across the globe. For Q2 2023, revenues grew by 12% to INR 722 crores and for H1 FY '23, the revenues grew by 22% to INR 1,546 crores. Growth was led by better product mix and price realizations.

Gross margins have been impacted by weakening of Euro against Dollar as well as INR, leading to increased input costs and impact of general inflation across the geographies. Major currency has depreciated against the USD in the last six months due to the ongoing war between Russia and Ukraine. Over 45% of H1 FY '23 sales from agrochemical business had been in the Europe, whereas majority of the company's raw material is imported from China, and payments are done in US dollars.

This has impacted the company's gross margins overall profitability temporarily as the Euro had considerably depreciated against the Dollar. We are now taking certain measures to reduce the adverse impact of forex. We have increased our sales focus on NAFTA region, we have begun sourcing in Euro currency, we are optimally hedging our currencies, and we are seeking price increase from customers to negate this forex impact.

We have accelerated focus on revenue-generating investments and are continuously looking to improve the operational efficiencies, which will help us improve margins. Our incessant efforts to explore newer markets and geographies while penetrating deeper into our existing ones is aligned to our endeavor of serving customers globally. We consistently strive to emerge higher on the global scale and our approach to think global act global has continued to navigate and challenge us.

Further, our asset-light business model enables us to expand the number of products across our entire spectrum of product offerings. Our emphasis on diversifying our product portfolio's widening global reach, building supply chain capabilities and strengthening our distribution network enables us to enhance our performance year after year. Moreover, through our expertise, disciplined approach, experience and commitment to create value for our shareholders, we are exploring better opportunities, emerging as a prominent global brand and enhancing our overall business performance persistently. With this brief overview, I would now like to hand over the call to our CFO, Mr. Ashok Vashisht, for discussing our financial performance. Thank you.

Ashok Vashisht: Thank you, sir. Good evening, everyone. Coming to Q2 FY '23 financial performance, revenue stood at INR 722 crores versus INR 643 crores in quarter 2 FY '22, registering a growth of 12% year-on-year. Revenue growth was led by better product mix and better price realization during the quarter. The company is focusing on value-based growth.

Gross margin for Q2 FY '23 stood at 27.3%, as against 28% in quarter 2 FY '22. So the margins are slightly lower than Q2 FY '22, but better than Q1 FY '23 where it was 25.4%.

EBITDA for Q2 has grown by 3% to INR 107 crores, whereas there is a marginal decline in percentage EBITDA at 14.8%. This was mainly due to lower gross margins driven by weakening of Euro against Dollar, as well as Indian rupees. Additionally, general inflation and strengthening of global workforce to support our future growth has also marginally impacted the EBITDA. PAT for the quarter, Q2 FY '23 stood at INR 12 crores against INR 32 crores in quarter 2 FY '22. PAT was impacted by higher forex losses to the tune of INR 38.7 crores in Q2 FY '23, mainly driven by weakening of Euro against Dollar and INR. If we exclude forex loss for the quarter, PAT has actually grown by 12% due to favorable product mix and better operational efficiencies.

Coming to the split, Agrochemical business, which grew by 14% year-on-year basis to INR 576 crores, whereas the Non Agro business grew by 4% year-on-year basis to INR 146 crores. In the Agrochemical space, Europe grew by 11%, NAFTA grew by 28%, and LATAM degrew by 10%, and Rest of the World grew by 18%. Europe continue to contribute higher in terms of contribution to the total Agro business at 41%, NAFTA, 40%, LATAM, 11% and Rest of the World, 8% of the Agrochemical business for Q2 FY '23. In Non Agrochemical space, Europe de-grew by 22%, NAFTA grew by 19%, LATAM grew by 26% and Rest of the World grew marginally by 1%. Europe contributes 22%, NAFTA 57%, LATAM 7% and Rest of the World, 14% of the Non Agro business for Q2 FY '23.

Now coming to half year performance for H1 FY '23. Revenue stood at INR 1,546 crores against INR 1,265 crore in H1 FY '22, registering a high double-digit growth of 22% on a year-on-year basis. Our revenue growth was led by better product mix and better price utilization. Gross margin for H1 FY '23 stood at 26.3% as against 28.6% in H1 FY '23. So since there was an increase in margins in Q2 over Q1 FY '23, so the gap for the six months is narrowed down in Q2.

EBITDA has grown by 4% to INR 218 crore, whereas there is a marginal decline in percentage EBITDA margin to 14.1%. This was essentially due to lower gross margin driven by a weakening of euro against dollar, as well as INR, general inflations and strengthening of our global force to support future growth. PAT stood at INR 35 crores in H1 FY '23 against INR 70 crores in H1 FY '22. PAT was impacted by forex losses to the tune of INR 81.9 crores in H1 FY '23. Excluding forex losses, PAT has actually grown by 62% due to better product mix and increased operational efficiencies.

Coming to the split, Agrochemical business grew by 15% year-on-year basis to INR 1,190 crores, whereas Non Agro business grew by 56% year-on-year basis to INR 356 crores.

In the Agrochemical space, Europe grew by 18%, NAFTA region grew by 19%, LATAM degrew by 6%, and Rest of the World grew by 18%. In terms of contribution, Europe contributes

46%, NAFTA 36%, LATAM 12%, and Rest of the World, RoW 6% of the Agrochemical business. In the Non-Agrochemical space, Europe grew by 39%, NAFTA grew by 82%, LATAM, 81%, and Rest of the World, 7%. In Non-Agro business in terms of contribution, Europe contributes 26%, NAFTA 56%, LATAM 6%, and RoW 12%.

Now coming to working capital efficiencies, as on 30th September '22, in terms of number of days it stood at 91 days. We are a net cash company. Our total debt as on 30th September '22 stood at INR 17 crore and our cash and cash equivalents as at 30 September '22 stood at about INR 280 crores. With this financial overview, we can now open the floor for questions. Thank you.

Moderator: Thank you. Ladies and gentlemen we will now begin with a question and answer session. Anyone wishing to ask a question may please press star and one on your touchtone telephone? If you wish to remove yourself on the question queue, you may press star and two. Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles. The first question is from the line of Sameer Deshpande from Fair Deal Investments

Sameer Deshpande: After looking at the Q2 results, the problem of euro depreciation continues because we have the INR 139 crores of loss in NAFTA written-off this year, quarter two, along with INR 42 crores I think in Q1. You have mentioned that you have taken certain measures like price increase, all that is regarding the sourcing in Europe, such as the dollars which we were doing earlier. So how far we have been successful in these two initiatives in the Q2? And how much percentage of our sourcing will happen going forward in euro?

R.V. Bubna: The task is not so easy. The seller is also very much there that euro is likely to strengthen once again, so he wants to also take a very cautious steps, and he's not giving us a fair exchange rate conversions. We are making efforts, but the task is equally difficult.

Sameer Deshpande: Actually, as the situation deteriorated after start of Q1 on 30th June, I think the euro was quite favorable. But after that in September, it is now some 0.98 or so. And the current provision which we have made of INR 39 crores loss, now we are receivables to the tune of around INR 1,000 crores and payables, credit payables are around INR 1,135 crores. So have you taken the full impact on the receivables and payables also at this point at the current euro rate?

R.V. Bubna: Yes.

Sameer Deshpande: So going forward, the scenario currently, is the $0.978 or something, euro to the dollar. If the situation goes down further, then only will we be taking problem. Have you done some hedging also?

R.V Bubna: See the options for hedging are also very limited, because everybody is in two minds. There are some opinions which say that euro is going to start strengthening from here, and the other opinions which will say that it all depends upon the Ukraine -- Russia war. So the views are not very clear. Wherever we see some light, we try to pursue that path, and we are always vigilant to hedge as and when we get some chances.

Sameer Deshpande: But have we been successful in taking some price increases also?

R.V Bubna: Yes. To some extent, yes.

Moderator: Reminder to the participants, anyone wishes to ask question may please press star and one. The next question is from the line of Sonal from Prescient Capital.

Sonal: Sure. Sir, my question is a follow-on to the gentleman who was in the queue before me. If I were to just take some numbers, roughly 50% of your sales is to the European region. And if I were to just quantify and assuming 50% of your raw material is being referred for Europe as we speak right now and in similar margins, what part of this has been converted from USD to euro? So I want to just understand. If you could just give a ballpark, just to understand how far are we?

R.V. Bubna: Sir, your question is not very clear. Can you speak a bit louder and slower?

Sonal: I'll speak closer. So I am saying, sir, roughly 50% of your sales is to the European region. Now I wanted to understand that the raw material, which is sourced for the European region, what part of that raw material is now getting procured in Europe?

R.V. Bubna: Very small part. It could be 5% to 7%.

Sonal: And sir, for the remaining year, basically. If you were to make sales to this particular region, are there any contractual changes you have done to sales, or this is not largely spot sales that you either can sell or you cannot sell? Just want to understand your obligation for the remaining year for the European region. Just to understand that, sir.

R.V. Bubna: See, as I've explained in our previous meetings also, we do not have a long-term contract with any customer or any supplier. The businesses are negotiated from purchase order to purchase order even in the sales season. So we are very flexible and nimble footed, as we don't have very long-term obligation either to our customers nor to our suppliers.

Sonal: Sosir, how easy or difficult is it for us to redirect the sales for the European region to the NAFTA region, given that there are different dynamics, different competition? Just want to understand that. If you could explain that a little more, that will help?

R.V. Bubna: Well, we have been successful last quarter and our efforts are going on. We are having a better access and deeper penetration into the NAFTA markets, and the customers are appreciating our products, quality and service. So we hope to make some progress in that direction.

Sonal: Sir, any broader guidance can you give for your sales and maybe the forex basically? Just tend to understand because I factor this in the gross margin basically. So can we assume that our gross margins will be squeezed by a similar amount? So for example, for Q2, if our -- so if I just take H1, sir our gross profit was roughly INR 400 crores and we lost roughly INR 80 crores in currency depreciation. So basically, we are losing roughly 5% on. So can we just assume that for the balance of the year, the gross margins would be in the range of 30%? or is it difficult for you to pinpoint?

R.V. Bubna: See, our gross margin should be in the range of 28% to 30%. Or I would say, 26% to 30%.

Moderator: The next question is from the line of Rajesh Jain from NB Investments.

Rajesh Jain: So congratulation on a good set of number under the challenging environment. Sir, I just want to ask you the basic information. The one is regarding the registration that we had. It is there -- in which companies will hold all these registrations?

R.V. Bubna: What was the last part of your question?

Rajesh Jain: In which company's name that we hold so many registrations that we have?

R.V. Bubna: Which countries or companies?

Rajesh Jain: I think we have a registration numbering up to I think some 2,600 or 2,800?

R.V. Bubna: Yes.

Rajesh Jain: They are in Sharda Cropchem name or is it in the subsidiaries' names?

R.V. Bubna It is in both. Wherever the authorities insist that they will give the registration to a local entity, we form a subsidiary and we obtained the registration in the subsidiaries' name. But the investment for the registrations is done from the principal company, mother company and the mother company is the beneficial owner. The subsidiary companies are, in majority of the cases, not even doing the transactions unless, again, the local rules prohibit that we have to do the transactions to the subsidiary companies. So ultimate beneficiary is always the mother company.

Rajesh Jain: So what I have understood is it is either in the name of Sharda Cropchem or wherever the particular country demands, then only in a subsidiary, in the company's subsidiary. Is the understanding correct?

R.V. Bubna: Yes, sir. And the capital investment is only from the mother company, but the root can be the subsidiary company. And the beneficial owner is also the mother company.

Rajesh Jain: Now we have so many subsidiaries. This is basically been created based on the demand or the requirement in each country. Is -- that is correct?

R.V. Bubna: Yes.

Rajesh Jain: Sir, my next question is, does promoters hold stake in any group companies which are in same line of business?

R.V. Bubna: No.

Rajesh Jain: In which field?

R.V. Bubna: It's only in Sharda Cropchem. Yes.

Moderator: The next question is from the line of Anuj Sharma from M3 Investments. Please go ahead.

Anuj Sharma: Sir, a few questions. One is, can you just give some highlights into the demand situation in Europe? Could you just give some thoughts or some outlook on the demand situation in Europe?

R.V. Bubna: Yes. The demand situation is normal. In fact, it has been better than the previous quarter last year.

Anuj Sharma: The second question is these currency would also have affected competitors and prices. So how is the pricing outlook on the cost dynamics of the competitor evolved?

R.V. Bubna: Sir, everybody is in the same boat. The competitors does not have any special thing, and not many of the multinationals are also slowly switching over to outsourcing from China because -- in order to save the cost of manufacturing, which is higher in their own countries.

Anuj Sharma: So do you see scenarios of price increase by competitors as well? Because many times, you have alluded to that you wait for the competitors or MNC to increase the pricing for you to make an attempt. So are you seeing that already happening?

R.V. Bubna: Yes, that is happening.

Anuj Sharma: And what is the quantum of price rise we could see?

R.V. Bubna: It is difficult to calculate in terms of percentage, but the price rise is happening. And part of the effect of the cross-currency exchange rates, we have been able to pass very slowly and silently to the customers.

Anuj Sharma: And sir, is there substantial manufacturing in Europe as well, because of the energy situation? Is the cost of manufacturing in Europe rising, and hence, our competitive advantage increasing?

R.V. Bubna: The cost of manufacturing is increasing in Europe because of the increase in the cost of energy, and this is also pushing the manufacturing to be more towards China and less in Europe.

Anuj Sharma: Roughly, sir, what percentage of manufacturing would be coming out of Europe today?

R.V. Bubna: What percentage of manufacturing coming out of Europe? You mean globally and overall? So the access to this kind of information, these are all very confidential and nobody reveals these things.

Anuj Sharma: My last question is this currency movement historically, if you go back, when was the last time we saw this currency movement that we are seeing now for Sharda?

R.V. Bubna: Again, please repeat the question. It's not clear to me.

Moderator: Sir, may we request that you return to the question queue. There are participants waiting for their turn. The next question is from the line of Rajesh Jain from NB Investments. Please go ahead.

Rajesh Jain: Sir, I had two questions. One is that most of the innovators companies, they have manufacturing base in either in Europe or US, or most of them have shifted to China?

R.V. Bubna: I won't say most of them have shifted, but some of them have shifted to China because the cost of energy is being very prohibitive in Europe. It is impacting everybody very adversely, particularly because of this Russia-Ukraine war.

Anuj Sharma: So otherwise, before this war, then all of them were manufacturing at Europe or US only?

R.V. Bubna: No, sir. Even at that time, they were sourcing some part of their products or business from China. This is gradually happening for the last 10, 15 years, that manufacturing China is increasing and the manufacturing in Europe and USA. is decreasing. It's a continuous process.

Anuj Sharma: With your experience in being in this field for such a long time, is it possible to know how much percent has been shifted?

R.V. Bubna: No, sir.

Anuj Sharma: Now why I'm asking this question is see, you are sourcing from China or so and giving at a lesser price. If the innovator companies were to shift the entire manufacturing requirements to China, then still, will you have any price difference?

R.V. Bubna: Sir, I think you have not understood the word shifting very practically. When we say shifting, that means that they are reducing their production. The facilities, factories still remain in Europe. They are reducing their production in Europe, and the sourcing from China is increasing.

Anuj Sharma: Correct. So once they start sourcing from --

R.V. Bubna: Not at full capacity in Europe, and they are slowly -- because they find a sourcing from China, much swifter, more convenient and cheaper.

Anuj Sharma: So since they now start getting their product manufactured at lower cost, so for Sharda, the price difference, whatever was there earlier, it will keep shrinking in future?

R.V. Bubna: We don't see it in the reality. In fact, our market share is increasing in the geographies. And of course, we are a very small player, so we don't see it's any adverse impact on Sharda's business.

Anuj Sharma: Sir, my second question is regarding this currency fluctuation. Whatever the bad experience we had for the last 2 quarters. In future, are we going to take any precaution in that regard?

R.V. Bubna: Sir, I think this question is being repeated. Even the previous gentleman had asked the same thing. We are making efforts on three or four fronts. First is to shift more efforts, more concentration in the NAFTA region where we are not impacted by the foreign exchange effect at all. Secondly, we are trying to convince our customers in Europe that it's becoming very expensive for us, and some of the customers are understanding, realizing. And I think they also don't have much of an option but to accept our request for increase in the prices.

Anuj Sharma: Okay.

R.V. Bubna: These are the two main factors.

Moderator: Thank you. The next question is from the line of Manish Mahawar from Antique Stockbroking.

Manish Mahawar: Bubna-ji, just needed some data points from you for the quarter. Can it possible to share the sales breakup in terms of volume, price and currency for the quarter?

R.V. Bubna: As far as the volume is concerned, there is a degrowth in the last quarter, degrowth to the extent of about 23%.

Manish Mahawar: 23%. And price, exchange price or product mix?

R.V. Bubna: Real price and product mix, there has been improvement to the extent of 34%.

Manish Mahawar: Okay. And currency, sir?

R.V. Bubna: 2%.

Manish Mahawar: 2%. And what was the number for our first half? Volume, price and exchange the same number for the first half. This is for second quarter, you have given.

R.V. Bubna: No, I have given. This is the difference you're asking for the H1 first half. Product and price mix impact is plus 36%.

Manish Mahawar: Yes.

R.V. Bubna: Our product and price mix impact is plus 36%. Volume is degrowth by 13%. ForEx is 0.5%.

Manish Mahawar: 0.5%. Okay. And sir, can it possible to share the regional volume breakup for Agrochemical business?

R.V. Bubna: Yes.

Manish Mahawar: No. Agrochemicals, sir. You used to give each and every quarter to basically Agrochemical's volume breakup in terms of the regional I'm talking about.

R.V. Bubna: Yes. Volume in Europe is 30,10,000 as against 34 million in the last year's quarter. NAFTA, it is 19 lakhs versus 23.5 lakhs in the previous year. LATAM, it is 6 lakhs versus 14 lakhs in the previous year. Rest of the World, it is 7.5 lakhs versus about 10 lakhs in the same quarter last year. Total, 63 lakhs versus 81 lakhs in the previous year. Minus 22.7%. Yes, sir.

Manish Mahawar: And the gross margin, sir, for regional gross margins?

R.V. Bubna:: Yes, sir. Gross margin for Agro or again, overall?

Manish Mahawar: Overall, sir. Overall. You used to give overall breakup.

R.V. Bubna: Gross margin in Europe is 29% versus 33% last year. NAFTA, 26% versus 28% last year. LATAM, 24% versus 15% last year. Rest of the World is 30% versus 20% last year.

Manish Mahawar: Okay. Sure.

R.V. Bubna: Overall, it's 27.3% versus 28% last year. So it's more or less at the same level overall.

Moderator: Reminder to participant anyone who wishes to ask question may please press star and one. The next question is from the line of Sonal from Prescient. Please go ahead.

Sonal: Sir, I wanted to understand from H1 perspective, the reason for the degrowth of sales in LATAM? If you could explain that one.

R.V. Bubna: Degrowth of sales?

Sonal: Yes, sir. I'm on the Agrochem, I'm talking about. Agrochemicals, yes. Sir, I'm on Slide number 22 of your presentation.

R.V. Bubna: That's much easier, then. You said there is a degrowth from INR 150 crores to INR 146 crores? You asked me, what is the reason?

Sonal: Yes. I wanted to understand why is this happening? If you could explain this, that will help.

R.V. Bubna: This is a very small change, there can be many factors. It is not something very significant so that we can point out and say that this has been the main factor. And it can happen too because of the product mix. There was one product which was doing very well in the last 12 months. So one quarter, it may be a little less, on one quarter, it could be a little more.

Sonal: Sir, I have a second question on the numbers for the volume for the Agrochemical business. You said that the total, we sold 61 lakh on the volumes front compared to 81 lakh. So what is the guidance for the whole year, sir, if you could just explain that? If you could share that?

R.V. Bubna: See, we are expecting the revenue to grow by 15% to 18%, and EBITDA to also grow by 15% to 18%, Overall.

Sonal: Okay. Sir, could you explain a little bit how do you come to this math? Because for somebody who's tracking the company basically, even if I'm an outsider, I would basically like to believe that there is a volume growth, there is a realization growth which basically adds up to 15% to 18%. But what is happening is there is a negative volume growth and there is a very high realization growth, which is leading to our 15% to 18% guidance, which you are giving. So I just want to understand this, that how do you come to 15%, 18%? So in 15%, 18% how much is volume growth, how much is the value growth?

R.V. Bubna: So I can only say in general that there's a better product mix. We are coming out with newer molecules in our registrations, which is giving us a better realization. And the older products are becoming commodities so they were having good volume, but the net gain was not so much. So those products are getting phased out, and newer products with better margins and better prices are taking their position.

Sonal: And these newer products, how much of, sir, commodity inflation is actually baked in the pricing of these products?

Sonal: So I was saying, I understand that your product mix is improving, hence your realization mix is improving. And until that part, I think the explanation was so well understood. I wanted to understand, that how much of the commodity, the price rise in the commodity are we carrying in our product mix? And do you see -- let's say, let's take a Product X right now sir, for example, which was also selling last year.

Product X, which was selling last year to product X, which is selling this year. Do we expect that product price and realization to come down because of the commodity prices easing off? Am I clear in that…

R.V. Bubna: No, sir, I want to tell you something. When I use the word commodity, I do not mean agricultural commodities. I was trying to say that when a product becomes older, the number of registrants become more, the agrochemical product itself becomes like a commodity, and when I say commodity that means plenty of availability and lesser margins. It is not to do with the agro commodities, which is an agricultural product. Am I clear?

Moderator: Thank you, Sir. Ladies and gentlemen, that was the last question. I now hand the conference over to Mr. Manish Mahawar for his closing comments.

Manish Mahawar: Yes. Thank you, Lizann. On behalf of Antique Stockbroking, I would like to thank the team of Sharda Cropchem for providing us an opportunity to host the call. Bubna-ji, would you like to make closing comments?

R.V. Bubna: I would like to thank everybody who joined us for the call. I hope that we have been able to answer all your queries. We look forward to such interactions in the future. We hope to meet your expectations in future. In case you require any further details, you may contact us or our Investor Relations team, SGA. We also take the opportunity of wishing you all a very happy and safe Diwali in advance. Thank you.

Moderator: Thank you. Ladies and gentlemen, on behalf of Antique Stockbroking, that concludes this conference call. Thank you for joining us and you may now disconnect your lines. Thank you.

R.V. Bubna: Thank you very much. Thank you very much. Thank you, everybody.