



# Alkyl Amines Chemicals Limited

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May 13, 2026

To,

**BSE Limited**

P. J. Towers, Dalal Street,  
Mumbai - 400 001

**SCRIP CODE: 506767**

**The National Stock Exchange of India Limited**

Exchange Plaza, Bandra Kurla Complex,  
Bandra - (E), Mumbai - 400 051

**SYMBOL: ALKYLAMINE**

Dear Sir / Madam,

**Subject: Transcript of Conference Call held on May 6, 2026 with investors and analyst on financial performance of Q4FY26**

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the transcript of the Conference Call held on Wednesday, May 6, 2026 at 3.00 p.m. (IST) with investors and analyst on financial performance of Q4FY26.

The said transcript will also be made available at the website of the Company at [www.alkylamines.com](http://www.alkylamines.com) under Investor Relations>Investor Center>Conference Call Transcripts

You are requested to kindly take the same on your record.

Thanking you,

**For Alkyl Amines Chemicals Limited**

**Chintamani Thatte**

**General Manager (Legal) & Company Secretary  
& Compliance Officer**

Encl: As above



Alkyl Amines Chemicals Limited

“Alkyl Amines Chemicals Limited  
Q4 and FY26 Earnings Conference Call”

May 06, 2026



Alkyl Amines Chemicals Limited



**MANAGEMENT:** **MR. KIRAT PATEL – EXECUTIVE DIRECTOR – ALKYL AMINES CHEMICALS LIMITED**  
**MRS. KANCHAN SHINDE – CHIEF FINANCIAL OFFICER – ALKYL AMINES CHEMICALS LIMITED**  
**MR. CHINTAMANI THATTE – GENERAL MANAGER, LEGAL AND COMPANY SECRETARY – ALKYL AMINES CHEMICALS LIMITED**

**MODERATOR:** **MR. KUMAR SAUMYA – AMBIT CAPITAL**



**Moderator:** Ladies and gentlemen, good day, and welcome to Q4 and FY26 Earnings Conference Call of Alkyl Amines Chemicals Limited hosted by Ambit Capital Private Limited. This conference call may contain forward-looking statements about the company, which are based on the beliefs, opinion and expectation of the company as on date of this call. These statements are not the guarantee of future performance and involve risks and uncertainties that are difficult to predict.

As a reminder, all participant lines will be in the listen-only mode. And there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Kumar Saumya from Ambit Capital. Thank you, and over to you, sir.

**Kumar Saumya:** Thanks, Danish. Good afternoon, everyone. Welcome to 4Q and FY26 post-results conference call of Alkyl Amines Chemicals Limited. From the management we have with us today, Mr. Kirat Patel, Executive Director; Mr. Chintamani Thatte, General Manager, Legal and Company Secretary, Mrs. Kanchan Shinde, Chief Financial Officer. I'll now request Kirat sir for an opening remark, post which we'll open the floor for Q&A. Over to you, sir.

**Kirat Patel:** Thank you, Kumar, and welcome, everybody, to the annual Investor Call. Thank you for the interest you've shown in the company. I shall just give a few opening remarks, and then we will open the line for questions. The year has been a little challenging. We did begin the year with a little bit of optimism thinking that there will be some growth. However, as you can see from the results, both the top line and the bottom line have more or less remained flat, plus/minus 1% of what it was last year.

Within that, the concern has been that the markets have not grown as fast as we would have liked. However, the good part is we have managed to retain and perhaps even slightly increase our market share in various markets that we operate in. Of course, the year could be split up into 11 months and another 1 month in March after the war has begun.

And as you would be aware, we had informed the stock exchange both about the issues we have had with sourcing ammonia in March and subsequently, how we have been able to manage to keep the plants running. So we have had a few challenges in March in operations, but we have, by and large, overcome it. But of course, the future remains a little uncertain as long as the war continues, which we hope will get resolved soon.

With these opening remarks, I will open the floor for questions on specific issues or specific questions you may have about our products, markets, investments on the numbers which have been released yesterday. And please, Kumar, you can start the questions going. Thank you.

**Moderator:** Our first question comes from the line of Rohit Nagraj from 360 ONE Capital. Please go ahead.

**Rohit Nagraj:** Sir, just one question in terms of the demand dynamics that we have seen over the last couple of months, given that the raw material prices have increased and that must have been partially at least reflected in the higher product prices. So how has been the user demand given the current



context? And what do we expect in the near future? Will it have any kind of demand challenges, which will [promenade 0:04:30] because if the higher pricing continues to stay for some time?

**Kirat Patel:** Okay. Yes, you're right that the immediate impact of the war has been that the prices have risen both of our raw materials and subsequently, we have raised our finished good prices to protect our margins. It is a bit difficult to predict whether this will have an impact on the demand. At the moment, of course, we haven't seen it because it's too early. But we have one thought process that in most of our customers' products, we are actually a very minor cost in their cost of material. It's what you might call a C item.

So they have bigger problems to worry about in their major items. So the pressure on pricing may not be from the customers as much as from competition. And competition is already facing the same constraints as we have. So I suspect though the prices have risen, they will not go back to the pre-February prices very soon. It will take some time for them to readjust. And we think that it will continue for a little longer this price hike until the supply chain sorts itself out.

**Moderator:** Our next question comes from the line of Dhruv Muchhal from HDFC AMC.

**Dhruv Muchhal:** Sir, if you can help us, what would be your volume growth for FY26 to be?

**Kirat Patel:** It's been basically flat volume and value, plus-minus 1% either way prices have dropped 1% and volume has probably dropped 1%. So the combination is about 2% drop. But within that, of course, between products, there has been a lot of change

**Dhruv Muchhal:** Change, yes. Sir, on the RM availability, now ammonia is a key element for you. Just trying to understand the disruption that we see and Middle East being a large producer. So curious to understand -- I understand the prices have increased and net price, probably some material is available. But at a broader industry level, is ammonia easily available? I mean if the hypothesis is if it is available across the Board for across the players.

Although at a higher price, the oversupply concern that to some degree, which was there in the industry would remain and how do the spreads improve then? So I'm just trying -- on the prices have improved, do the improvement in spreads happen? Or -- because if it's -- the point is if it's available only to you or for probably a few players like you, then I can understand the spread improvement. But if it is available across, how does the spread improvement happen?

**Kirat Patel:** Okay. So one is about the availability of ammonia. Yes, there was in March, a week or 2 when we had grave concerns about availability. But the sourcing improved. So most of our suppliers managed to source the ammonia for us fairly soon, and the disruption was very short and our inventories took care of the gap.

Going forward, yes, like ammonia, as you said, we were in the region of about INR50 a kg and now we are over INR100 a kg. So obviously, the cost of production has risen, and we have had to pass it on to customers. As I said earlier, the customers have been able to absorb the cost at the moment.



Whether this will lead to some demand destruction is a question for the future. But currently, yes, we have been able to source it. And I suspect that most of our competitors have also been able to find their sources of ammonia. So the marketplace has remained balanced. And the rise in margins may be just purely inventories.

If you had inventories of cheaper ammonia or the cheaper raw material and you produced it for a month or 2, you will get an advantage. But after that, it will settle down to the regular competitive margins.

**Dhruv Muchhal:**

Got it. Sure. And when you say the availability -- I mean ammonia availability is reasonable, does it mean you are able to operate the plant at the level you desire? Or I mean, it is at a lower level although sufficient enough? I'm just trying to understand the degree of availability.

**Kirat Patel:**

Yes. So our plants are running. We have a little bit of headroom. On an average, we must be having between 60% and 85% capacity utilization, and that we continue to get enough raw material to keep there. Yes, if the market grows suddenly to more, we'll have to source more ammonia. But the amount of ammonia the aliphatic industry requires is between 10,000 to 15,000 tons, per month.

So it's a fraction of what the country needs. So it's fairly easy for the government to allocate 0.05% which is a critical raw material going into agricultural inputs to drugs. So they have taken into consideration that, and they will definitely support what is required. The alternative for them would be that, if these industries cannot supply, then the worst case scenario, they will have to import the material.

And that is not a great idea. So they are making arrangements. So, I suspect over a period of time, we will get the ammonia as we require. Of course, it's not just the ammonia, but other raw materials, methanol and also raising prices.

It will take some time for the industry to sort the supply chain out, maybe another 3 months, maybe 6 months for it to stabilize. Hopefully, by that time, all this Hormuz Strait will be opened out, and we will be able to manage a reasonable amount of material coming through.

**Dhruv Muchhal:**

Sure, sir. Perfect. Sir, one other question was if any update on the project that you were implementing in, I think, Kurkumbh...

**Kirat Patel:**

Yes. So that project was to be commissioned in this quarter, April to June. We are slightly delayed. It will probably be the beginning of the next quarter that the project will get commissioned. Mechanical completion is going on. Mechanical completion is going to be completed somewhere at the end of June.

**Dhruv Muchhal:**

And the economics remains broadly same. I mean there's no...

**Kirat Patel:**

Yes. The economics of the project have not been affected, even though there has been a slight delay. The economics of the project has not been affected, even though both the raw materials and the finished goods both prices have risen of in line with everything else.



- Moderator:** Our next question comes from the line of Pankaj Tibrewal from Ikigai Asset.
- Pankaj Tibrewal:** So 2 questions. One, last 3 years, when I look at our performance, obviously, we were impacted by the product pricing correcting significantly led by Chinese import. And Chinese were selling at a price which was at times below the cost of production, especially in acetone and ethylamines and methyl chain. How is the situation now? Can you give us a color?
- And the way we saw in the last 3 years, do you think that finally, even if the prices revert, will it settle much above? And can the company now starts to deliver double-digit kind of a growth, which will be a combination of volume plus pricing? So just a color on across the chain and the import side will be quite helpful.
- Kirat Patel:** Okay. The first thing is the Chinese were not in the methylamines field where the competition is largely domestic. While in case of acetonitrile, we got the antidumping duty, it took a little time for it to materialize, and we only got the benefit of that antidumping duty towards the end of the year. Initially, there was a lot of inventory in the pipeline. So in anticipation of the antidumping duty, people had imported more.
- And after that, the Chinese themselves cut prices, so towards the end of the year, we did see some improvement in our pricing in acetonitrile. And therefore, volumes started creeping up and our market share started moving a little better.
- Going forward, whether at these elevated prices, whether we'll be able to deliver growth on volume and obviously, in terms of value, it will grow because the prices have got elevated. But in terms of volume, one is not sure. We expect that the next year will be like a normal year, which is about 5% to 10% growth rate, but there is too much uncertainty in the future.
- Pankaj Tibrewal:** On the aceto side, what will be the pricing now?
- Kirat Patel:** Today, I think we are at about, what INR250.
- Kanchan Shinde:** INR200.
- Kirat Patel:** A bit over INR200 now per kg. But then acetic acid has also risen considerably.
- Pankaj Tibrewal:** And last quarter, it's average will be what?
- Kirat Patel:** INR200 a kg, INR200-odd a kg.
- Pankaj Tibrewal:** No, last year's average for us.
- Kirat Patel:** Last year's average, it came down to something like INR140, INR150.
- Pankaj Tibrewal:** Okay. So it's gone up by almost 30%, 40% from there, that...
- Kirat Patel:** Yes, so -- but as the raw materials.



**Pankaj Tibrewal:** Yes, yes, sure, sure. And on the ethyl and methyl chain also, the margins had come down to 2-decade low. How is it naive from a spread perspective, are you seeing improvement and plus the volume offtake because we have a lot of capacity also. So can you give us some color on that side of the business, please?

**Kirat Patel:** So in ethyl, the market has adjusted and the margins have improved. But in methyl, we find still that though temporarily, there will be some disruption because of ammonia. But now that we have 4 players in methylamine in the country, we expect there will be competition in methyl because now Aarti has also commissioned their plant, and therefore, they expect to be some competition.

**Pankaj Tibrewal:** And ethyl, can you give us some color on the spreads and how is it behaving now?

**Kirat Patel:** Ethyl has been only 2 of us, Balaji and us in the market. And there has been a somewhat stable market share kind of rationing or whatever. And prices have stabilized. In fact, they have also increased because alcohol has increased and margins have been protected there.

**Pankaj Tibrewal:** Okay. That's great. And just last question on aceto. Can you give us color on the imports by Chinese? How is it behaving now?

**Kirat Patel:** In the last quarter, I think there has been some improvement from us. I mean, in the sense that they have reduced their imports because they have raised their prices. So more and more, our market share has been increasing. But that's only the last quarter. It took almost 6 months from July all the way to January -- December, January for the pipeline and the aggressive behaviour of the Chinese to change.

**Pankaj Tibrewal:** That's great to hear that. And from a demand perspective, last con call, you all mentioned because of the tariff issues, the pharma and a few of your clients had suffered, and that's why the volume had become a little lower. How is it the feedback from the clients right now because the tariff issue is now behind. So what are the pharma guys, the API and the peptide guys are saying? How should we look at it from a demand perspective?

**Kirat Patel:** I think the pharma has always been a little optimistic. They were exempt from most of these tariffs. There was a danger in the oil and gas field where we were supplying, which had an impact. That was on one of the products which we used to sell, and where the peptides is concerned, there is still a lot of optimism, I would say, a lot of talk about growth, but most of it has to still materialize.

It's still early days. Just March, they got there, I think, waiver of this thing. So they've all launched somewhere in the last month only. And yes, we have supplied materials to all the players, but we are waiting to see how that growth takes place. We are optimistic that in acetonitrile and peptides, there will be some volume growth.

**Pankaj Tibrewal:** But have you been able to now assess the market for us for peptide on aceto?

**Kirat Patel:** Difficult because everybody is giving different optimistic figures, but I don't think that will all hold. They're all very gung-ho about it, but it's not going to be that competitive. But the



acetonitrile market is about 30,000 tons or so. And this will be maybe 10% of the whole. So something will go up, something will go down. So the total market is not disrupted by it. It's not a disruption, but it's a great addition.

**Pankaj Tibrewal:** And I know the company is quite conservative in overall outlook always. But when I look at the last 3 years, it's not been a very inspiring time for the company because of various reasons from an outside perspective. The way we are standing now, and obviously, things will change because it's an uncertain world. Do you think that now probably we are on a growth path back again and things should be materially better than what it has been in the last 3 years where we suffered from all the fronts?

**Kirat Patel:** Short answer, yes, - I think we look forward to what I would say, cautious optimism. I think we will do better than what we have over there. And we have seen the worst of times, I think. Of course, in life, you never say that because something always comes along to prove you wrong. Yes, I'm optimistic that we are likely to see better times in the future.

**Moderator:** Our next question comes from the line of Parikshit Gujarati from Niveshaay

**Parikshit Gujarati:** First of all, I would like to ask a similar question what Pankaj sir asked. So all this China anti-involution policy, how big is the catalyst for us? So they are cutting from capacities of the chemical sector overall. So how big is the benefit for us I wanted to ask that.

**Kirat Patel:** Sorry, can you just repeat the question? What is the...

**Moderator:** Parikshit, I'm sorry to interrupt you, but your voice is breaking, make sure that you have a stable network.

**Parikshit Gujarati:** Yes. So what happened from the past 3, 4 years that Chinese were dumping the chemicals into India. And now in the anti-involution policy, we are trying to cut the capacities in the country. So how will we benefit from this?

**Kirat Patel:** Yes. So we have seen over the last quarter, a reduction in the aggressiveness of the Chinese, and we hope it will continue. So if that happens, then, of course, not just us, all the Indian manufacturers will benefit in terms of reduced competition from the Chinese, some of it which was quite unfair.

And we hope that will help us restore our margins to the levels which we were hoping. And of course, this path that they have taken should be consistent. It's not necessary that they are going to continue to cut capacities as they have promised and in all sectors.

**Parikshit Gujarati:** So sir, on the margin side, what margins can we expect from now? Can we say that this is the bottom of margins? And from now here on, what improvement can we expect?

**Kirat Patel:** So as I said earlier, then yes, we are optimistic that we have seen probably the worst, and we hope to see better times in the future, with the provision that there's always something which can happen. Nobody predicted the war and what can happen. At the moment, of course, the benefit of lower raw material and higher finished good prices temporarily has helped.



But how long it will continue, one doesn't know. But we are optimistic that we will have better margins in the future. Though all the prices will, I don't think, come down to the old levels soon, pre-February levels, I don't think we'll see very quickly because this is going to take some time for these prices to come down.

- Parikshit Gujarati:** Okay. And in the volume terms, you are guiding 5% to 10% volume growth?
- Kirat Patel:** That is what we expect that the country will be growing anyway at 5%, 7%, and we grow along with it.
- Parikshit Gujarati:** Okay. So what I wanted to understand that is this a very big catalyst or a medium-term, short-term catalyst is the China anti-evolution thing, so is this a very big catalyst for us or not?
- Kirat Patel:** A very big?
- Kanchan Shinde:** Catalyst.
- Kirat Patel:** Catalyst for...
- Kanchan Shinde:** China's policy that...
- Kirat Patel:** No, no, it's not that significant. Yes, it does help because you can get 5% more selling price if the Chinese become less aggressive. But they are still present. It's not as if they have completely gone off the market. So there will be some advantage if they will stop acting so aggressively because they themselves have to meet their own return on investments and all that. but it will be a benefit, not a dramatic benefit, but some benefit.
- Moderator:** Our next question comes from the line of Gagan Dixit from Elara Securities. Gagan Dixit has left the queue, we'll move forward to the next participant. Our next question comes from the line of Rajeev Rupani, an individual investor.
- Rajeev Rupani:** Sir, in last con call, you had talked about there are some products in the R&D pipeline, which you may think about in the next -- by Feb, March. So could you please update us when do you plan to launch new products from the R&D pipeline? And on which side will it be?
- Kirat Patel:** Yes. So there are 2 things. One is, of course, the products which we are already launching, which will, as I said earlier, will probably come into the market in July, which is also from our R&D pipeline. There were a few other products which we are looking at. But we have got them on to engineering stage, but we will take a final decision on whether to invest or not into this after this volatility in the market settles.
- On the profitability, we need to have a slightly longer-term vision on these products. It takes almost 4 to 5 years from conceptualization to come to the bench trial to engineering. And in that time, a lot of commercials change. So depending on how it goes, we have to take a slightly longer-term view.



And given the volatility just now, we are being a little cautious before going forward with anything major, whether it is INR20 crores or INR50 crores investment or even INR200 crores investment. We are being a little careful just now.

**Rajeev Rupani:**

So by next con call, we will have a better view?

**Kirat Patel:**

I'm not sure. I hope this war will end. So I'm sure we will be able to be a little more optimistic about the future here and be a little more understanding of where the prices are settling and who's still left standing in the field.

**Rajeev Rupani:**

Okay. And my next question was on ACN. So what do you think will be the capacity utilization in the coming years? and what was this last year?

**Kirat Patel:**

So as you know, we have about 30,000 ton capacity between 2 plants. And we have enough capacity to last us for a couple of years. So we are not worried too much about the capacity utilization at the moment.

**Rajeev Rupani:**

Okay. And going forward, the capacity utilization of methylamines and ethylamines, could you guide us?

**Kirat Patel:**

So in ethyl, we invested, about 3, 4 years ago in a very large plant, which could last us for maybe 5 or 10 years at that time. So there is no question of ethylamines we have -- I mean, ethylamines, we have enough capacity for the next 4 to 5 years, assuming that the growth is natural in this 5% and 10%, which we see. Though last year, it was a little dull for growth, but we think that we have enough ethylamines capacity. And between us and Balaji, the country has enough capacity for ethylamines.

Methylamines, there is an overhang of capacity because a new player has come in. So there's RCF, Balaji, Aarti and us now. So there is a bit of overcapacity of methylamines, and that will take some time to fill up until the market – it is at a level where all of us have underutilization of capacity there.

**Rajeev Rupani:**

Yes. And my last question was on the raw material side. So if there is an improvement in the availability of raw materials, do you think -- and the prices go down, the finish -- our finished product prices also go down by that percentage or we can maintain the prices, current prices?

**Kirat Patel:**

Yes. What happens normally is that the prices come down. There is a phase lag, of course. When supply improves and prices come down, the finished good prices come down with a lag because that comes with competition. So there is a portion of time where your margins improve, but that is only temporary.

But my view is that I don't think the prices will come down to the old levels very soon because the damage that has been done to the petrochemical industry is going to be difficult to repair in the short term. It is going to be repaired, of course, but it will take a little time for it to come back on stream fully.

**Moderator:**

Our next question comes from the line of Abhinav Mandowara from Aequitas Investments.



- Abhinav Mandowara:** The first question is on the incremental ammonia price. I understand that in the March month, we could get availability of the ammonia. But going forward with higher prices of ammonia, do we pass on the entire incremental price, a? And b, how are the contracts placed, like is it long term, short term, what is the month and what is the quarter?
- Kirat Patel:** Well, at the moment, if you look, we have been able to get ammonia even beyond March and at the elevated prices, the prices have not dropped. We have been able to pass on the increase. I mean our customers are understanding -- very understanding about the fact that with ammonia doubling, we are not able to supply the material at the old prices. But they have absorbed it, as I said, because a lot of our chemicals are a C item in the whole picture. But going forward, I think, yes, if the prices come -- supply improves and prices come down, the finished good prices will also adjust maybe with a phase lag because ultimately, it's the competition. And most of our products have either the Chinese or internal competition, which ultimately tries to grab market share. So competition finally sets the price. You do probably enjoy a temporary margin widening, but it's only temporary.
- Abhinav Mandowara:** Got it. Got it. And secondly, I wanted to understand the nature of our contracts.
- Kirat Patel:** Yes. At the moment, the ammonia contracts are all short term because prices are high and nobody is willing to commit well, it's not day-to-day, but it's fairly short compared to what we used to do earlier because nobody is willing to commit longer term.
- Abhinav Mandowara:** Got it. Also I just wanted a broad view on how are you seeing the user industry sectoral trend? Are you seeing a demand slowdown, particularly in agro, pharma? I think these 2 are your biggest segments.
- Kirat Patel:** Well, at the moment, we haven't seen anything, but there is a little bit of concern that they could be affected, not pharma as much as agro because they expect this monsoon also with the El Nino and all, there is some concern. But I don't see the pharma industry being affected by that.
- Abhinav Mandowara:** Got it. How much for us pharma would be as a user industry, around 50%?
- Kirat Patel:** Maybe between 50% and 60% of our sales are to pharma and another maybe 15%, 20% to agro. Total, it's about 70%, 75%.
- Abhinav Mandowara:** Got it. While you say that methylamines have got competition, et cetera, et cetera, when do you see the entire absorption of this incremental capacity, which Aarti is also getting? And how do you see this panning out? Like how has the cycle been earlier when a new competitor has arrived and the supply has increased? Like in this scenario, how difficult it would be to pass on the raw material price?
- Kirat Patel:** So this new competitor in methylamine has not happened for 30 years, 35 years, if I'm not mistaken. So there is no comparative kind of scenario. And this is the first time we are seeing such a thing. Yes, earlier, the 3 of us, Balaji, RCF and us have had capacity expansions regularly every few years.



And all of us have spare capacity now. For all of it to be absorbed, it will take a lot of time because it's a bit of a mystery why Aarti went into this industry when there was already overcapacity. There was enough capacity, and then they have put in a new plant. So we have had even more overcapacity.

- Abhinav Mandowara:** Got it. And for ethylamine, what is your view on that?
- Kirat Patel:** Ethylamines, I think there is no issue. It will continue to grow, and for us we have actually a plant which is fairly large size, and we can even debottleneck it. So we don't see any problem in capacity for ethylamines. We are probably either the largest or the second largest producer of ethylamines in the world already.
- Abhinav Mandowara:** Got it. And what will be the capacity utilization for both the products and what other products?
- Kirat Patel:** Well, we don't talk about individual products. But as I said earlier that most of our plants are between 60% to 85% capacity utilization. So we have enough capacity for the next few years without having to invest anything more in the existing product capacities.
- Moderator:** Our next question comes from the line of Gagan Dixit from Elara Securities.
- Gagan Dixit:** Sir, what is the planned capex for FY27 and FY28, sir?
- Kirat Patel:** Planned, sorry, what capex?
- Gagan Dixit:** Yes, what is the capex plan?
- Kanchan Shinde:** Yes. So there is no major business project, the current new product plant, which is going at Dahej, so a bit of what is left over that we will incur in next year and then a few of the engineering projects. So around -- it will be around INR80 crores to INR90 crores.
- Gagan Dixit:** Okay. So there are no any new products, it's just existing projects which we have?
- Kanchan Shinde:** No, no, it can come up in between. Right now, nothing.
- Gagan Dixit:** Okay, okay. And about the raw material side, sir, given this situation of the raw material availability, so are you evaluating any alternate ammonia or methanol sourcing or any long-term contracts for alternate route just for the long-term purpose to avoid the similar shutdown risk in future, sir?
- Kirat Patel:** Yes, interesting question. There's a lot of talk about green ammonia going around. And we are waiting to see if the prices of green ammonia offered can even come close to what the petrochem ammonia is. If that happens, that's a great thing for not just the country for the world because that would make a big difference. I think it will happen. It will take a little time. It will be 3 to 5 years before anything breakthroughs happen., I think that's an alternative which will come up in the future.
- Gagan Dixit:** Yes. I think the coal gasification also government is focusing where methanol is the, I think, by-product for it.



- Kirat Patel:** Yes, methanol is a by-product in coal gasification. So they are pushing. In fact, China did it 15 years ago. We should have also stepped in. We ignored it. We have only, 2 or 3 coal gasification plants. And both of them, I think, in the steel industry.
- Moderator:** Our next question comes from the line of Mitul Mehta from Lucky Investment.
- Mitul Mehta:** Sir, I just wanted to understand your current spreads with raw material prices going up, going down, how are the current spreads behaving for each of your products? I mean you could just tell me about methyl, ethyl, acetonitrile and a few other -- the larger ones?
- Kirat Patel:** Yes. So in March, as I had mentioned earlier, we did get a little advantage because we had raw material stocks, which were of the old prices, while the finished good prices moved up. This kind of thing, we will not be able to sustain. But yes, the margins initially improve and then they settle down because of competition.
- Whether they will settle down to the old pre-February or a little higher, we'll have to see. But we are optimistic that I think we have seen the bottom. So probably the margins going forward will be a little better than what we have experienced in the last year.
- Mitul Mehta:** Assume that every year, we can anticipate some margin increase from now on in terms of your EBITDA margins, about 100 to...
- Kirat Patel:** Every year, it's difficult to say. But definitely, I think we do foresee some improvement in our margins in the next year. But will it continue growing, that's a separate question altogether. It's difficult to say.
- Mitul Mehta:** And also from the sales standpoint of view, is it also fair to assume that our growth will be between 10% and 15% going ahead?
- Kirat Patel:** Well, between 5% and 10% volume growth. As I said, the prices just now have gone 30%, 40% higher than what they were in February. So in terms of top line, obviously, there will be a lot of increase. But in volume growth, it will be between 5% and 10%.
- Mitul Mehta:** Okay. So when you say -- so typically, the higher inflationary sort of selling price has always been helpful to us even in the past or generally, the raw material prices also sort of move up in the similar fashion, but -- and our conversion sort of remains flat.
- Kirat Patel:** So you're right. At the beginning at every cycle, we gain because there is always that we quickly react to current raw material prices and change our finished good prices, while we do have contracts for the old or inventory of raw material with us. So there is a widening of margins in the initial stage. Then it settles down. Hopefully, it will settle down to a better level than what it was before February.
- And then if the prices start going down again, which may happen after 6 months, 1 year, whatever the time it takes for the supply chain to sort itself out, then we do have some view that raw materials come down faster than our finished goods. So again, we do get a little benefit



sometimes. So there are 2 opportunities. And in between, there is a kind of a flattening of margins.

But given that there has been a boost in the prices, I do not think the prices will come down dramatically back to the February levels very soon. So there will be a margin increase going forward.

**Mitul Mehta:** Right on your current selling prices across products, I mean methyl, ethyl, acetonitrile...

**Kirat Patel:** Sorry?

**Mitul Mehta:** Current selling prices across your product basket, methyl, ethyl, acetonitrile.

**Kirat Patel:** They are very, very different because in each of these, ethyl has 3 products, methyl has 3 products. Some are long, some are short and acetonitrile itself is having volatility. and they are very different trends. Methyl is almost half the price of ethylamines. So methyl would be, say, INR100, INR110 and ethyl would be INR200 plus. Acetonitrile would be INR200 plus today.

**Mitul Mehta:** So overall tonnage, how much we produced this year? I mean is it possible for you to make that...

**Kirat Patel:** Yes, I think we have produced overall, I think, about 2% more, 1%?

**Kanchan Shinde:** 1%.

**Kirat Patel:** 1% more than last year.

**Mitul Mehta:** Tonnage-wise, can you sort of...

**Kirat Patel:** No, we don't actually reveal tonnages of various products or even the global.

**Mitul Mehta:** Basically from 2 lakh tons, we are currently at about 110,000 tons, would that...

**Kirat Patel:** Two lakh ton capacity, yes., If you look at our capacity utilization and all, you'll be able to work out, it's in that range because one-third of that is, as you know, we self-consume a lot of our production. That derivatives made from our amines. So almost one-third of it is reused by us.

**Mitul Mehta:** Over the next 24 months, we don't see any major capex also?

**Kirat Patel:** No. We don't see -- for the existing products. But as Kanchan pointed out, that in case some of these R&D products work out, then we may suddenly come up with a requirement for capex. But otherwise, the capex looking at is just completing this project and maintenance capex. There's always some maintenance capex, INR20 crores, INR30 crores, something like that.

**Mitul Mehta:** Just to get some more understanding about these new products. I mean, so which are these products actually? Are they -- is there a completely new set of products and catering to new industries or...



**Kirat Patel:** Look, I think we have a policy which we have mentioned earlier that we do not talk about our R&D products till the product is in the market. That means after the plant is commissioned and the product has come into. Then we announce it to the market. So I don't want to discuss any R&D project.

But globally, yes, we are in the specialty chemical market. By and large, we look at products which have at least 2 customers for the product and in the areas which we know the life sciences. We have a wide range of customers from rubber chemicals to water treatment to electronic chemicals, drugs and agro. So it's normally in this area.

**Mitul Mehta:** How many -- I mean, in terms of number of projects that you would be currently working in your R&D, would it be possible for you to share that number?

**Moderator:** Ladies and gentlemen, the management line has been disconnected. Please stay connected while we reconnect them. Ladies and gentlemen, the management line has been connected again. Over to you, sir.

**Kirat Patel:** Please can you repeat the question because we got disconnected in between.

**Mitul Mehta:** My question to you was that how many products or how many projects would you be working at this time in your R&D?

**Kirat Patel:** At any point in time, we are probably over a dozen projects working on it, probably more. But at various stages, some are right at the preliminary research stage, I mean, at desk research. Some are at final, what we call, R&D bible building, they're just finishing off all the data, which the engineering requires.

And there are some in the engineering stage, which is not R&D, but the project people, technology transfer people. So maybe a dozen products we'll be looking at any point in time. But as you said, out of which actual -- when they come to a stage where financial decision has to be made... can you please repeat the question.

**Moderator:** Ladies and gentlemen, the management line has been disconnected. Please stay connected while we reconnect them. ladies and gentlemen, the management line has been disconnected has been reconnected. Over to you, sir.

**Kirat Patel:** I'm sorry, I think we are having a little trouble with the network today. And so can you just repeat the question that you were asking, sorry.

**Mitul Mehta:** Actually discussing about the new product, the new...

**Kirat Patel:** Yes. So as I was saying that they have about a dozen products at any point in time at various stages of development from depth research all the way to engineering. And we have a policy that we will not talk about our products. Of course, our end customers probably know it earlier than anybody else because we do send them samples and discuss with them what they want because specifications and stuff like that.



And a lot of these products come from them because they need this. So they approach us saying that can you make this? And we need it in year 2 or 3 or whatever, and we need so much quantity at approximately this price. So a lot of this, the customers are the first people, of course, to know about the products.

To the investors, we announce it when we actually have the product in the market. And out of these dozen, maybe 1 or 2 may survive to commercialization. Sorry about that interruption. I think we have time for one more question.

**Moderator:** Sure sir. Our next question comes from the line of Nihar Modi from Millennium Money Finance.

**Nihar Modi:** So sir, I wanted to ask that you mentioned about green ammonia, but sir, there is a different future perspective that can be planned on. So sir, but is the company under any talks as of now to diversify its ammonia suppliers or maybe build a more aggressive inventory so something like this situation does not occur again?

**Kirat Patel:** Two questions, whether we can diversify our sources of ammonia. We are already dealing -- you see ammonia is a very large commodity, and we are only a very minor user of the total quantity. So we depend on distributors and suppliers of this who are mainly connected to the fertilizer plants and import this thing, importers. So we don't have a direct connection with, the manufacturer, except for 1 or 2 cases.

But we have a diversified -- because there are so many fertilizer plants in this country, and most of them in the Western region. So that is well supplied. This shortage of gas is something which is unique, never happened before. So that kind of situation can happen. As far as the green ammonia is concerned, we've been watching the development, but nobody is yet offering the ammonia in future yet.

But I suspect that they'll come to a stage very soon where they will be able to offer this material to us. Of course, we are not the major users. They're probably planning to offer it to other end users, but it could benefit us. Do we have time for one more question?

**Moderator:** Sure. We'll take Rajeev as the last question. The next question from Rajeev Rupani, an Individual Investor.

**Rajeev Rupani:** My question is, sir, our competitor, Balaji, is executing a large plant for ACN, which is coming up in the current year. So 18,000 tons. So what do you think will be impact on the prices and our capacity utilization? And my next question is the methylamine. So we are facing a lot of competition. Any new derivative products planned for methylamines so that our margins increase?

**Kirat Patel:** Two questions. One is Balaji putting up a new acetonitrile plant. Yes, of course, it can happen, and will ultimately make the competitive material. But that's in the future. And when it happens, we will see because there is already 2 or 3 other people who are making acetonitrile, but we seem to have an edge on the costing and the efficiencies. So that's where the catch comes. You have to have the ability to manufacturing at a low cost.



And we suspect that we will be the lowest cost manufacturer in this product for some time to come. Of course, it will have an impact on the market. It's not just Balaji, it's the Chinese also. As far as methylamine derivatives are concerned, we are always looking out for new products. And I said we will not talk about our new products, which we make. Some of these new products are derivatives of our amines.

So some methylamine derivatives will be in the R&D pipeline, which we are always looking at. But nothing we can announce just now. Okay. Thank you very much. Thank you for coming on to this annual call for investors. And I wish you all the best for the next year. Thank you.

**Kanchan Shinde:**

Thank you.

**Moderator:**

Thank you so much. Ladies and gentlemen, on behalf of Alkyl Amines Chemicals Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.