



“Advanced Enzyme Technologies Limited
Q3 FY2020 Earnings Call”

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MANAGEMENT:

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ENZYMES TECHNOLOGIES LIMITED**

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Moderator: Ladies and gentlemen, good day and welcome to the Advanced Enzymes Technologies Limited Q3 FY2020 Earnings Conference Call. We have with us today from the management, Mr. VL Rathi, Chairman, Mr. Mukund Kabra, Whole Time Director, Ms. Rasika Rathi, Director and Mr. Parag Katariya, Senior Manager Finance. 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, please signal the operator by pressing “*” then “0” on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. VL Rathi, Chairman, Advanced Enzymes Technologies Limited. Thank you and over to you Sir!

VL Rathi: Good afternoon everybody. It is a pleasure to address to all of you again as we put up our Q3 FY2019-2020 results of this financial year. We view these numbers as a positive state towards our goal for this financial year. You all are aware of the fact that we do not limit ourselves by measuring our success from quarter-to-quarter, as we strongly believe in delivering long-term value to our esteemed shareholders.

Moving further, I am delighted to announce that we have a considerate growth in terms of profitability. This is mainly because of the product mix. Our business in India had positive results and has been up by 15%. Evoxx, which is our subsidiary in Germany, is EBITDA positive in the current quarter as compared to the previous quarter and growing steadily. The EBIT for Evoxx is also on the positive side.

We will continue to work hard for our shareholders and I am really thankful to all of you for your relentless support towards this. We look forward to your questions, but for now our Senior Finance Manager, Mr. Parag Katariya will explain some financial numbers to you. Over to you Parag!

Parag Katariya: Thank you Sir. Now I will just take everyone through the numbers for this current quarter. Our sales on year-to-year basis is on positive side and has an upstream of Rs.102 million and has grown from Rs.1017 million to Rs.1119 million that is approximately 10% growth in the revenue. Correspondingly, the EBITDA has increased by Rs.112 million from Rs.417 million to Rs.529 million, and that is approximately 27% growth in EBITDA and as a percentage of total sales, EBITDA is having a percentage of 47% as compared to 41%.

Our consolidated PAT for this quarter has also increased by 37% from Rs.253 million to Rs.346 million in the current quarter.

Now we would open the lines for your questions and if in case you have any questions please feel free to ask us.

- Moderator:** Thank you. Ladies and gentlemen we will now begin the question and answer session. The first question is from the line of Rohit Sinha from Emkay Global. Please go ahead.
- Rohit Sinha:** Congratulation for a good set of numbers. There was significant growth in EBITDA and EBITDA margin so I have a couple of questions could you share the top product sales for the quarter?
- Mukund Kabra:** The sales for the top product in Rs.9.5 Crores versus Rs.23.6 Crores of Q3 December 2018.
- Rohit Sinha:** Rs.23.7 Crores?
- Mukund Kabra:** Rs.23.67 Crores.
- Rohit Sinha:** So this is largely, since our U.S. customers have the orders are lower from that side, is it because of that the revenue has contracted significantly?
- Mukund Kabra:** Yes. The U.S. revenue has contracted significantly, but India's revenue has gone up. So that overall basis, it is like 10% growth from the Q3 2018 to this, but if we just remove the top customer the growth is much higher.
- Rohit Sinha:** So can you share top 10 clients and top customers' revenue share?
- Mukund Kabra:** Sorry. As a policy we may not be able to share that, which are the top 10 customers.
- Rohit Sinha:** Top client contribution at least?
- Mukund Kabra:** Yes, that I can tell you. So the top client is 9% in this quarter compared to 23% in the last quarter third quarter of 2018-2019.
- Rohit Sinha:** Last year, how much it was?
- Mukund Kabra:** 23% for this quarter, right now it is 9%.
- Rohit Sinha:** I wanted to know the Evoxx sales and EBITDA for this quarter?
- Mukund Kabra:** Yes so the Evoxx sale is Rs.57 million, Rs.5.7 Crores this quarter, and EBITDA is Rs.17.7 million, Rs.1.77 Crores.
- Rohit Sinha:** So this is positive. So versus last year, how much it was?
- Mukund Kabra:** So last year revenue was Rs.38.6 million and EBITDA was minus Rs.14.5 million.

Rohit Sinha: Sir just wanted to know this EBITDA expansion was because of the growth in Animal Health Care segment or is it because of other geographies doing well for this human health care?

VL Rathi: There is a growth in animal health sector and various other sectors also. There is a contraction a little bit in the U.S. market due to top customers, but otherwise the growth is on all the sectors.

Mukund Kabra: Your question is on the margin so margin improvement is because of the focus and focused businesses, right, so we were on the consolidation business. So now the raw material cost has gone down and second impact is salary cost is more or less constant.

Rohit Sinha: So are we able to maintain our FY2020 guidance on the revenue front because on the margin side I think we are pretty much in line?

Mukund Kabra: On the revenue front, probably, we will end up with Rs.440 Crores to Rs.445 Crores, but on the PAT side we will be able to manage our guidance.

Rohit Sinha: Going forward how would be our strategy towards the revenue growth?

VL Rathi: Rohit, basically our strategy is now to consolidate our various different strengths in areas and stay focused on the marketplace where our strengths are. So we continue to consolidate our position in the market where we have normal strength and we feel that our growth will accelerate hopefully after further 3 to 4 quarters.

Rohit Sinha: The growth which we are seeing in other geographies is it across the segment or is there any specific segment, like animal?

VL Rathi: Across all the segments, Rohit. Yes, it is in difficult worldwide conditions right now we are able to maintain our growth across the segments.

Rohit Sinha: Thank you.

Moderator: Thank you. The next question is from the line of Dinesh Kulkarni, an individual investor. Please go ahead.

Dinesh Kulkarni: Sir, congratulations on good set of numbers. My question to you is if we see cost of materials consumed on a consolidated basis has gone up from Rs.13 odd Crores, almost Rs.13 Crores to Rs.23 Crores that is almost doubled can you just explain to me that, please?

Parag Katariya: Dinesh, when we see our total consumption, we have to consider our cost of material consumed plus purchases and plus changes in inventory. So if we see on a totality basis of

these 3 numbers we are having a total consumption of Rs.176.58 million as compared to Rs.199.51 million in the current quarter. So it is somewhat similar range and yes there is increase in the cost of material consumed that you can see it on account of the higher sales, which we have achieved.

Dinesh Kulkarni: Are you seeing any price increases in your raw materials in any of the significant price increases in any of the key raw materials?

Mukund Kabra: I do not see it, Dinesh because even if there is a rise in the key raw material on the overall basis the impact is very, very minimal.

Dinesh Kulkarni: Thank you. That is my question. I will be in queue if I have any other questions.

Moderator: Thank you. The next question is from the line of Shikha Mehta from Equitree Capital. Please go ahead.

Shikha Mehta: I just had one question. So could you give us some guidelines on what to expect with regards to new products or what is in the pipeline?

VL Rathi: Shikha, the products are always is a combination of enzymes, which we supply to various different segments as a solution to the problems rather than selling a particular enzyme. So the results are coming across the sector in various different areas with considerable significant impacts on the revenue and sales.

Shikha Mehta: Right, but we had a couple of new initiatives that we were thinking of exploring like the palm oil, etc., so is anything in the pipeline now or from where will the revenues be growing moving forward?

VL Rathi: No. As I explained to you, we have decided to concentrate on our strengths immediately and put the efforts into the same direction. So palm oil even though it is on our chartered map we are not actively pursuing it.

Shikha Mehta: Alright, so any update on inorganic growth?

VL Rathi: Inorganic growth?

Mukund Kabra: At this point of time, we are looking, Shikha, but nothing to declare or report about.

Shikha Mehta: Alright. Great. Thank you.

- Moderator:** Thank you. The next question is from the line of Paritosh Chandra, an individual investor. Please go ahead.
- Paritosh Chandra:** My question is regarding is there any capital expenditure in the next financial year or next quarter? This is my first question.
- VL Rathi:** Yes, the first question on your capital, yes we are using a substantial capital into our growth in research and development.
- Mukund Kabra:** So Paritosh, we just acquired in this quarter a land of 15 acre in Nasik and that we are building up a modern R&D center and we are thinking about Rs.100 Crores in the next 3 years as a capital investment for the R&D center.
- Paritosh Chandra:** What product pipeline?
- VL Rathi:** Human nutrition, animal nutrition, a lot of areas in the food processing. We have enormous opportunities in all these sectors and we are going to concentrate on our existing products and expanding the market segments in this.
- Paritosh Chandra:** No. Like how long before this capital expenditure start?
- Mukund Kabra:** I think, we already invested Rs.33 Crores roughly and I guess coming year we will be spending another Rs.15 - 20 Crores on that.
- Paritosh Chandra:** No. What I mean to say is like when will it start contributing to your topline, in process of setting up the R&D center, right?
- VL Rathi:** No. Let me explain this again to you. We already have our current R&D centers, right? So we do spend a considerable amount of money on our R&Ds because we are in the global nature and the name of the business in our sector is that it is a continuous R&D and expansion of R&D into those fields whether it is baking area, food processing area, animal nutrition or the human nutrition, as you can see, there are a lot of interesting challenges globally, and everybody is looking for the solutions. So this new facility will give us opportunity to really work, expedite our research areas, so R&D is never stopping business. It is a continuous business we are going to put a lot of efforts into making this R&D the global research center.
- Paritosh Chandra:** Fair enough. Thanks for the answers. Thank you.
- Moderator:** Thank you. The next question is from the line of Praveen Kumar from Equitas Capital. Please go ahead.

Praveen Kumar: I have a question on your slowdown in the U.S. revenues. I wanted to understand if you could elaborate whether this slowdown you expect it to be more transitory in nature or you see it as more of a structural slowdown and if you could elaborate the reasons behind the same?

VL Rathi: Praveen, interestingly, you keep in mind that a lot of previous numbers were a lot of dependent upon one of our major customers. That customer if you take it away from previous numbers to this year's number you will see that our growth is 25% in the other customers, so our growth is going very well. The numbers, which get a little distorted, is that when you get a big gap and you are trying to fill that up. So that is where the numbers get distorted.

Praveen Kumar: So from your experience with your biggest customer, for example, I think we had earlier alluded that the biggest customer has contributed 9% of revenues, so you expect it to stay at this level or you expect it to again go back to earlier levels?

VL Rathi: Good question. They even do not know about it right now and it is a global effect. So we do not know, you do not know and I do not know what is going to have an effect of corona virus or all these kind of things. They are looking in the way of restoring back again, but time will tell.

Praveen Kumar: I had another question on your segmental revenue split. So again, on that, do you let us say, I look at it over the next 3 to 5 years, do you expect it to shift more away from human health care and more into animal health care and bioprocessing or what is the kind of expectation one should have from it?

VL Rathi: On the contrary we are not focusing only on one segment per se we are focusing on all the segments, human nutrition, and animal nutrition vis-à-vis other verticals.

Mukund Kabra: In fact, Praveen, we speculated that it has to be equal in all the 3 segments. That is what we intent to do in the next 3 to 5 years.

Praveen Kumar: So you would expect the segmental split to largely remain the same, you would say?

Mukund Kabra: No, I would put it this way. They are equal in all the segments like human, animal and food processing. That is our goal and target.

Praveen Kumar: So one third, one third, one third you mean?

Mukund Kabra: Exactly.

Praveen Kumar: So you expect in other words, you implicitly expect Animal Healthcare and bioprocessing to grow much faster, you are focusing there much more than the human health care segment?

- VL Rathi:** You got it.
- Praveen Kumar:** So just one additional question on that. So given that your large part of the revenues have traditionally come from human health care, what sort of capabilities have you developed or in the process of developing to meet this kind of a goal?
- VL Rathi:** Can you repeat your question again?
- Praveen Kumar:** What I was asking is that, as of today, if I see a large part of your revenues, more than 70% are coming from human health care, right? So traditionally, that is where a lot of the revenue has come from. So in order to achieve your goal of equal split between the 3 segments in the near future what kind of efforts have you put in the other segments or what kind of initiatives are you taking in other segments to reach that kind of a goal?
- Mukund Kabra:** Praveen, we already have all the enzymes what is required for all the segments. It was just a focused approach, which we needed and we are like consolidating our portfolios and we are focusing on the marketing. Large R&D center will also contribute in the future. So making all of this I guess like we can achieve those.
- Praveen Kumar:** You referred to marketing, so have you added to your marketing strength in these other segments or are you planning to add marketing strength there?
- Mukund Kabra:** Yes, we are adding the people and we are in the process.
- Praveen Kumar:** Thanks.
- Moderator:** Thank you. We will move onto the next question that is from the line of Anupam Agarwal from Lucky Investment Managers. Please go ahead. As there is no response from the current participant, we will move on to the next that is from the line of Rohit Sinha from Emkay Global. Please go ahead.
- Rohit Sinha:** Just wanted to know what is the cash in the balance sheet at this current stage?
- Mukund Kabra:** So Rohit, the net cash on the balance sheet is Rs.156 Crores roughly.
- Rohit Sinha:** So for FY2020 roughly what kind of overall capex amount would be there apart from that Rs.33 Crores what we have invested in land acquisition and development, so basically what would be the overall capex number for FY2020?
- Mukund Kabra:** Rohit, we are now working, but on a roughly side it should be about Rs.25 Crores?

- Rohit Sinha:** That is it from side.
- Moderator:** Thank you. The next question is from the line of Anupam Agarwal from Lucky Investment Managers. Please go ahead.
- Anupam Agarwal:** Congratulations on great set of numbers. I had 2 questions. First is that you mentioned somewhere that you plan to invest Rs.100 Crores over the next 3 years in your new R&D plant, I just wanted to ask you what sort of revenue can generate over time from that Rs.100 Crores of assets that you would be investing?
- VL Rathi:** We are looking to grow 15% to 20%.
- Anupam Agarwal:** 15% to 20%?
- VL Rathi:** Year-on-year.
- Anupam Agarwal:** No. So my question was how many turns or what could be the asset turns on that Rs.100 Crores of assets that you are building?
- VL Rathi:** At this point in time, we cannot give you exact numbers on those, but let me get back to you on that.
- Anupam Agarwal:** Second question would be what your dependency of raw materials from China is and what is your thought process behind the disruption that can happen due to the current state?
- Mukund Kabra:** On the raw material side we are very less dependent maybe 1% or 2% of raw material comes from the China so on the dependency front we are not really dependent on them, but on the marketing front, yes, there can be some disruptions, particularly we export globally and some of our U.S. sales goes to China as well.
- Anupam Agarwal:** Are we seeing some signs of disruptions or any slowdown in the past one month?
- Mukund Kabra:** As of now we have not seen any effect.
- Anupam Agarwal:** Do we sell directly to China market?
- VL Rathi:** Very little quantities, yes we do.
- Mukund Kabra:** We do.
- Anupam Agarwal:** Okay Sir. That is all from my side. Thank you.

- Moderator:** Thank you. The next question is from the line of Dinesh Kulkarni, an individual investor. Please go ahead.
- Dinesh Kulkarni:** I wanted to know what is the long-term strategy on revenue growth you would look at say from 3- to 5-year perspective?
- Mukund Kabra:** Dinesh, in last call, I think, like, Mr. Rauka has already given the number that what we are dreaming or what we can look at it is about Rs.900 Crores in 3 to 5 years, right and that is still the valid plan what we are going with it.
- Dinesh Kulkarni:** That is Rs.900 Crores 3 to 5 years and should we assume the margins should remain what they are now or there should be some improvement in margins as well as EBITDA margins?
- Mukund Kabra:** At this point of time we will still keep the same thing, 40% to 48%, what we used to give.
- VL Rathi:** Current margin, look at our current margins Dinesh. There are all improvements. As we consolidate and do more it will effect, but also we understand that there is a competition area which comes in so concept is to keep those margins intact.
- Dinesh Kulkarni:** Thank you. That is my question. Thank you very much.
- Moderator:** Thank you. The next question is from the line of Shikha Mehta from Equitree Capital. Please go ahead.
- Shikha Mehta:** I just had a couple of follow up questions. Also, since we are a debt-free company and we keep generating cash every year do we have any specific dividend policy or something we want to do with the cash we are generating?
- VL Rathi:** Well, as you know that every year we keep on increasing the dividends right?
- Shikha Mehta:** Right.
- VL Rathi:** That is a policy will continue as long as more interest for us is to grow this company on a growth basis and there are various different things company is taking a measures on to so that we can deliver a better value for our shareholders and we will be continuing to hopefully continue to increase our dividends.
- Shikha Mehta:** Apart from dividends, is there anything specific we plan on doing with the cash we hold?
- VL Rathi:** There is always a plan. The company has a plan. When it will execute we will obviously let you know, but not in the dividend policy, not into the dividends.

- Shikha Mehta:** Alright. Thank you.
- Moderator:** Thank you. The next question is from the line of Rajesh Vora from Advanced Enzymes. Please go ahead.
- Rajesh Vora:** Mr. Rathi, another participant also asked about the reason behind that top customer, revenues from the top customer falling significantly, but I think it was not answered, could you please answer that question?
- VL Rathi:** Rajesh, what exactly you want to know?
- Rajesh Vora:** The top client of your company you could generate revenues about Rs.9.5 Crores in this quarter versus about Rs.23.6 Crores a year ago so there is a significant decline, it is more than halved, what are the reasons behind that significant decline, if I can know?
- VL Rathi:** I do not know. Obviously the demand is a little lower than quarter-to-quarter basis.
- Rajesh Vora:** On an annual basis, if we look at FY2019 or 9 months number if we look at, there would be, again, the similar picture, 9 months this year?
- Mukund Kabra:** Sorry, can you repeat?
- Rajesh Vora:** Of this fiscal year from April 2019 to December 2019 if you compare that with the previous year 9 months, the picture quite similar?
- Mukund Kabra:** Yes, it is quite similar.
- Rajesh Vora:** Yes, then it is not quarter-to-quarter, right, it is 9 months also the same picture, so there is obviously some significant reasons behind such a significant fall?
- Mukund Kabra:** There will be the reasons we do not know at this point of time, but that is what it is.
- Rajesh Vora:** So someone has not given you any idea or why they are not picking up so much. I am sure your marketing people are in interaction with them on a regular basis?
- Mukund Kabra:** We cannot comment at this point of time, Rajesh.
- Rajesh Vora:** Secondly, Rs.100 Crores spend in R&D, is that what you said over the next 3 years. So you mean you will be spending the operating expenditure of R&D or capital expenditure of R&D?
- Mukund Kabra:** Capital expenditure.

- Rajesh Vora:** That is very significant. When I look at your total net block of Rs.200 Crores as of 9 months?
- Mukund Kabra:** Yes.
- Rajesh Vora:** So is that something very different you are trying to do than you were doing in the past?
- VL Rathi:** What we said is we are going to continue on the same path.
- Rajesh Vora:** But you had not invested Rs.100 Crores in R&D?
- VL Rathi:** That is why we are investing this time, Rajesh. So we can do something which we should have been doing.
- Rajesh Vora:** All the best.
- Moderator:** Thank you. The next question is from the line of Anupam Agarwal from Lucky Investment. Please go ahead.
- Anupam Agarwal:** Just for a better understanding point of view if you can just explain between the 3 segments that you are in, which segment has a better margin business or definitely your human health care is much higher because you are reporting a better margin right now, 3 to 5 years down the line you said the mix would change at roughly with 33%, so is the margin profile going to change significantly when the mix changes or just trying to understand which segment has a better margin profile?
- VL Rathi:** Well, the margin profile depends on the product and it also depends upon the mix and we are changing the profiles and we are changing the products, but as I said, our goals are to keep our margins at a high level as it is right now.
- Anupam Agarwal:** Thank you so much. That is all from my side.
- Moderator:** Thank you. The next question is from the line of Paritosh Chandra, an individual investor. Please go ahead.
- Paritosh Chandra:** My question is about the existing capacity utilization like is there any percentage which you can give us like how much capacity is being utilized right now for your existing infrastructure?
- Mukund Kabra:** Well, it is difficult to measure, but we estimate about 50% at this point of time.

Paritosh Chandra: No, what I am asking is this 50% utilization is your manufacturing units, units which manufacture different set of enzymes, right?

Mukund Kabra: That is right.

Paritosh Chandra: So your existing R&D units are completely being utilized, basically they are the cost centers?

Mukund Kabra: Exactly. The R&D we have a very short space.

Paritosh Chandra: Fair enough. Thanks.

Moderator: Thank you. The next question is from the line of Manoj Shroff, an individual investor. Please go ahead.

Manoj Shroff: I had a few basic questions. Maybe if you cannot answer on the call I will take it offline. My first question was what is the customer retention rate?

VL Rathi: I cannot tell you exactly, but it should be very close to 95% or so.

Manoj Shroff: Got it and in terms of India market share, I think in the prospectus, it says that our India market share was 15%, so if you want to talk about the growth in the market since the prospectus so have we outgrown the market, so at that time they were forecasting market growth of 8%, 10%, so how has the market grown in the last 2 years and have we grown ahead of the market in India and what is our market share now?

Mukund Kabra: Can you please repeat?

Manoj Shroff: What would be our India market share?

Parag Katariya: Well, India market share is roughly around about 55%.

Manoj Shroff: India market share is 55%. Okay.

Mukund Kabra: But in the area where we are present, right?

Manoj Shroff: Right and the overall enzyme market, I believe, in the prospectus, it said our market share was 15% so have we grown ahead of the market in the last few years in India?

Mukund Kabra: Well we are growing into the new segments. We are finding the new applications and that is how our growth is coming. That is like we are ahead of the traditional market growth.

- Manoj Shroff:** So what has been the India growth market in the whole enzyme sector in the last few years?
- VL Rathi:** Manoj, we are all aware of it this is a global market and things are changing dramatically, it is not a country, one country based anymore, things are happening, whatever happens here also is reflecting into our market and vice versa, so a lot of different areas are coming to the forefront, and we are addressing those, and that is where the growth is coming.
- Manoj Shroff:** Got it. So in the India market, if you can share some, again, if it is not a relevant question I can go to the next one. I just want to see how competition is out in the Novozymes and Biocon, how are we competing with them, is it on a price competition, I would guess no, the price would not be, it is about solution I guess, if you want to talk about something in how are we competing and how will we gain market share, is it in India we are going to gain market share or as you alluded it is more of global market share that we are looking at?
- VL Rathi:** See you have a very interesting and valid question. The thing is the market is changing, the mix is changing and competition is always going to be there. So there is not a question of competition is not there, but market is changing, so accordingly we are very nimble and fast to change and that is what our aim is and that is what will this new facility also will give us the means and tools to change ourselves and take the opportunity what time permits us or give us.
- Manoj Shroff:** Just a couple of more. What is the percentage of revenue coming from patented products, what is the percentage of sales?
- VL Rathi:** These are not patented products; these are solutions-based products, not patented products.
- Manoj Shroff:** Sure. So why I was asking because Novozymes gets around 90% of the sales from their patents so I was just asking if we have a comparative thing?
- VL Rathi:** No, their business is a little bit different, model is different, and business is a little different.
- Manoj Shroff:** The number one customer that you have in the U.S., which sector are they from, are they from the of oil and gas sector?
- VL Rathi:** No, it is from the human nutrition sector.
- Manoj Shroff:** Thank you so much Sir.
- Moderator:** Thank you. The next question is from the line of Praveen Kumar from Equitas Capital. Please go ahead.

- Praveen Kumar:** I have a followup question on your growth plan over the next 3 to 5 years. What I wanted to understand was if you look at it in terms of customer product and geography, how much of it do you expect from new products and new geography versus new products, but existing geography that kind of a split, have we thought about it and what could you share on that front?
- Mukund Kabra:** Well, we are still working on it and I guess, it requires some more time for us to finalize the draft however.
- Praveen Kumar:** But would it largely come from newer products or existing products, you would say?
- Mukund Kabra:** At this point of time, both.
- VL Rathi:** There is always going to be new line of products also and at the same time we are trying to expand the existing products also.
- Praveen Kumar:** Thank you.
- Moderator:** Thank you. The next question is from the line of Dinesh Kulkarni, an individual investor. Please go ahead.
- Dinesh Kulkarni:** Yes. I just wanted to know, you talked about revenues almost doubling from here to Rs.900 Crores in 3 to 5 years so what is the visibility you see there?
- VL Rathi:** Well we are pretty confident or certain about what we are trying to do and visibility is fairly decent.
- Dinesh Kulkarni:** That is great and one more question on that. How do you see your working capital changing because I see there has been an increase over the last few years, working capital cycle days so is it going to remain same or is it going to increase rather?
- VL Rathi:** It will probably remain the same.
- Dinesh Kulkarni:** It will remain same and what is the number now currently, if you know on the LTM basis, or if you are projecting for FY2020 what would be that number?
- Parag Katariya:** Working capital is 106 right now.
- Dinesh Kulkarni:** What is the FCF on LTM basis now, free cash flow?
- Parag Katariya:** Free cash flow?

Dinesh Kulkarni: Yes.

Parag Katariya: I think I can get back to you on that.

Dinesh Kulkarni: That is it from me. Thank you.

Moderator: Thank you. Ladies and gentlemen that was the last question. I now hand the conference over to the management for their closing comments.

VL Rathi: Friends thank you so much for your participation and asking some very probing questions and we appreciate your support and cooperation throughout and look forward to working with you and thank you, all the shareholders, we really appreciate it. Thank you.

Moderator: Thank you. Ladies and gentlemen, on behalf of Advanced Enzymes Technologies Limited, that concludes this conference call. Thank you for joining us. You may now disconnect your lines.