Deepak Nitrite

Operator: Ladies and gentlemen, good day and welcome to the Deepak Nitrite Q2 FY27 earnings conference call hosted by IIFL Capital Services Limited. As a reminder, all participant lines will be in listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. At the outset, I would like to clarify that certain statements made or discussed on the conference call today may be forward-looking in nature, and a disclaimer to this effect has been included in the investor communication shared with you earlier. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. I now hand the conference over to Mr. Ranjit Cirumalla from IIFL Capital Services Limited. Thank you, and over to you.

Ranjit Cirumalla – IIFL Capital Services: Thank you, Nisha. Good afternoon, everyone, and thank you for joining us on Deepak Nitrite Q2 and H1 FY27 earnings conference call. Today, we have with us Mr. Maulik Mehta, Deputy Managing Director; Mr. Sanjay Upadhyay, Director Finance and Group CFO; and Mr. Somsekhar Nanda, CFO of Deepak Nitrite Limited. We will begin the call with opening remarks from the management team, followed by an interactive Q&A session. To begin, Mr. Maulik Mehta will share his views on the operating performance and growth plans of the company, followed by Mr. Sanjay Upadhyay, who will take us through the financial and segmental performance. The result documents were shared with you earlier and have been posted on the company's website. I now invite Mr. Mehta to share his opening comments. Thank you, and over to you, sir.

Maulik Mehta – Deputy Managing Director: Thank you. Good afternoon, everybody, and a warm welcome to the Deepak Nitrite Q2 and H1 FY27 earnings conference call. Thank you for your continued interest in the company. Our investor presentation and financial results have already been shared, and I trust you have had an opportunity to review them.

I will begin by sharing our perspective on the operating environment, business performance, and strategic developments, following which Mr. Upadhyay will take you through the financial results in greater detail.

At the outset, I am delighted to announce that we have achieved the best-ever performance in Deepak Nitrite's operating history of over five decades, delivering record revenue and EBITDA on both a quarterly and half-yearly basis.

Consolidated revenue from operations for Q2 stood at 3,091 crores, registering sequential growth of 19% and year-on-year growth of 61%.

What makes this achievement particularly noteworthy is the challenging environment in which it has been accomplished. I would like to congratulate our entire team for its commitment, agility, and outstanding execution.

The global chemical industry continues to navigate significant volatility arising from geopolitical developments, disruptions to international trade, elevated freight and energy costs, as well as uneven demand across end-use applications.

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These developments are also influencing sourcing preferences, with customers increasingly valuing assured delivery, consistent quality, and reliability of supply.

For Deepak, this environment has presented opportunities as well as challenges. Our extensive domestic manufacturing footprint, integrated operations, and ability to respond swiftly to evolving market conditions have enabled us to capitalize on such opportunities while mitigating disruptions across our businesses.

In Phenolics, this was our principal driver for the quarter's performance, with the segment achieving its highest-ever top line and profitability. Disruptions to international supply chains, higher landed costs of imports, and firm domestic demand created a favorable market environment. Importantly, our teams were able to capitalize on these conditions through proactive procurement of critical feedstocks, maintaining consistently high operating rates, and ensuring dependable supplies to customers.

Despite challenges in securing our basket of inputs, we sustained high throughputs across the phenolics chain, with several assets operating at or above their rated capacities. This reflects the quality of our manufacturing infrastructure, operational expertise, and the advantages of being a large-scale domestic producer.

In Advanced Intermediates, Q2 was a result of the buoyant domestic demand in Q1, which, despite our proactive procurement strategy, we were unable to fully cater to. Consumers saw elevated ammonia prices and other raw material prices and imported proactively, with those imports landing in July. This led to lower utilization of some plants despite the moderation in raw material prices.

While this impacted Q2, the current demand scenario, as well as the ongoing demand in the forthcoming quarters, shows the value of our emphasis on an integrated ammonia-to-amines and propylene-to-polycarbonates strategy.

Our short- and medium-term growth prospects remain encouraging. Growth will be supported by an improvement in demand across various product categories, capacity-led expansion in select product lines, and a gradual ramp-up of recently commissioned facilities.

We are also continuing to diversify our product portfolio, customer base, and geographic reach. This approach is intended to reduce dependence on individual products or markets, improve our ability to serve customers, and create a more resilient earnings base.

A key priority for us continues to be the development of integrated manufacturing platforms that improve raw material security, enhance cost competitiveness, and enable greater value addition. This is over and above best-in-class carbon footprints, as well as an overall integrated cost platform.

The stabilization of our ammonia-to-amines chain, together with the expansion of our nitration and hydrogenation capabilities, represents an important milestone in this journey. These investments strengthen supply security and provide the infrastructure required to develop a far broader range of downstream products.

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During the quarter, we continued with the ramp-up of recently commissioned assets, including the nitric acid facility, while progressing with the commercialization and scale-up of manufacturing downstream products such as MIBK, MIBC, and their derivatives.

Moreover, toward the end of the quarter, Deepak Chemtech also commissioned its chlorination facility, in addition to the photo-halogenation assets, as well as its specialty chemicals plant in Dahej, with a capital investment of approximately 300 crores, including associated utilities and infrastructure.

The commissioning strengthens the group's manufacturing footprint and expands the specialty chemicals portfolio, enabling Deepak Nitrite to cater to a wider range of customer requirements and capture emerging growth opportunities. As the plants ramp up operations, they are expected to drive incremental revenues, improve capacity utilization, and generate operational efficiencies. This will also lead to margin improvement and strengthen the overall company's performance.

As these facilities stabilize and customer requirements translate into commercial volumes, they are expected to provide greater manufacturing flexibility and support optimized cost efficiencies.

On our integrated polycarbonate project, we continue to advance in line with its execution roadmap. Progress at Dahej, alongside the dismantling and relocation activities in Germany, is expected to steadily build the foundation for our entry into advanced materials. We are also progressing well with customer qualifications for polycarbonate compounds across multiple applications.

Looking ahead, we remain encouraged by the opportunities across businesses. In Phenolics, our priority is to sustain high throughput, strengthen downstream value addition, and grow wallet share. Within Advanced Intermediates, improving capacity utilization, new product introductions, and the ongoing recovery in deferred demand provide additional avenues for growth.

As our new assets progressively ramp up and customer qualifications translate into commercial volumes, we expect an increasingly diversified contribution from our portfolio.

While geopolitical uncertainties and price volatility may persist, we believe Deepak is better equipped than ever to respond to changing market conditions. Our focus continues to remain on maximizing asset turns in our existing lines while building new platforms for long-term growth.

With this, I would like to hand over the call to Mr. Sanjay Upadhyay to take you through the financial performance of the quarter as well as the first half. Thank you.

Sanjay Upadhyay – Director Finance & Group CFO: Thank you, Maulik, and good afternoon, everyone. I will take you through the financial and segmental performance for the quarter and half-year ended September 30, 2026, followed by an update on our balance sheet and capital allocation.

Consolidated financial performance for the quarter: Q2 marked another record quarter for Deepak Group. Consolidated revenue from operations increased to 3,091 crore, registering growth of 61% year-on-year and 19% sequentially. EBITDA reached a record 643 crore, growing 187% year-on-year and 16% quarter-on-quarter, with EBITDA margins sustained at 21%. PBT increased to

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543 crore, while PAT reached 398 crore, representing sequential growth of 16% and 15%, respectively.

For H1 FY27, consolidated revenues stood at 5,682 crore, registering 48% year-on-year growth. EBITDA increased 173% to 1,197 crore, with margins expanding to 21% compared with approximately 11% in the corresponding period last year. PAT increased 221% to 743 crore.

The significant year-on-year improvement reflects higher operational throughput, favorable product economics, effective procurement, and better utilization of our manufacturing assets.

Now on segmental performance. Phenolics delivered its highest-ever quarterly revenue of 2,291 crore, an increase of 29% sequentially and 72% year-on-year. EBIT increased to 515 crore, up 23% quarter-on-quarter, with an EBIT margin of approximately 22%. For H1 FY27, the segment recorded revenue of 4,066 crore and EBIT of 933 crore. I am sure many of you would have noticed that in just the first 6 months of the financial year, EBIT of 933 crore has surpassed the previous highest annual EBIT of 867 crore, which was registered in FY22. We believe the business is well placed to sustain the momentum and will be setting a new benchmark in annual performance for this segment by the end of the financial year. The improvement was driven by a combination of healthy capacity utilization, favorable domestic realization, and procurement efficiencies. While crack spread remained subject to market conditions, the business continues to benefit from its manufacturing scale and ability to optimize product and feedstock economics.

We will continue to strengthen our segment through ongoing debottlenecking, downstream integration, and disciplined commercial execution. These initiatives are intended to support sustainable profitability while allowing us to respond effectively to changing market conditions.

In Advanced Intermediates, quarterly revenue stood at 811 crore, representing 38% growth year-on-year and a marginal sequential increase. EBIT stood at 49 crore compared with 67 crore in Q1 FY27, with an EBIT margin of 6%. For H1 FY27, revenue reached 1,615 crore, while EBIT doubled year-on-year to 116 crore.

The sequential moderation in profitability reflected the headwinds from input prices, some variation in customer volumes, as well as the impact of duty, logistics, and freight rates. As Maulik indicated, headwinds for the Advanced Intermediates business are tailwinds for Phenolics. Our integrated model allows us to position ourselves favorably for these changes.

Now on the balance sheet and capital allocation. Consolidated net worth increased to 6,521 crore at the end of September '26. Consolidated net debt stood at 1,657 crore compared with 1,676 crore at the end of the previous quarter. Consequently, our net debt-to-equity ratio improved to 0.25 times from 0.27 times.

Working capital management also continued to improve, with the net cash conversion cycle reducing [cut off]

Sanjay Upadhyay – Director Finance & Group CFO: into 53 days from 57 days in Q1. This reflects our ongoing focus on inventory efficiency, receivable management, and financial discipline.

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As we progress on our expansion program, our capital allocation priorities remain centered on disciplined project execution, prudent leverage, and improving returns from both existing and newly commissioned assets. The financing arrangements for our growth investments are in place. We continue to monitor project expenditures, funding requirements, and cash flow closely to preserve our financial flexibility.

Looking ahead, our financial priorities are clear: sustaining operating efficiencies, improving cash conversion, and progressively translating our investment program into higher asset productivity and earnings contributions. While external market conditions will continue to influence our near-term profitability, our focus will remain on strengthening the underlying financial performance of the group and ensuring that growth is supported by sound capital allocation.

With that, I would request the moderator to open the floor for questions. Thank you.

Operator: Thank you very much. We will now begin the question-and-answer session. Anyone who wishes to ask a question may press star and one on their touchtone telephone. If you wish to remove yourself from 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 Nirav Jimudia from Anvil Wealth. Please go ahead.

Nirav Jimudia – Anvil Wealth: Good afternoon, sir, and congratulations on an excellent set of numbers. Sir, I have a few questions. First, on the AI segment, when we observe our numbers, we have already achieved the FY26 EBITA run rate in the first half of FY27, and you touched upon a few aspects regarding imports that came in during July and some pressure on capacity utilization for the end-user industries. But from a broader perspective, could you share your thoughts on which products under the AI segment have seen an increase in volume or an improvement in capacity utilization? Could you also elaborate on your thoughts with respect to the second half of FY27, how it looks, and your thoughts on FY28? That would be very helpful.

Management: Okay. Hi, Nirav. When I referred to imports, these were largely for sodium nitrite as well as nitro aromatics. Domestic demand is strong. While we worked proactively to determine how to purchase ammonia and other critical raw materials in Q1, one thing that happened is that consumers saw the market price, not the price at which we imported, and preemptively decided to import their products in significant volumes because the demand for them was certain.

While we managed to service some of the customer requirements, we were not able to manage as much as was required by them. This therefore led to imports coming in during Q2. Largely, as I mentioned, these are nitro aromatics and sodium nitrite.

Looking forward to Q3, Q4, and beyond, we have seen most of these consumers return to Deepak as their preferred source of supply. We have also intimated to the broader market that Deepak now stands ready to cater to the entirety of their requirements. This has led to an increase in confidence, with orders being placed at an accelerated rate. What we saw in Q2, we believe we are better placed to address in Q3, Q4, and onwards.

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Our integrated upstream assets, from September onwards, have already been able to demonstrate in excess of 100% capacity utilization. We will continue ramping up as we move forward. This is based on our own operational excellence initiatives.

Nirav Jimudia – Anvil Wealth: Perfect. Sir, I wanted your thoughts on the fluorination capex that you mentioned, which we have completed at a capex of 300 crores. Combining that with the fact that the nitration benefit would start coming through fully from the second half of FY27, how is the profitability reset happening in the AI segment? We have seen a steady run rate, but could you give us a broader understanding of what could be a steady-state run rate? Would it start improving from, say, the fourth quarter, or would next year be a reasonable assumption for seeing substantial improvement in our AI segment profitability?

Management: We expect Q3 to be somewhere between Q1 and Q2 in terms of EBIT percentage, and I think it will be closer to Q1 in terms of percentage. In absolute terms, we expect the numbers, including the addition of the assets commissioned in DCTL, to increase substantially from Q3 and Q4 onwards. I would assume that in Q4, the EBIT percentage should be better than in Q3, and on an annualized basis from next year onwards, we should see further improvement.

Some of these investments that we have commissioned, especially in agchem, are linked to annualized procurement or contracts with customers. Those happen in line with their campaign runs. However, the way we have commissioned those assets, they are up-engineered to be able to perform a multiplicity of reactions as well as products.

When we looked at fluorination, I had clarified at that time that these are up-engineered assets. They are able to perform not just aromatic fluorination, but pyridine fluorination as well. The same concept applies to chlorination, photochlorination, and the specialty chemical assets. This will allow us a broad spectrum of applications where we are, in a way, delinked from the campaign management that our customers may have in some applications, and we should be able to perform a very broad range of chemistries over and above what we traditionally perform.

Nirav Jimudia – Anvil Wealth: Perfect. My second question is on the Phenolics side. Last time, you said that we had made ourselves ready for close to around 4 lakh tonnes of annual volumes. I wanted your thoughts on whether we achieved that sort of run rate in Q2, and whether, on a consistent basis, it is possible to run the plant at that sort of run rate on a full-year basis from next year onwards. That is question number one.

In addition, could you share your thoughts on IPA? I think there were some propylene shortages in India, because of which we could have had an advantage. If you could share your thoughts on IPA utilization for the second quarter and how you see it for the second half, that would be very helpful. Thank you very much.

Management: With regard to asset capability, I think we have come close enough to 4 lakh tonnes, plus or minus. We will continue to see how we can squeeze out more production. In the last 6 months, there has been a disturbance with regard to propylene availability, and very often what we have ended up needing to do is buy from non-traditional sources in order to ensure continuity. Even if that has been at higher prices, we have done so to make sure that we continue to maintain a presence. I would not say that Q2 ran at a consistent 4 lakh tonne capacity. I would say that it was

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less than that, but not significantly less. Proactive procurement strategies have helped us optimize, and moving forward, as we expect the winter months, which always help with an improvement in throughput, that will also give us some benefit. Management of raw material costs and better placement with regard to our products will lead us to sustained profitability in Q3.

When you asked about isopropyl alcohol, IPA—

Nirav Jimudia – Anvil Wealth: Yes.

Management: Companies in the world make it via the propylene route, while Deepak Nitrite makes it via the acetone route. Therefore, any disturbance in propylene supply would possibly affect other manufacturers more than Deepak Nitrite, and we do have this benefit. By and large, we run IPA at 100%, but we always focus on the integrated value. If we find that acetone is able to drive more value, IPA is able to drive more value, and we have now also commissioned our MIBK and MIBC assets, then all put together, we approach the business through an integrated platform.

Nirav Jimudia – Anvil Wealth: Perfect, sir. Thank you very much, and festive wishes to the entire team of Deepak Nitrite.

Management: Thank you, Nirav.

Operator: Thank you. The next question is from the line of Archit Joshi from Nuvama. Please go ahead.

Archit Joshi – Nuvama: Hi. Very good evening, sir, and season's greetings. My first question is on Phenolics. Generally, as analysts, the dichotomy we face is that the calculated spread we have for phenol-acetone versus what Deepak Nitrite reports is significantly different. As you said, the sourcing strategy would definitely have helped, but at this juncture, when we are seeing a new entrant in the Indian market coming into the phenolics domain, how do we see this in terms of supply and demand? The spreads that we have been able to maintain so far were given the dominant situation we had in terms of capacity. Do you have any thoughts on the outlook for phenol-acetone for us?

Management: I would say that, largely, the profitability for the phenol-acetone value chain for us is linked to the accelerating consumption of phenol, acetone, and their downstream products in India. The depreciating currency, high freight rates, insurance rates, and delayed arrivals of import volumes into India are actually advantages.

Of course, in Q1, the government had also removed the duty on imports of phenol, and we appreciate its support in reinstating it in Q2. These are the aspects that create more of an opportunity for local manufacturers. Frankly, I believe that any high-quality manufacturer increases the investment opportunities in India for consumption of phenol, acetone, and their derivatives. Therefore, I believe this will accelerate consumption of phenol.

Over and above that, I think the geographic spread, the consumption patterns, and the multiple SKUs that we have in place cater more to the growing demand, which is focused more on West India as well as Southwest India. I think we are well placed, and I do not see any significant disturbance arising from increased local manufacturing. We have seen that with Deepak itself,

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where we increased from a start-up of about 2 lakh tonnes to our current level, and there has been, by and large, no let-up in the imports that have come in. However, the cost to the consumer is what has changed substantially. With broader localized manufacturing, I think customers will be very happy to invest and consume more.

Archit Joshi - Nuvama: Got it, sir. An addendum to that would be that, if we look at the Phenolics performance, as indicated, this is a record-high performance, probably at par with what we achieved in the previous super-cycle during COVID. However, I believe that the drivers for the phenol-acetone story at that point and right now might be slightly different, given that there is a war situation at play. Is this sustainable performance that we can expect, given the cycle we are in? A couple of quarters back, we were talking—

Archit Joshi - Nuvama: —about China's dominance, and despite that, we have been able to deliver extremely strong results. I wanted to get your sense of where we are in the cycle overall in Phenolics.

Maulik: I always appreciate these questions about cycles because they give the impression that certain parts of the business are commodity and other parts of the business are specialty. I generally push back against this assumption because I believe that the distinguishing factor between something considered commodity and specialty is the degree of control one has over the consumption landscape, as well as the cost base.

In the last 6 months, I can also tell you that the price of our feedstock, for example propylene, in many cases was double the price that we would have paid, and possibly close to double the index.

This was simply because that is how hard we had to work to proactively move propylene to us, given the geopolitical circumstances. This is not traditional. However, the ability to do this at a large scale and ensure that we are satisfying customer requirements actually moves us away from what one would consider a commodity because, in reality, there is no super-cycle right now. A super-cycle generally exists when the demand trajectory is consistent and there is a big gap between existing capacity and capacity coming onstream in the near future.

The capacities announced several years ago in China, Southeast Asia, and elsewhere have already come online. Therefore, if you look at it from that macro perspective, there should be absolutely no super-cycle today. What you are seeing is the result of buoyant domestic demand coupled with the general disruptions that take place in geopolitical material movement.

This is not linked to a commodity super-cycle as one would otherwise define it. This gives companies that have large-scale, efficient manufacturing and good wallet share much better control than one would anticipate from a commodity.

Archit Joshi - Nuvama: Noted, sir. Just one last point. Correct me if I am wrong, but the polycarbonate commissioning has been pushed back to FY30. I believe it was previously somewhere in FY29. The reasons are—

Maulik: Yes.

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Thank you, Archit, for asking this question. I anticipated it. I think what the investor deck is supposed to imply is that, with regard to integrated propylene-to-polycarbonate commissioning, the phenol and BPA commissioning are as I highlighted earlier. BPA is a middle stage, but the phenol commissioning will be in line with the commissioning of the feedstock PDH plant as well as the piping. The polycarbonate resin plant commissioning is actually slated earlier than that. We continue to remain in line with our FY29 numbers. However, the integrated asset from propylene to polycarbonate resin is in line with the feedstock availability plan.

You will therefore see the polycarbonate resin coming earlier. It will perhaps use bought-out BPA for a brief period.

I hope that clarifies your question.

Archit Joshi – Nuvama: Of course, sir. Thanks a lot, and wishing you a happy Diwali in advance. Thank you.

Maulik: Thanks, Archit.

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

Sanjesh Jain – ICICI Securities: Good afternoon, and thank you, Maulik, for taking my question. First, on the Advanced Intermediates segment, you mentioned that the upstream, which I believe is nitric acid, is now running at 100%, including both concentrated and diluted nitric acid. We have commissioned the nitration, hydrogenation, and chlorination plants. This year, we are hoping to complete 230-240 crores of EBIT. With all these new plants and the entire benefit reaching us in '28-'29, where do we see Advanced Intermediate EBIT reaching in absolute terms?

Maulik: In '28-'29?

Sanjesh Jain – ICICI Securities: Yes, yes, Maulik.

Maulik: Okay. Sanjesh, the nitric acid plant has been commissioned. The chlorination, photochlorination, hydrogenation, and fluorination plants have also been commissioned. With regard to absolute EBIT, the outcome will depend on conversations we are having with certain customers for new applications where these are contractual in nature. We are now confident of being able to have significant market share. What you are asking about is full asset utilization of all our assets, including nitration and nitric acid, correct?

Sanjesh Jain – ICICI Securities: Correct, sir.

Maulik: In that case, I would expect about another— [pause] I think we are seeing about 240 crores this year. If I were to look at next year, it would be roughly in the range of 400 crores to 420 crores. There is an upside available.

Sanjesh Jain – ICICI Securities: Okay.

Maulik: We can assume that 250 crores plus another 250 crores is the kind of visibility we have on steady state for the executed investments.

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Sanjesh Jain – ICICI Securities: That is very clear and helpful. A lot of this incremental EBIT will be more contractual in nature and therefore less volatile in terms of absolute EBIT. Would that be a fair assumption?

Maulik: Yes, because there will be formula-linked and cost pass-through clauses.

Sanjesh Jain – ICICI Securities: So the volatility in Advanced Intermediates should significantly reduce as we commission and utilize most of this capacity, correct?

Maulik: Just for clarification, we estimate that in the next year, with all the assets that have been commissioned running at steady state, we should be targeting something along the lines of 14% to 15% EBIT.

Sanjesh Jain – ICICI Securities: 14% to 15% EBIT. That is versus what, {? 8% or ?} it is not strictly clear.

That means we are looking at an EBIT margin of more than 20% in the new capacity, correct? The existing capacity is generating close to 11%, and we are looking at 14% to 15%. That means incremental EBIT is upwards of 20%.

Maulik: We are also seeing an improvement in the legacy product portfolio.

Sanjesh Jain – ICICI Securities: Legacy products.

Maulik: It will be matched across both legacy and newly commissioned assets.

Sanjesh Jain – ICICI Securities: Got it. Where are we in the discussions? Do you think we will close all these discussions in the next 3-4 months, with the uptick becoming visible starting in FY28 in the EBIT of the AI business?

Maulik: We are already in ongoing conversations. In many cases, we have already started supplying trial volumes from our commercial assets. The assets are ready, and testing is being completed as we engage with customers.

Looking at FY28, I think FY28 should look like a normalized year, with all the assets running at relatively optimized utilization.

Sanjesh Jain – ICICI Securities: Maulik, can you give us some more color on the end applications for these new capacities that we are commissioning?

Maulik: They are diversified. In a couple of applications, for example, chlorination and fluorination are targeted at agrochemical customers.

Sanjesh Jain – ICICI Securities: Okay.

Maulik: With regard to the specialty chemicals capex that was announced and commissioned, I would say that it is more related to electronic chemicals, and there is also some opportunity to participate in legacy applications.

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In a couple of cases, the assets, including hydrogenation and certain processes such as aldol condensations, will be focused on the solvent basket as well as electronics applications. They will go into products such as polyimides and others.

Finally, these are not new investments, but these are products that we are also expanding for the personal care segment. This is more for skincare and haircare.

Sanjesh Jain – ICICI Securities: Excellent. Now that a large part of the Advanced Intermediates capex has been commissioned, will the full focus be on the integrated polycarbonate facility, or are we also looking at expanding capacity in Advanced Intermediates over the next 12 to 18 months?

Maulik: The lion's share of the investment will focus on the polycarbonate facility. There is some investment planned for the AI business, but it will be marginal. It will be more related to debottlenecking in a few cases. I think there are two cases where we are looking at fresh investment. One is where we are putting up an AHF and an ultra-pure DHF plant.

Sanjesh Jain – ICICI Securities: Okay.

Maulik: That is not coming into Deepak Nitrite. It is coming into a separate entity. It will also supply AHF to Deepak Nitrite, so we will be self-sufficient on that front.

Sanjesh Jain – ICICI Securities: Is this purely for captive consumption, or are we looking at supplying AHF beyond captive consumption?

Maulik: To clarify, Deepak Nitrite will be buying this from another entity for its own captive consumption. That entity will be selling into solar and electronic applications.

Sanjesh Jain – ICICI Securities: This will be our own entity, meaning it will be a 100% subsidiary of Deepak Nitrite, correct? Or are we looking at a joint venture or a partner in that case?

Maulik: It is not a subsidiary of Deepak Nitrite.

Sanjesh Jain – ICICI Securities: Okay, got it. One last question on the Phenolics side. Where are we with acetophenone, which we commissioned last year? Have we started producing it completely?

Maulik: We commissioned it, and the product has been manufactured. It is also being sold. In some cases, we are working on expanding the basket as well. We have received orders, we have started supplying, and we should see a ramp-up in Q3. We should be able to ramp up to full capacity very soon.

Sanjesh Jain – ICICI Securities: Right. One last question, Maulik, sorry for staying on this. Regarding MIBK and MIBC, how much have we started utilizing, or is it currently more profitable to sell acetone, with the intention of ramping up eventually, perhaps next quarter or the quarter after that?

Maulik: We have started ramping up. I think we are currently at about 60%. We are confident of reaching 100% and exceeding that at short notice because the asset is extremely efficient. However, we look at it from an integrated approach, so profitability will dominate the decision. The asset has been cleanly commissioned and is operating at and beyond the target efficiencies.

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Sanjesh Jain – ICICI Securities: That is very helpful, Maulik. Thank you for answering all those questions, and best of luck for the coming [cut off]

Maulik: I forgot to mention that we recently received REACH registrations for both MIBK and MIBC, and we will also be focusing on export participation for these products. Europe continues to remain a large consumer for applications such as frothing agents and mining chemicals.

Sanjesh Jain – ICICI Securities: But would exporting the solvent be as profitable as selling it in the domestic market?

Maulik: Yes. We will focus wherever the opportunity for the best profitability exists. To be clear, even in the given circumstances, the export market, especially in Europe, East and West, is extremely attractive. We will participate there with our REACH registration completed in Deepak's name.

Sanjesh Jain – ICICI Securities: Got it. Very clear. Thanks, Maulik. Thanks for answering all those questions.

Maulik: Thanks, Sanjesh.

Operator: Thank you. The next question is from the line of Arun Prasad from Avendus Spark. Please go ahead.

Arun Prasad – Avendus Spark: Thank you, and thanks for the opportunity. Maulik, you talked about robust domestic demand—

Arun Prasad – Avendus Spark: [cut off] —at the end of phenol, which is leading to good margins for our Phenolics segment. I wanted to understand, on an annualized basis this year, what is the gross phenol consumption by the Indian market in KT, and how much of that is imported? Secondly, from which geographies are the imports coming? Are they from Japan, Korea, or other Southeast Asian nations, and how has this changed over the last 6 to 9 months? That would be very helpful in understanding the source of these imports.

Maulik: Generally, India's capacity to consume phenol is currently about 6 lakh tonnes, growing at about 6% to 7% annually.

I cannot really comment on where it is being imported from because there is limited visibility regarding much of the import-export data. Generally speaking, phenol and acetone are imported from East Asia.

I cannot comment on whether the traditional sources of phenol imports continue to remain the same, but perhaps they do. Many of these regions are also facing their own shortages of feedstocks such as naphtha.

One question that always comes to people's minds with regard to chemicals is the presence of China and its presence in the Indian market for these products. Generally speaking, I am preempting your question, but we do not see China really participating in the phenol landscape in India. We are also not anticipating this in the short to medium term.

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We do not know how each of these individual countries is managing its own feedstock crisis. However, what I can tell you is that India is a buoyant market. It has its own SKUs, which are different from what you would assume in China, Europe, and East Asia. Generally, this is a very long tail of small, medium, and large consumers in chemicals, laminates, and solvents. This is non-traditional if you look at markets abroad, where the focus is largely on products such as polycarbonates.

Arun Prasad - Avendus Spark: No, that is very helpful. What I am trying to understand is that, from what you said, India consumes roughly 600 to 650 KT of phenol. Our capacity is 400 KT, and if we operate it fully, imports should be close to 200 to 250 KT at steady state. If domestic competition starts, these imports should go somewhere else. Will this put some downward pressure on industry spreads, at least in the short or medium term? Of course, over the long term, it is a growing market and we will all grow. However, will it reduce profitability or realized spreads for us because of this excess phenol for a few quarters? That is a key question.

Secondly, on the acetone side, the new competition that is going to start does not have any significant downstream acetone consumption units. This means they will be selling in export markets or domestic markets, which will probably reduce acetone prices. Will this have any second-order effect on acetone downstream products, which would also reduce our overall profitability?

Maulik: I understand that your key question, if I set everything else aside, is about maintaining a degree of profitability.

First of all, I am confident about Deepak's wallet share and market share. The key lever we have kept in mind with regard to our strategic footprint is acetone. Deepak now stands as India's largest acetone consumer.

Keeping that in mind, we believe that consumers import products such as phenol simply because they have to. Given the opportunity, they would prefer to buy from a domestic source where their capital blockage and exposure to volatility, including freight, timing, and foreign exchange, are limited.

The market we consider home territory includes Gujarat, Maharashtra, and Southwest India. This is where we have a good degree of confidence, including in dealing with imports from what were traditionally lower-cost manufacturing countries.

This is relatively consistent with what we have been saying so far. Over the next 1-2 years, we have had these conversations before, when there has been an anticipation of one party or another entering with new phenol capacities. Indian consumers have largely managed to consume those capacities as well as the expanded capacities of a company such as Deepak.

Therefore, even if new capacity comes in and is commissioned, there is enough and more consumption, excluding growth, to cater to India's manufacturing requirements.

Arun Prasad - Avendus Spark: Understood. One clarification on this: if consumers or customers' capacity is resilient as and when the supply of phenol comes in, which is what you are implying,

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which categories of end customers can quickly add capacity to absorb this additional local availability of phenol? Are there any categories you would like to call out?

Maulik: Arun, I appreciate that; it is an excellent question. Thank you for that. I think you would largely see the plywood and laminate industry, the specialty laminates or decorative laminates industry, in some cases the chemical industry, as well as the agrochemical industry.

I am not mentioning the automotive industry, even though it is extremely fast-growing, because its base is small compared with other applications and international applications. It is also traditionally concentrated in western India.

I feel that we have an unusual mix of applications in India. As I said, chemicals, laminates, agrochemicals, and automotive applications would be the ones able to quickly expand their consuming capacity.

Arun Prasad – Avendus Spark: Understood. Maulik, I probably missed this. I have not heard any recent updates on our polycarbonate compounding—how it is performing and how many grades we have received customer approval for. Since we are probably 18 months away from the resin plant starting, this is very critical. How are we progressing there?

Maulik: Right now, as I mentioned earlier, this is essentially a pilot asset. Our focus is on obtaining approval across as many end applications as possible. While we may have 500 different customers, our focus is on broadening the number of applications.

We are not focusing on tonnes. The tonnes could be 100 tonnes, 500 tonnes, or 10,000 tonnes. Our focus is on the number of applications.

Right now, we are approved for electronic-grade applications. We are approved for some mobility applications and some plastics applications. [pause] Sorry, I forgot the key one. This is also defense as an application. It is growing very quickly, but the size in India will be substantially larger 18 months from now than it is currently. We are also approved for a multiplicity of applications in that area. These are all for different properties.

Our priority focus currently remains electronics, mobility, and defense, and we will see how to expand beyond those areas.

Operator: Arun, I would request you to rejoin the queue for a follow-up question. Ladies and gentlemen, in order to ensure that management is able to address questions from all participants in the conference, please limit your questions to two per participant. Should you have a follow-up question, we request you to rejoin the queue. The next question is from the line of Ankur Periwal from Axis Capital. Please go ahead.

Ankur Periwal – Axis Capital: Hi, sir. Thanks for the opportunity. Just two quick questions. One is on the polycarbonate side, where you highlighted that we are getting specific grades approved for the pilot asset. Once the full-scale commercial plant is in place, how much time will the product approval cycle take?

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Maulik: The production approval cycle is for the compounds, not for the resin. Resins are already being imported, and imports were in excess of about 2 lakh tonnes last year. They are even higher now.

When I referred to product validations and acceptances, I was referring to segments such as electronics, defense, and mobility. These are the areas where there is a long approval cycle. That is why we have prioritized them early. By the time the plant is up and running, we will also have worked in parallel on quickly expanding our compounding facility. This will be done in line with these approvals.

By and large, we will sell the resin into the market, but we will also sell the compounds. We already have capacity in place and will be able to expand that capacity at short notice.

Ankur Periwal – Axis Capital: The integrated asset, as you highlighted, will be commissioned in FY '30. What timeframe do you believe it will take for us to reach optimum utilization?

Maulik: I think the polycarbonate asset will probably be close to optimally utilized by the time the upstream integration is completed. This will be from bought-out intermediate in the interim. Once the upstream integration is completed, profitability will be based on an integrated chain.

Somewhere along this timeline, we will also have expanded compounding. We will sell the resin into the market, where it is already being imported in substantial volumes. We will also sell the compounds, which fetch a higher price alongside the resin for different applications.

By and large, I would say that in FY '31, we would already have achieved fully optimized utilization of polycarbonate. We would see increasing utilization of the compounding facility. The upstream phenol, acetone, and BPA will, of course, be consumed by us. You will therefore see a ramp-up in extremely short order.

Operator: Ankur, I would request you to rejoin the queue for a follow-up question. A reminder to all participants to limit their questions to two per participant. The next question is from the line of Abhijit Akella from Kotak. Please go ahead.

Abhijit Akella – Kotak: Thank you. Good evening. Just a quick question on the capex guidance for this year and next year, please. We have done about 700-odd crores in the first half. What would be a reasonable number to expect from a full-year standpoint and then for next year?

Management: Abhijit, are we talking from a cash flow perspective or capex per se, meaning capitalization?

Abhijit Akella – Kotak: I meant from the perspective of cash flows. On the cash flow statement, we have shown about 700-odd crores. What is a reasonable number—

Management: Around 800 to 900 crores further in the second half. We have already infused the equity required, and whatever remains is around 50 crores. The banks will now have to start funding because we have already tied up with them. More or less, our equity [cut off]

Management: {? Already ?} funding is done, and for this year it is around 800 to 900 further.

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Abhijit Akella – Kotak: For next year and the following 2 years as well, until the polycarbonate project is complete, could you help us with the [inaudible]?

Management: Next year, 2,200 to 2,400. In the subsequent year, it is also around 2,500, and the remaining amount in the third year is around 1,000. Around 2,000 to 2,500 [inaudible] in the third year, that is 20 [inaudible]—

Operator: Sorry to interrupt you, sir. We are losing your audio. Can you please repeat?

Management: Abhijit, can you hear me?

Abhijit Akella – Kotak: Yes, sir, I can, but the audio was a little disturbed. Could you please say that one more time?

Management: 2,200 to 2,400 next year, 2,500 in the second year, that is '28–'29, and the balance in the third year, which will be in the range of 2,500 to 3,000.

Abhijit Akella – Kotak: Okay, thank you very much. Will the total capex across these 4 years, including whatever we have already incurred as of last year, be around 11,500? Is that the right number?

Management: 11,700.

Abhijit Akella – Kotak: 11,700. Right, got it.

Management: Right.

Abhijit Akella – Kotak: Got it, thank you very much. The other point I had was whether it is possible to share the Phenolics volumes for the first half of this year.

Management: Regarding volumes, as Maulik was explaining, if you go by the exact figures, we do not want to share them with you, but our capacity utilization is significantly high. In the first quarter, we had a shutdown, which did not occur in the second quarter. It is better not to share the numbers with you.

Abhijit Akella – Kotak: Okay, thank you very much. All the best.

Management: Sorry about that.

Management: Thank you, Abhijit.

Operator: Thank you. The next question is from the line of Aditya Arya from HDFC Securities. Please go ahead.

Aditya Arya – HDFC Securities: Hi, good afternoon. Am I audible?

Management: Yes.

Operator: Yes, sir.

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Aditya Arya – HDFC Securities: Congratulations on a great set of numbers. I have a few questions. Could you give us a breakdown of volume versus value-driven growth in this quarter?

Management: [pause] Many thanks, Aditya. You need to add more color to that question.

Aditya Arya – HDFC Securities: A breakdown of volume versus value-driven growth. How much was led by pricing, and how much was led by the volumes we were able to push?

Management: Generally, I can tell you that in terms of volume compared with the previous year, I think we were at roughly the same level. Please keep in mind that this is not a reflection of capacity. It also accommodates a significant increase in the environmental temperature during the summer of this year. It does not include the debottlenecking initiatives that we have undertaken. Therefore, we have more headroom available compared with last year. However, this was more reflective of what we were able to produce because of limited feedstock availability. What we were able to produce was also based on very proactive procurement strategies from non-traditional sources.

Keeping that in mind, while we do have headroom, while the teams are actively engaged in procurement, and while we are engaged with customers, I believe that we have operated at what we would call an optimal run rate with regard to efficiency, although not with regard to running the plant as hot as possible.

With regard to value, we did not leave anything on the table in terms of the efficiency of converting raw material into the final product.

Aditya Arya – HDFC Securities: Could you give us some working numbers for phenol and acetone prices for H2 FY25? Even a ballpark number would be helpful.

Management: That conversation is better held offline. More importantly, these price trends are linked to consumption patterns as well as our ability to pass through high raw material costs. As the raw material environment improved compared with Q1, when conditions were extremely volatile, Q2 improved somewhat.

Operator: Thank you. The next question is from the line of Rohit Nagraj from 360 ONE Capital. Please go ahead.

Rohit Nagraj – 360 ONE Capital: Thank you for the opportunity, and congratulations on a strong Phenolics performance. My first question is regarding captive acetone consumption after MIBK, MIBC, and IPA. How much of the acetone will be consumed captively? As a follow-up on MIBK and MIBC, given that the capacities are now operating at 50%-60%, as you mentioned earlier, is it safe to assume that in FY28 we will be able to operate both those capacities at full utilization? Thank you.

Management: [pause] Okay, thanks, Rohit. At the moment, our ability to consume acetone would be somewhere in the range of 60% to 65% of our production. Our decision would be based on overall profitability as an integrated approach.

Rohit Nagraj – 360 ONE Capital: This 60%-65% includes MIBK and MIBC utilization as well?

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Management: Yes, it includes our reasonable estimation of the capacity we have. It may not include 100% utilization, so we may have headroom available there. We have also been able to optimize the MIBK norms.

Rohit Nagraj – 360 ONE Capital: Will MIBK and MIBC be able to operate at optimal utilization in FY28?

Management: That is what we are targeting. The REACH registration and our ability to participate in the European market are the enabling levers we were looking for.

Rohit Nagraj – 360 ONE Capital: Sure. And second—

Management: Regarding MIBK and MIBC, we are also running at around 100% capacity today. We can run them, but depending on pricing and, as Maulik was explaining, the integrated approach, a decision is taken regarding what makes sense between acetone, IPA, and MIBK. It is extremely difficult to pinpoint and give you a number indicating which one will run at 60% and which will run at 70%. Generally, as Maulik said, around 60%–65% can be consumed captively. However, it depends on the economics and how we run the plant based on the numbers at that time.

Management: I will also clarify that the REACH registration, which is in Deepak's name and is not a shared registration, took place, if I am not mistaken, after Q2. Therefore, it will feature in the current and forthcoming quarters, and it was not a feature of Q2.

Rohit Nagraj – 360 ONE Capital: The second question is regarding the integrated project. From a polycarbonate perspective, will any phenol–acetone be available for sale in the merchant market, or will we utilize the entire phenol–acetone production captively for downstream bisphenol-A and polycarbonate? Thank you.

Management: We follow the same model whereby part of the capex relates to our ability to place products at every stage into the market. Whether it is phenol, acetone, cumene, bisphenol, or PC resin, we are able to participate in the market with all of these products. Generally, we should be in a position to participate with up to about 100 KTPA from our new capacity with regard to phenol in the market as well.

This may change depending on the rate at which we choose to expand PC production because imports are also growing very quickly. The opportunity is therefore available. The entire integrated site infrastructure is already in place and will be available by the time we commission the project. By and large, we will be able to add another 80 KT to 100 KTPA to the market from the new capacity.

Operator: Thank you. The next question is from the line of Fazal Gaffoor from Antifragile Thinking. Please go ahead.

Fazal Gaffoor – Antifragile Thinking: Thank you for the opportunity. Good afternoon, Maulik, and congratulations to you and the team on a record half. I have two questions as a long-term shareholder, both more reflective than numerical.

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First, you made a very good point today that the line between commodity and specialty is really about control over the consumption landscape and the cost base. As Deepak has moved from capacity creation to platform creation, where have you seen that control grow the most, and what has been the most interesting change for you as it happened? That is my first question. Thank you.

Management: [pause] Fazal, first of all, thank you for continuing to invest in Deepak. With regard to control, the first thing to believe is in the resilience of the Indian growth story. There will always be challenges and opportunities for this story in India. We are, of course, neighbors to China, which is the world's largest producer, exporter, and dumper, or whatever term one might use, of products ranging from chemicals to downstream products. That does not define India's opportunity base. India's opportunity base is linked to a good understanding of placing products in India.

Control comes from having that relationship, regardless of whether the customer is small, medium, or large, and understanding how the product is applied and consumed. It is not a single SKU that fits everything. It is the ability to provide the SKU, quality, and performance as required. While Deepak's story is not just India's story, having India's consumption base as an anchor allows us to optimize and focus on efficiency when targeting export markets.

The opportunity is to participate in what might be called China Plus One or de-risking. We are able to stand shoulder to shoulder with the best in the world with regard to carbon footprint, environment, safety, and integrated approaches. Our customers benefit from the scale of operations we have and from the multiplicity of products we offer.

Very often, even in applications where we are speaking with multinationals, we are able to provide a very broad range of products that go into multiple applications and multiple points in their logistics supply chain. This is what creates that resilience. When we refer to control, that control is not over an individual product; it is with regard to the total value that we place as a basket with customers, and our focus is on improving that.

Fazal Gaffoor – Antifragile Thinking: That is very helpful, Maulik. My second question is that you opened by highlighting the team's commitment, agility, and outstanding execution. That is excellent. Beyond that, what is one thing about the business that has pleasantly surprised you over the years, despite the chaos and disruptions that are unlikely to go away? What is that element of surprise? Most often, amidst randomness, chaos, and disorder, we forget to appreciate that if something has survived despite all that, it may have gained market share relative to a weaker competitor or achieved something else. Thank you.

Management: Fazal, keeping that in mind, the main job of a promoter is to allocate capital and manage a certain risk appetite. One thing that has pleasantly surprised me, and continues to surprise me despite knowing the capability of our team—

Maulik: —is, frankly speaking, the ability of the team to take this kind of risk appetite, move forward, and ensure that, regardless of any supply shock or market shock, the shock-absorbing capability the team has developed gives any capital allocator increasing confidence. We are not just investing in products; we are investing in the team and in the team's capability to continue running the business despite all these geopolitical shocks and so on.

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Frankly, whether it is a situation where one part of the business benefits while another part experiences a short-term impact and then recovers, or where multiple engines are moving at the same time, the biggest surprise over the last many years has been how the company is able to manage risk and operate alongside the promoter with regard to maximizing shareholder value and profitability.

The market will reward what it rewards based on its perception of risk and return. However, I can tell you one thing: this team, the products we make, this market, and this customer base have rewarded us time and time again. I am excited for the shareholders to appreciate that as much as I have.

Operator: Thank you. The next question is from the line of {? Rishabh Tripathi from Multi-Dimensional Ventures ?}. Please go ahead.

{? Rishabh Tripathi from Multi-Dimensional Ventures ?}: Thanks for allowing me to ask questions. Maulik, in one of the calls, I think last year, we were discussing that we were also trying to explore CDMO opportunities. Is there any traction on that, or is it still in the planning stage, with some opportunity that might arise in the future?

Maulik: Rishabh, this is not in the planning stage; it is already in execution. For example, personal care represents CDMO opportunities. In some cases in agchem, these are also CDMO opportunities. The plants we have established use technology that, for the first time in the world, has been implemented at industrial scale. The opportunity arose through collaboration with the customer in that case as well. Therefore, this is not something we are anticipating for the future.

One thing I will mention is that we are in the process of substantially expanding our R&D, from the kilo-lab level to pilot scale and then to semi-commercial scale before going to industrial scale. This is an ongoing activity. I have not gone into detail because the total investment is not material compared with the revenue and profit of the company. However, in terms of the assets and available chemistries, it represents a multifold expansion in capability at every scale, including very difficult-to-master chemistries such as organometallic chemistries and chemistries related to imide manufacturing.

These go into high-end applications. They are not high-volume, but they are extremely high-value, where the value comes from moving from single 9 to triple 9, meaning from 99.9% to 99.999% purity. We are already participating in this area, and we will see an uptick in profitability as we increase the scale of these products.

{? Rishabh Tripathi from Multi-Dimensional Ventures ?}: Thank you, Maulik, for that answer. I think this optionality directly affects the terminal value of Deepak, and it is still not being appreciated. My second question is that Deepak's story is generally assumed to begin once our polycarbonate plant is operational. After the high base of FY24, until the integration is completed and we reach commissioning and commercial supply of polycarbonate, will we be able to sustain revenue growth on this high base, say 12% to 15%, and maintain an 18% to 20% EBITDA margin while achieving this growth? That would be my last question. Thank you.

Maulik: As I have mentioned, we are looking at a substantial improvement even in the AI business. A large part of the new investments has been commissioned only in the last few months, so these

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assets have yet to participate on an annualized basis in their full form. Meanwhile, the solvents basket, including MIBK, MIBC, acetophenone, and others, has only now come into play. These products will also contribute. I do not look at this only from the Phenolics side or the AI side. At the end of the day, these are new contributors.

As I mentioned earlier, there are two investments on which we are still working. They relate to products where Deepak has a very high right to win because of the integration, the chemistry, and the customer value. These are at a very advanced stage. Once we are able to finalize them, the investment will begin. Apart from that, the design engineering and related work has already been completed.

In terms of investment, I clarified that the phenol-to-polycarbonate investment represents the lion's share. However, in terms of IRR, the other investments are also substantial from an IRR perspective, although not from a gross investment perspective.

Operator: Thank you. The last question is from the line of {? Vansh Gupta from Septashian Capital ?}. Please go ahead.

{? Vansh Gupta from Septashian Capital ?}: Hello. Hi, sir. Am I audible?

Maulik: Yes, yes, you are audible.

{? Vansh Gupta from Septashian Capital ?}: Thank you very much for the opportunity. I have a couple of questions. First, in the investor presentation, you mentioned that surplus capacities in China continue to exert pressure on global dumping markets. If I remember correctly, in the past 2 quarters, you had stated that anti-pollution measures were somewhat helping us in the Advanced Intermediates space. Is there any change in the competitive environment, especially from Chinese competition, in both the Phenolics and Advanced Intermediates segments that is making us somewhat cautious?

Maulik: No. In fact, in the Phenolics segment, as I clarified earlier, there is very little participation from China. In the AI segment, while China does participate, generally it participates when domestic manufacturing is unable to keep pace with consumption requirements. As we saw when we were unable to supply the market with as much as it required in Q1, the result was visible in Q2.

Keeping that in mind, there is what one would call an anti-pollution campaign or a crackdown on certain hazardous chemistries in China. I believe that, at the end of the day, this is also good for China as a manufacturing base, but sometimes it operates in a monolithic manner where the government instructs private companies on what to do. Be that as it may, China has taken several steps to rein in destructive tendencies to overcompete and destroy value at every stage. India, and in many cases Deepak in particular, will be able to benefit from this.

Chinese capacity exists, and it is world-scale, substantial, and efficient to that extent. However, efficiency of scale does not necessarily mean efficiency of profitability. As we see this anti-pollution campaign and the crackdown on gray-scale or illegal manufacturing taking effect, we are seeing a resurgence in certain chemistries such as nitro aromatics, where we are seeing buoyant domestic as well as Western demand. In many cases, we are also seeing an increase in demand for our

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products in China.

By and large, I would continue to feel cautiously optimistic. Improvement in the ammonia-to-amines value chain is already visible across chemicals, and the same is true of the propylene-to-polycarbonate chain. At the moment, we participate up to phenol and its downstream products; in the future, we will participate further downstream as well.

Operator: Thank you. That was the last question for the day. I would now like to hand the conference over to management for the closing comments.

Maulik: Thank you, everybody, for joining today's call. Thank you for your continued interest in Deepak Nitrite. We continue to believe that the future, over the next quarter and the next few quarters, will involve discussions about how Deepak has consistently added accretive value. On behalf of the entire Deepak family, we wish you all a happy Diwali and a prosperous New Year ahead. We look forward to engaging with you in the coming months, addressing your questions, and continuing constructive discussions. Thank you very much.

Management: Thank you all.

Operator: On behalf of IIFL Capital Services Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.

Note: {? ... ?} indicates a figure or name where audio clarity was insufficient for confident transcription. Verify against the source audio or the company's published filings.

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