



AGARWAL INDUSTRIAL CORPORATION LIMITED

Petrochemicals (Manufacturers & Traders of Bitumen & Bituminous Products) • Logistics for Bitumen & LPG • Wind Mills.

CIN NO.: L99999MH1995PLC084618

February 20, 2024

To,
BSE Limited
Corporate Relationship Department
P.J Towers, Dalal Street,
Fort, Mumbai- 400001
Scrip Code: 531921

To,
National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex, Bandra (E),
Mumbai 400051
SYMBOL: AGARIND; Series: EQ

Dear Sirs,

Sub.: Transcript of Q3 FY 2023-24 Earnings Call Pursuant to Regulation 30 and 46 read with Clause 15 of Para A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Please find enclosed **Transcript** of the investor conference held on 16th February 2024, with regards to the Financial Results of the Company for the Quarter and Nine Months ended 31st December, 2024.

We confirm that we have uploaded transcript of the Q3 FY 2023-24 Earnings Call held on Friday, February 16, 2024 on our website viz: www.aicltd.in.

The above is for your kind information and records.

Kindly take the same on your record.

Thanking you,

For Agarwal Industrial Corporation Limited


Dipal Pitale

Company Secretary & Compliance Officer



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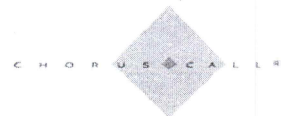
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**“Agarwal Industrial Corporation Limited Q3 & Nine
Months FY'24 Earnings Conference Call”**

February 16, 2024



**MANAGEMENT: MR. VIPIN AGARWAL – CHIEF FINANCIAL OFFICER,
AGARWAL INDUSTRIAL CORPORATION LIMITED**
MODERATOR: MS. ASTHA JAIN – HEM SECURITIES LIMITED





*Agarwal Industrial Corporation Limited
February 16, 2024*

Moderator:

Ladies and gentlemen, good day and welcome to Agarwal Industrial Corporation Limited Q3 & Nine Months FY'24 Conference Call. 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 “*” and then “0” on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Ms. Astha Jain. Thank you and over to you, ma'am.

Astha Jain:

Thank you, Sagar. A very good evening, ladies and gentlemen. Thank you for joining the Agarwal Industrial Corporation Limited Q3 & Nine Months ended FY'24 Earnings Call.

Joining us on the call today from the Management Team is Mr. Vipin Agarwal – Chief Financial Officer of the Company.

We will commence the call with the opening thoughts from the Management, post which we will open the forum for Q&A session where the management will be glad to respond to any queries that you may have.

Before we go on the main call, I would like to read the standard disclaimer:

There may be forward-looking statements about the Company and the subsidiaries which are based on the belief, opinion and expectation of the Company's management as on the date of this call. The Company does not assume any obligation to update their forward-looking statement if those belief, opinion, expectation or other circumstances should change. These statements are not a guarantee of future performance and involve risks and uncertainties that are difficult to predict. Consequently, listeners should not place any undue reliance on such forward-looking statements.

With this, I will hand over the call to Mr. Vipin Agarwal – Chief Financial Officer to take it forward. Over to you, sir.

Vipin Agarwal:

Good evening to all and a very warm welcome to everyone who has joined us today. I take the pleasure of welcoming you all to the Q3 & Nine Months FY'24 Earning Conference Call of Agarwal Industrial Corporation Limited.

Let me start by giving you a “Brief Overview” of the Company's Business and we'll then take you through the “Financials” and we'll then be happy to take Questions if you have any.

Agarwal Industrial Corporation is an integrated petrochemical Company focused on bitumen. We are India's largest private player in bitumen and have wide range of innovative bitumen products designed to help meet the challenges of road, roofing and insulating materials. Our





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Bituminous product ranges from Viscosity Grade Bitumen, Industry Grade Bitumen, Modified Bitumen like CRMB/PMB, BituCoat, Bituplast, Bitupremier, Bitumen Emulsions, Bitumen Paints and Bitumen Emulsion Materials.

Agarwal Industrial Corporation offers a comprehensive range of construction solutions and services by pursuing an integrated approach and applying effective packages to meet clients requirements.

We have big clients like IOCL, ATCL, HPCL, JM Mhatre, Shapoorji Palloonji and many more. Our Company's profit on per MT has improved from around Rs.2,200 to Rs.3,400 in the last few years. In the previous earning calls, we had given guidance to target 5 lakh MT which is a growth of around 18% in the previous year. We would like to state that we are confident to achieve our guidance.

Interim budget for 2024-25 we have allocated Rs.2,78,000 crores for '24-25 for road, transport and highways as against Rs.2,70,434 crores total order case elongated in 2023-24.

The government has kept its focus on rapid infrastructure growth in the next financial year with the plan to give another increase in capital expenditure allocations for the Ministry of Road Transport and Highways. The move will further speed up road construction and completing work on portions awarded under Bharat Mala-I Project.

I would now like to take you through the "Operational and Financial Highlights":

In Feb '24, we have added our largest ever petroleum vessel named "MT GAURI," having a capacity of 47,999 MT taking the fleet capacity to 10 numbers and total capacity to around 1,02,049 MT. The vessel was purchased through 54% from internal accruals and 46% through loan and we are seeking a payback time of about four years.

The Company has set up its own Solar System of 225 Kw at our manufacturing unit situated at Taloja and Ranoli, Gujarat. These initiatives have helped us in generating additional operating margins, thereby strengthening our growth journey.

At the outset, we are pleased to inform that we have reported healthy numbers in terms of top line operating profit and bottom line in Q3 and nine months FY'24 This, we were able to achieve on back of strong volume growth since we have crossed total volume of approx. 3,02,000 MT in nine months FY'24 versus 2,72,088 MT in nine months FY'23, a rise of 11.02% on a year-on-year basis.



At a consolidated level, Q3 FY'23-24 revenue from operations was Rs.488.18 crores while EBITDA was at Rs.45.23 crores at a margin of 9.25% versus 7.19% in Q3 FY'22-23. PAT was at Rs.27.63 crores at a margin of 5.65% as compared to Rs.25.21 crores at a margin of 4.55% in Q3 FY'23.

Coming to nine months, Financial FY'23-24 Results:

Revenue from operations was at Rs.1,348.85 crores. EBITDA was at Rs.116.03 crores at a margin of 8.58% versus 7.43% in nine months FY'23 at Rs.101.37 crores. PAT reported is at Rs.71.2 crores at a margin of 5.27%, while nine months FY'22-23 was at Rs.63.96 crores at 4.69%.

The total volume handled during this period of nine months is at 3,02,000 MT versus 2,72,088 MT in nine months FY'22-23. The volume transported through own vessel was around 1,60,000 tons and through chartered vessels around 1,42,000 tons approx. In FY'22-23, we have reported a margin drop of 0.86% in total revenues in nine months of FY'23-24 versus nine months FY'22-23 in spite of higher volumes as mentioned earlier. The drop can be attributed to fluctuations in the raw material prices due to the ongoing war scenario and red sea impact, which has led to price change, commodity difference. The prices seem to have stabilized for now and the next quarter we should expect volume as well as price growth. We endeavor to retain our largest private player position by becoming the preferred supplier of bitumen products to facilitate the growing phase of India's infrastructure.

With this, we will request participation to ask any questions and answers if they have.

Moderator: We will now begin the question-and-answer session. The first question is from the line of Yash Kukreja from Equitree Capital. Please go ahead.

Yash Kukreja: Sir, my first question is regarding the cost of the new vessel. Could you please help me with that?

Vipin Agarwal: The total cost of the new vessel in INR would be around 145 crores, around 17 million.

Yash Kukreja: Second question is sir, as in last call we had mentioned that to buy a vessel of 5,000 MT, we have to pay around 70 to 75 crores. How did you buy it at such a discount like the capacity has almost doubled?

Vipin Agarwal: No, it is not in the same manner that firstly this vessel is not very young and the 5,000 tons or 7,000 tons that we have procured, those were the younger vessels. And it is not in the same proportion that if you are taking 5,000 ton of vessel and 50,000 ton of vessel, it will not be 10 times of that. It is only proportionate after a particular level the vessel price seems to be... because only the tank capacity increases. Overall, when you're making any vessels, the size



suppose is for 3,000 tons or 7,000 tons and would have a light ship with about 3,000 or 3,500, these vessels would be having around 9,000 like about 10,000. So, it's only three times.

Yash Kukrjeja: Recently, we had got an order of like 1.92 lakh from BPCL and HPCL. Can it be executed in Q4?

Vipin Agarwal: Yes, we already started executing and we are supplying to both the companies now.

Yash Kukrjeja: So, this order will get executed in Q4?

Vipin Agarwal: Yes, we have started this in Q4.

Moderator: The next question is from the line of Divya Sethi from Electrum Portfolio Managers Private Limited. Please go ahead.

Divya Sethi: Hi, sir. I just have two questions. First one, since we've been adding ship vessels in the last 2-3 years, as a business, do we intend to be a ship chartered in the longer run because that have been a higher EBITDA contribution business line, so is that the plan?

Vipin Agarwal: Thank you for your question. No, we are not looking at setting up our Company as a shipping Company because all the vessels that we are procuring, it is basically to support our infrastructure that we have in India. So, that the dependency on any third-party that we have today, that is eradicated, and we are able to sustain on a long-term with our own fleet so that tomorrow if some suppliers or any third-party that you are depending upon, if they don't supply, you have your own set up to bring this product and continue the volumes that we are doing.

Divya Sethi: Sir, would it be fair to say that this addition of vessels is just being done to leverage any additional cost also that comes to us for importing bitumen from outside?

Vipin Agarwal: Can you just repeat once again please?

Divya Sethi: Would it be fair to understand that this addition of vessels that we've been doing continuously is also to leverage the additional costs that we have to pay to third-parties for importing bitumen in the long run?

Vipin Agarwal: I think in the first con call after finishing last year, we mentioned that around Rs.40 crores to Rs.50 crores is the total output that we are paying to third-parties and that was around 2 lakh tons. If I'm able to do that 2 lakhs tons with my own fleet, all those savings would be in the Company.

Divya Sethi: My second question was on the repayment of borrowing. What is the plan for that?



- Vipin Agarwal:** Our return payback is around four years.
- Divya Sethi:** So, the borrowings warning that we have in the balance, do we have any plan to repay that in near future?
- Vipin Agarwal:** We can easily pay the entire borrowings that we have in less than a year. But if we have to grow and add more vessels, so whenever we have any internal accruals, we tend to invest that so that we add a leverage, at the same time we are able to add more vessels or any other CAPEX to help in reducing the fixed cost that we have on the rentals that we pay maybe the freight.
- Moderator:** The next question is from the line of Pritesh from Lucky Investment. Please go ahead.
- Pritesh:** So, this 1 lakh tons capacity now you have on the ships, will it be enough to support 4 lakh volume?
- Vipin Agarwal:** See, our target for volume is around 7 lakh, 8 lakh in the coming year and even crossing 1 million. These things have been done in that manner so that we are able to do our internal volumes through our own fleet.
- Pritesh:** Sir, as of now, when you had last year about 5,00,000 tons, you landed up doing in the nine months 1,60,000. I'm just trying to -
- Vipin Agarwal:** Last year, we had done around 2,01,000.
- Pritesh:** From your own vessels?
- Vipin Agarwal:** Yes, and a few of the vessels were acquired after that.
- Pritesh:** So, whatever is your capacity, let's say, if it's 1 lakh, can we take a 5x rotation, 4x rotation on that number of the capacity?
- Vipin Agarwal:** Easily.
- Pritesh:** So, if you have a 1 lakh ton, now you can support up to 5 lakh of your own volume?
- Vipin Agarwal:** Yes, definitely.
- Pritesh:** My second question is sir, on the volume growth side. Last year also was about 10% growth, what we see in the nine months is also 10%. However, we are growing slightly faster than that in the earlier years. So, what is the key challenge which has brought this volume growth little bit lower?



Vipin Agarwal: The key challenge is definitely in procuring the product and making it available always. So, that is the place where we are working. There is a delay in loading as well. So, that area is not under our control. The selling part is not a problem. Most of the times we are dry any times in Indian ports because when the vessel is yet to reach and the product is getting over and the sale part is definitely much, much higher when demand is there for me to even do 1.5x of what we are doing today. Getting the material is a real challenge. So, we are trying to figure out; however, but due to beyond control situations wherein you are not able to get the product as you require and the quantity. Suppose, we require 1 lakh tons, we may end up getting only 60,000 tons in that month. That is where we are working, and we are trying to strengthen ourselves with adding fleet so that even when we were having third-parties our vessel and the third-party vessels combined we'll be able to get more volumes in India.

Pritesh: So, the way to address this challenge is having more suppliers for you who can supply you BITUMEN or it's a more logistics support that you have to create to get you more bitumen. I didn't understand how you will... I understood the challenge.

Vipin Agarwal: What is required from the place of manufacturing or the loading point where we require the product to be loaded, it's like this, there are so many people who are in this trade. Everyone wants to trade. I may have to wait sometimes even seven days or sometimes 10 days to put my vessel. That is the challenge that is there as of now to increase the volume to the level that we want to.

Pritesh: So, it's the port challenge, it's the loading challenge -?

Vipin Agarwal: Port challenge, not the sales part.

Pritesh: What are you seeing for that to rectify because it's not in your hand, it's not in your supplier hand as well, right?

Vipin Agarwal: When we have more fleet, so at any given point, you will be having particular quantities in your hand, 1 lakh and my third-party or other supplier they will be adding around 1 lakh, so at least I will be able to have 1 lakh tons in India in a given month which is our target.

Pritesh: You have a 500,000-volume thought process for FY'24 which you mentioned in the beginning of the call. It means that you have to grow about 35% volume in the last quarter. Are you on track based on whatever you have done for the first 45 days because half of the quarter -?

Vipin Agarwal: I think yes, we are very much on track, maybe 5,000, 10,000 here and there but yes, 5 lakh challenge that we had taken last year is very much and in line with what we want to achieve.

Pritesh: So, you will grow faster in volumes than last year, that's for sure that you're looking for, right?



- Vipin Agarwal:** Fourth quarter is anyways the highest revenue giving quarter.
- Pritesh:** Lastly, sir, how much total have you invested in this 1,02,000 now of the ten vessels that you have created?
- Vipin Agarwal:** If you say market price?
- Pritesh:** No, your investment price.
- Vipin Agarwal:** Investment would be around \$80, \$90 million now.
- Pritesh:** For a saving on logistics of what amount?
- Vipin Agarwal:** See, that is very difficult to answer because our volumes have been growing if you combine -
- Pritesh:** So, we'll see ROC or ROIC we should see on this \$80, \$90 million?
- Vipin Agarwal:** Around 18% to 20%.
- Moderator:** The next question is from the line of Mrunal from XENO Investment Management. Please go ahead.
- Mrunal:** Since 2018, the government allowed importing bitumen and we are 100% dependent on importing the bitumen. What do the government again changes their policy? Currently, government focus is on promoting the domestic production across the sector.
- Vipin Agarwal:** Thank you so much. The government did not start importing bitumen in 2018. It has been importing since around 20 years now. There was never a government restriction in importing bitumen. There was no infrastructure during last few years, I mean, around 15 to 20 years back to or import bitumen at a particular port, because there was no storage. Coming back to the point, wherein if government is promoting domestic production, yes, but at the same time, they want to increase the infrastructure space which is not possible from operating from the existing PSUs because their production capacity is still remaining about 5, 5.5 million tons in a year. With a demand of around 9 to 10 million tons existing, which will go to about 12 to 14 million tons in next three to four years. There is no additional capacity planned as such, which can be done on an immediate basis.
- Mrunal:** So, why is not PSU directly importing bitumen and why are they buying from us?
- Vipin Agarwal:** That is the reason we have been awarded a tender by HPCL and BPCL because since they cannot import directly, we are supplying to them.

- Mrunal:** Is there any particular regulatory order or what is the reason they are not importing?
- Vipin Agarwal:** It's a PSU. So, they have compliances, they have procedures to be followed, which is a lengthy process, sometimes they end up paying higher rate or at a very lower rate.
- Mrunal:** Sir, looking at the historical perspective, where does the current price of bitumen stands -- it's low, higher, it's average?
- Vipin Agarwal:** In monetary terms, it would be difficult to answer, but the average realization value should be around 40,000 on a basic plus GST.
- Moderator:** The next question is from the line of Kairav Sundar from Spark Capital. Please go ahead.
- Kairav Sundar:** I want to know how much of the bitumen that we get in our using our vessels is used by us and how much of it is your trading volumes?
- Vipin Agarwal:** I already answered this question. We are importing about 50-55% through our own vessels now in this nine months and 45% through third-parties.
- Kairav Sundar:** No, my question is how much do we use after that, do we give the raw between us purely to someone else like without doing anything in our facility, is there any part of bitumen that you are trading?
- Vipin Agarwal:** Got your point. Basically, you have to firstly understand that the product that is being imported, is also a finished product that we manufacture from our plants. So, the manufacturing goes from 30% to 40% and the balance 60% includes finished products at various ports that are required, which if I make at my plant would give me an additional cost in terms of manufacturing and logistics cost, that is the reason we import finished products at many of the ports. So, it is an average of both -- manufacture and finished products that are being imported.
- Kairav Sundar:** Do you have any percentage mix of how much is finished product? You said 30% to 40%.
- Vipin Agarwal:** 30% to 40% is manufacture and 60% would be inclusive, both trading and finished product.
- Kairav Sundar:** My second question would be around what kind of margin improvement should we be seeing with this new vessel addition; do you have any?
- Vipin Agarwal:** As I explained in my opening call, we have per MT benefit cost that we were having around 2,200, which has gone about to 3,400 now. With the addition of new vessels, it should definitely go to about 3,600, 3,700 per MT.



- Moderator:** The next question is from the line of Mrunal from XENO Investment Management. Please go ahead.
- Mrunal:** Sir, do you have plans to enter into any related products or businesses?
- Vipin Agarwal:** We are already at a forward and backward integration because we have our own logistics, land, water, we have our own storage, we have our own customer base, we have our own supply chain. So, we are already in that forte as of now.
- Mrunal:** Secondly, how much value addition we make on the purchase of raw material to sell it, I mean, how significant is the value addition?
- Vipin Agarwal:** It's quite a lot of sequences. Every emulsions if you have, it is having a totally different process. Same way when you're making CRMB/PMB, they have a different process. Emulsions are more water-based. CRMB is having crumb rubber in it, PMB has polymer, then there are other industries which are oxidized. It's on a process.
- Mrunal:** I mean, in terms of monetary values, if I buy Rs.100 of bitumen, how much value addition I'm doing to that and selling it in the market?
- Vipin Agarwal:** Should be around 105 to 106.
- Moderator:** The next question is from the line of Devendra Chawla from Present Exponentials. Please go ahead.
- Devendra Chawla:** I just want to check what have been the changes in shipping prices from Oman to India where we get the bitumen from?
- Vipin Agarwal:** No, it has been on a constant level for the last almost three years now, about \$2-\$3 here and there, but it has been on a constant level, so around \$60 per ton to \$65 per ton.
- Devendra Chawla:** Have there been any other disruptions because of the problems happening in the red sea?
- Vipin Agarwal:** Not really, because we are not operating in those areas as of now. So, for us, we are very safe and we don't have any impact as such apart from the commodity prices that are going up or down. On operational business level, we don't have any issues.
- Devendra Chawla:** And what are we seeing with commodity prices at the moment for bitumen?
- Vipin Agarwal:** It is tending to go up now.
- Devendra Chawla:** So, what is it currently and what has it fallen to?



- Vipin Agarwal:** The realization value was 47,000 last year, now it is at around 40,000, so around 7,000.
- Devendra Chawla:** Do we see a recovery in this moving forward?
- Vipin Agarwal:** It has already started recovering now and the prices are tending to move up.
- Moderator:** The next question is from the line of Rahul Roongta, who's an individual investor. Please go ahead.
- Rahul Roongta:** I had two questions. The first one has been completely answered regarding our dependence on imports and what if the government plans to enhance the Make in India initiative. So, thank you for that. My second question is sir, is the volume that we say of 4,24,000 last year and 5,00,000, is that our production volume or the volume that we have transported?
- Vipin Agarwal:** It is including both -- manufactured and imported. No transportation.
- Rahul Roongta:** So, whatever figures are mentioned, that is our production?
- Vipin Agarwal:** Total revenue, it is on a sale part.
- Rahul Roongta:** It is the total sales volume?
- Vipin Agarwal:** Yes, there is no trade. If I add trade, then it may go to even millions then.
- Moderator:** The next question is from the line of Sharan, who's an individual investor. Please go ahead.
- Sharan:** I'd like to know, sir, like basically you're majorly into bitumen and also some gas distribution into. For futuristic perspective, when the bitumen demand comes down, let's say in the down the line of 4-5 years, do you have any alternative plans like there are talks about hydrogen and other stuffs for energy biofuel, so do you have any such new vertical and expansion plans to diversify and not to depend on one sector in future?
- Vipin Agarwal:** Thank you so much. I don't think so that would be the case because in India the infrastructure anyway is growing, and even if it is not growing, every time the existing roads that have already been built, they would require to be rebuilt at some time. Going forward, there will be no alternative to bitumen as such. And even if you have to think more futuristic from, say, 20 years from now, there are so many different areas in this world apart from India where we can work. But that is very futuristic, but that is not the case because in India, there is no alternative to bitumen as of now.
- Sharan:** Irrespective of whether bitumen demand comes down or not, do you have any other plans or go into another vertical like hydrogen supply?



- Vipin Agarwal:** No, hydrogen, while we are speaking, I don't think so we have any plans on that line, but maybe you never know if you can get some good opportunities and you have some collaborations or joint ventures with some good companies maybe, but that is all futuristic. As on date when I'm talking, there is no plan as such.
- Sharan:** And as of today, you are only catering to India or any other country of bitumen supply?
- Vipin Agarwal:** We are catering to India our bitumen, but during the monsoons we also give our vessels also flying to different areas.
- Sharan:** For bitumen supply and saying like.
- Vipin Agarwal:** Yes, we are doing Indonesia, Malaysia, Vietnam, Africa.
- Sharan:** Do you have any expansion plan to cater the demand for India as well as other country or only whenever there is a -?
- Vipin Agarwal:** We are not able to fulfill our own demand in India. So, for now we are focusing on our Indian operations and to increase the volume that is available in India. Only when India is saturated, we will think for something else.
- Sharan:** One of my friends who is in a civil contract in Karnataka, there was one road built for around 400 Kms. entire road is built with cement, that is as part of pilot, and also they are thinking like this will be the cement and the top layer will be the bitumen. Will that have any impact if they find that is going to be a good solution?
- Vipin Agarwal:** That is only because a few years back, the new highways were called for concrete road. That is the reason because the concrete was called because of the safety reason, government has decided to form all the new roads with bitumen and these old concrete roads they are putting bitumen layering on top, cover the same aspect, wherein the safety issues are being solved. It's a cover of the earlier awarded tender for making that road.
- Sharan:** Already, share price has reached 1,000. Any plans about a split or bonus as many retail investors are looking for that to participate?
- Vipin Agarwal:** Sorry?
- Sharan:** Any plans about split or bonus? Many retailers are waiting to participate as the share price has reached 1,000 and beyond now.
- Vipin Agarwal:** As on date, I will not be able to answer this question please.



- Moderator:** The next question is from the line of Parikshit Khabra from PKA Advisors Liability Limited. Please go ahead.
- Parikshit Khabra:** Just want to check, it seems like over time, we are increasingly becoming a shipping business more than a bitumen business... I'm exaggerating to make a point. But our profits are coming more and more from that industry. I was trying to understand what makes this space so lucrative for us? We are simply buying ships and getting business for it. Is it just such a wide-open space for us to enter, is there not much competition in this space, what makes it so lucrative for us?
- Vipin Agarwal:** Thank you. Firstly, this lucrative is only because we have this kind of a set up in India. We are the only logistics Company in India who is having different locations in India wherein we are able to get the product at all the ports with the manufacturing plants that we have. There is no other Company in India who is having the set up that we have already built in the last few years. And this shipping is purely supporting this set up that we have built. There are people who are only having ships, there are people who only having import locations, but they don't have the combination of both, firstly, and some people who are having the combination of both, they're not able to maybe take advantage because they don't have maybe the same distribution network that we carry today.
- Parikshit Khabra:** What I understood was that we also give out our ships to third-parties for their shipping requirements. But are we doing that only for Indian third-party and not internationally?
- Vipin Agarwal:** We are giving internationally, but that is during monsoon when we have lower demand in India.
- Parikshit Khabra:** But the rest of the quarters, we use the ships for our requirement, but also for third-party requirements within -
- Vipin Agarwal:** Very minimum, very minimum, very minimum. We try to use all our vessels during the peak season for our own requirements in India.
- Parikshit Khabra:** So, most of the profit and the revenue that is coming in the shipping business are internal revenue only, like our arm's length basis, but our own cap?
- Vipin Agarwal:** So, the subsidiaries who are total independent identity and operating in UAE, it is giving the vessels on freight to the suppliers that are there in the UAE who supplies into India on CFR basis.
- Parikshit Khabra:** Can I just understand how much of this revenue is coming from our requirements versus third-party requirements?





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Vipin Agarwal:

I think you can say about 90%, 95%.

Moderator:

The next question is from the line of Anil Tucker from Jalan Advisors. Please go ahead.

Anil Tucker:

I have only one question. Like we have done a lot of forward integration and backward integration, now, apart from adding more vessels, do we have any plan of further backward integration or forward integration like entering into infrastructure space or having some refinery kind of bitumen or something like that?

Vipin Agarwal:

Thank you so much for your question. But yes, you asked that question, that would be the only backward or forward integration area that would be pending. And if the Company management decides, so maybe this will be the two areas where they can foray into apart from the existing setup because these are only two last legs that would be left and that requires a huge CAPEX as well.

Moderator:

Ladies and gentlemen, we would take that as a last question for today. I would now like to hand the conference over to Ms. Astha Jain for closing comments.

Astha Jain:

For Hem Securities Limited I thank Agarwal Industrial Corporation Limited team for giving the time we spent on this call and responding all the queries in a detail way. I would also like to thank all the participants for joining this call.

Moderator:

On behalf of Agarwal Industrial Corporation Limited, that concludes this conference. Thank you for joining us. You may now disconnect your lines.

