

By Online Submission

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To,  
The General Manager,  
**BSE Ltd.**  
1st Floor, New Trading Ring,  
Rotunda Building, P.J. Tower,  
Dalal Street, Fort  
Mumbai- 400 001  
BSE Code: 524370

To,  
The General Manager,  
**National Stock Exchange of India Ltd.**  
Exchange Plaza,  
Plot no. C/1, G Block,  
Bandra-Kurla Complex  
Bandra (E), Mumbai - 400 051.  
NSE CODE: BODALCHEM

Dear Sir /Madam,

**Sub: Transcript of “Bodal Chemicals Limited Q4 & FY25 Earnings Call”**

We enclosed the transcript of Q4 & FY25 Earnings Call” with Investors and Analysts which was held on 29<sup>th</sup> May 2025 at 1.00 PM IST.

Kindly take the same in your record.

Thanking you,

Yours faithfully,  
**For, BODAL CHEMICALS LTD**

Ashutosh B Bhatt  
Company Secretary  
Encl: a/a



## “Bodal Chemicals Limited Q4 & FY'25 Earnings Conference Call”

**May 29, 2025**

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**MANAGEMENT: MR. ANKIT PATEL - EXECUTIVE DIRECTOR, BODAL  
CHEMICALS LIMITED  
MR. MAYUR PADHYA - CHIEF FINANCIAL OFFICER,  
BODAL CHEMICALS LIMITED**

**Moderator:** Ladies and gentlemen, good day and welcome to the Bodal Chemicals Limited Q4 & FY'25 Earnings 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 this conference call, please signal an 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. Ankit Patel from Bodal Chemicals Limited. Thank you and over to you, sir.

**Ankit Patel:** Thank you very much. Good afternoon, everybody. On behalf of Bodal Chemicals Limited, I extend a very warm welcome to everyone for joining us on the call today.

On this call, we are joined by our CFO – Mr. Mayur Padhya. I hope everyone had an opportunity to go through the Financial Results and Investor Presentation, which have been uploaded on the Stock Exchange and our Company's website. We will give you a quick overview of the Company's performance and then Mr. Mayur Padhya will walk you through the operational and financial performance in detail for the quarter.

We are India's largest integrated manufacturer of dye stops, dye intermediates and hold a meaningful market share in the world. We also have basic chemicals, caustic soda and recently a new product group is added, benzene downstream products. In today's environment where Indian suppliers are emerging as preferred partners globally, Company has good opportunity to grow further in future.

**Before we discuss operational performance, there is important development with regard to our TCCA business:**

As a result of long efforts done by the company, finally anti-dumping duty has been implemented since 7<sup>th</sup> March 2025 for the import on this product from China for five years. This will help us to turn around working of our TCCA business.

**Coming straight to the operational performance:**

During Q4 FY'25, the company achieved total revenue of Rs. 453 crores, a growth of 14% on year-on-year basis. The absolute EBITDA stood at 50 crores, a 62% growth on year-on-year basis. During the FY'25, total revenue stood at Rs. 1,757 crores, a growth of 24% year-on-year basis and absolute EBITDA stood at 171 crores, 43% growth year-on-year basis. Improved volume and better realization are key to this growth. Interest depreciation and other overheads have increased at the company level on capitalization of Saykha's benzene project. On the other hand, there was not much contribution by this project at the top-line level during the year. Hence the increased overhead option partial profitability of the other divisions.

During the quarter, our standalone profit after tax stood at Rs. 10.58 crores and consolidated profit after tax stood at Rs. 14.5 crores. For the FY'25, our standalone profit after tax stood at Rs. 19.57 crores and consolidated profit after tax stood at Rs. 18.5 crores.

**Coming to the dye intermediate business:**

During the quarter dye intermediate business has performed better and almost in line with the previous quarter. And for the FY'25 volume and realization, both have improved. For FY'25, total revenue from dye Intermediate is Rs. 667 crores. Revenue from dye intermediate grew by 36% year-on-year basis using the FY'25. In Q4, revenue from dye intermediate stood at Rs. 160 crores in line with the year-on-year basis.

In Q4 FY'25, H-acid and Vinyl Sulphone prices were Rs. 508 and Rs. 255 per kg in Q4. Being an integrated dyestuff manufacturer, we produce major dye intermediate products and about 40% of these intermediate production is captively consumed, resulting in a cost advantage for our dyestuff products. The balanced production of dye intermediates is served in both domestic as well as global markets. Considering the improvement in volume, we are hopeful this division will deliver good performance in the coming days.

**Coming to our dyestuffs:**

Revenue from dyestuffs stood at Rs. 498 crores, 6% year-on-year basis improvement in FY'25. In Q4, the revenue from dyestuffs stood at Rs. 125 crores, a growth of 6.5% year-on-year basis. We are expecting marginal improvement in operation of the division in coming days.

**Coming to basic chemicals:**

about 40% of our basic chemicals are captively used for dye intermediates. The revenue for the FY'25 to the Rs. 92 crores has reported a growth of 11% year-on-year basis. The revenue from basic chemicals stood at Rs. 19 crores, a degrowth of 9% on quarter-on-quarter basis, mainly due to a plant shutdown at Sulfur Product Division in the month of February.

**Coming to Chlor-Alkali during FY25:**

Chlor-Alkali business has reported revenue of Rs. 335 crores, a growth of 25% on year-on-year basis, led by the volume growth of 8% on year-on-year basis. Q4 revenue from the Chlor-Alkali business stood at 91 crores, a growth of 34% year-on-year basis. During the year, caustic soda prices showed improvement, mainly driven by the increased demand. We are looking forward to a steady performance from this division.

**Coming to benzene derivatives:**

In Saykha Benzene derivative products project, company has started normal production with the required quality norms. However, due to stiff competition and slower demand, margin is still under pressure. This unit has started contributing to the top-line in the Q4'25. Contribution will further improve the top and bottom-line by quarter-on-quarter basis.

**Coming to the subsidiary companies:**

Sener Boya is our wholly owned subsidiary company in Turkey is experiencing hyperinflation. During the quarter of Q4 FY'25 due to AS 29, there is Rs. 2.34 crore loss and the same is already part of the declared result. Whereas in our Chinese and Indonesian subsidiaries, we have reported growth in revenue by 7% and 64% respectively.

During Q4 FY'25, Bodal Chemicals, trading company has restarted trading business and expected to continue as per available opportunity basis. We have been moving up the value chain and working relentlessly towards diversifying the business from our core, digestible dye intermediate business to other specialty chemical products like benzene derivatives. Long term story of India remains intact and the chemical industry is poised to grow from here on.

Thank you. And now I hand over the call to Mr. Mayur Padhya to walk you through the financial performance.

**Mayur Padhya:**

Good afternoon, everyone. The overall performance of the company has been satisfactory for the quarter gone by.

Our standalone performance for Q4 FY'25 is as follows. Total revenue for Q4 FY'25 stood at Rs. 448 crore. EBITDA stood at Rs. 52 crore in Q4 FY'25 with a margin of 11.6%. Net profit for the quarter stood at Rs. 10.58 crore. After nine quarter, this time company has crossed Rs. 10 crore net profit landmark.

**Our standalone performance for FY'25 is as follows:**

Total revenue for FY'25 stood at Rs. 1,733 crore. This is second highest turnover in the history of the Company. EBITDA stood at Rs. 176 crore in FY'25. Net profit stood at Rs. 19.58 crore.

**Our consolidated performance for Q4 FY'25 is as follows:**

Total revenue stood at Rs. 453 crore. EBITDA stood at Rs. 50 crore for Q4 FY'25 with a margin of 10.9%. Net profit for the quarter stood at Rs. 14.50 crore for Q4 FY'25. Our consolidated performance for FY'25 are as follows. The total revenue stood at Rs. 1,757 crore for FY'25 against 1,419 crore for FY'24, a growth of 24%. EBITDA stood at Rs. 171 crore in FY'25 against Rs. 119 crore for FY'24 growth of 43%. Net profit for FY'25 stood at 18.5 crore against net profit of 6.47 crore in FY'24 growth of 186%.

Division wise performance on consolidated basis for the FY'25 are as follows. Dye intermediate revenues stood at Rs. 667 crore, dyestuff at Rs. 498 crore, basic chemical at Rs. 92 crore, Chlor-Alkali Rs. 335 crores. Total production volume on standalone for FY'25 are as follows. Dye intermediate reported 30,432 metric ton. Dyestuff reported 15,921 metric ton. Basic chemical stood at 2,07,994 metric ton. And Chlor-Alkali stood at 85,501 metric ton.

With this, I conclude the presentation and open the floor for question-and-answer.

**Moderator:** Thank you very much. We will now begin the question and answer session. The first question is from the line of Aditya Khetan from SMIFS Institutional Equities. Please go ahead.

**Aditya Khetan:** Yes, thank you sir for the opportunity. So my first question is on to the benzene derivatives. So what would be the volume figure for this quarter?

**Ankit Patel:** It's 2,700 metric tons, sir. 27% metric that is on average is about 30% utilization. But in the month of April and now in the current month, we have crossed that taken up to about 45%. So we are targeting immediately about 50% to 60% in this coming couple of months. And going ahead, we want to go up to 80%, which is the optimum level.

**Aditya Khetan:** Yes sir. Sir, onto the, when we look at the dye intermediates, definitely sir on YOY basis for FY'25, the volumes have been quite good. So what is our outlook like for the next two years? Would we continue to see volume growth of 10%-15% backed by good demand from the end user? And similarly for the dyestuff also, sir?

**Ankit Patel:** In the dye intermediate, the last quarter and in the previous quarter, so Q3 and Q4, they have remained almost flat. But they were also at a very good utilization level, more than 70% plus. So they will remain flat for FY 27 also.

**Aditya Khetan:** Okay, so the volume pick up would be largely from benzene derivatives and from the dyestuff.

**Ankit Patel:** Yes, dyestuff does have about 10% to 15% improvement potential from the FY'25 number. So the dyestuff can be seen about 10% improvement in FY'26. Intermediates will be flat. Yes, benzene derivatives only had in latest quarter about 25%-30%. So there we will definitely see, I think for the whole year we should see at least 60% to 70% utilization.

**Aditya Khetan:** Got it. And sir, like every quarter, sir, we are reporting some sort of losses into our subsidiary from that hyperinflationary economics which we have seen. This quarter also, sir, somewhere around Rs. 2.3 crore impact has been there. Sir, till what quarter we would continue to see this loss arising from subsidiary?

**Mayur Padhya:** So it is difficult to say but a good point is that the currency devaluation over there has now minimum since the last several quarters. So slowly and gradually inflation should also come into

controllable figures. But it's difficult to say upfront that since when, by when there will be a stop in this inflation accounting.

**Aditya Khetan:**

Sir, we do not hedge this sort of currency fluctuations into a Turkey business?

**Mayur Padhya:**

No, currency is fully hedged. This is something as per accounting standard we are required to pass a book entry. This has nothing to do with a cash loss or something like that. It's a separate accounting standard wherein any economy has a hyperinflation. Over there, we are required to give a special accounting treatment. So in India, we have not experienced such thing any time, so we are not aware. But there are certain countries like Turkey, Argentina, where inflation has been very high. So over there this accounting is to be done.

**Aditya Khetan:**

Okay. Sir, during the quarter, like we had a tax credit. Any idea you can give like how would be the tax rate for '26-'27 and the reason for this tax credit in this quarter?

**Mayur Padhya:**

'26-'27 tax will be in the range of 22% or something like that. Maybe lower than that because we have a carry forward depreciation balance available because as per income tax higher depreciation is required to be passed and as per company's law depreciation is lower. As far as this time, this effect is because of Turkey's company only. So over there, they are required to pass this entry considering this loss of inflation. So that's why this effect is there. Otherwise, we are not expecting much effect.

**Aditya Khetan:**

Sir, on to the caustic soda. Sir, are we targeting full utilization in '26 only and how is the outlook on the end user industry?

**Ankit Patel:**

For caustic soda, the utilization is almost to the maximum level. There is a slight possibility about 5% to 10% growth coming from that area also. And the overall margins were very consistent and strong in the FY'25. Going ahead, because caustic soda has wide number of products and also the application is into a few different industries. The overall demand remains strong. Currently also it is going decent. So for FY'26, we forecast that it will remain slightly better in terms of top-line and the margin number should also remain like FY'25.

**Aditya Khetan:**

Got it. Sir, just one last question. Sir, like with the ramping up of benzene derivatives, improvement in caustic and dyestuff, sir, we maintain our earlier guidance of revenue which we had given from benzene derivatives and from margins also, sir, from the current levels of 10%, where you see like for the next 2 years with ramp up in all the businesses where you could do?

**Ankit Patel:**

So for FY'26, we are targeting Rs. 1,900 crores plus top-line in a normal pricing scenario. And so that's about 10% growth. Also, I think the numbers that we achieved in FY'25, the Q4, about 10.5%-11% EBITDA margin, I think that should definitely be, we should be able to maintain that. In fact, we can improve them with a better performance coming from a benzene derivatives business. So I think the target is about 1,900 plus top-line and about 11% to 12% EBITDA levels in the normal scenario.



- Aditya Khetan:** Got it. Sir, just one last book keeping question. So what would be the, you had mentioned in your presentation the prices for Vinyl Sulphone and H-Acid. I missed the same. Can you please repeat on that?
- Mayur Padhya:** Yes, sure. It is 508 for H-Acid and 255 for Vinyl Sulphone.
- Aditya Khetan:** Thank you sir. That's it from my side.
- Mayur Padhya:** Thank you.
- Moderator:** Thank you. We take the next question from the line of Sandesh Raghav from Simplex Growth Ventures. Please go ahead.
- Sandesh Raghav:** Good afternoon everyone. My question is what is the production figure in metric tons for TCCA-90 after the anti-dumping duty notification was issued?
- Ankit Patel:** Anti-dumping duty has been implemented in the month of March 7<sup>th</sup>, March '25 and for the quarter we are not being benefited because it's implemented at the yearend only and there are several traders who have imported in a good quantity this product in anticipation of anti-dumping duty. But presently we are not getting any benefit. But down the line, within 3-4 months when this imported stock gets exhausted, we will get benefit. production level was very normal. What earlier it was, so nothing much to say in this regard. Exact number is not with me. You can check later on directly with me. What is the projected or expected production for TCCA-90 for the quarter in the Financial Year 2025-2026?
- Mayur Padhya:** 25-26 we are expecting about 4,000 metric tons at least production for the current year and thereafter it may increase say 10%-15% in next year.
- Sandesh Raghav:** Okay, my last question is are you selling TCCA-90 directly to consumers or you have developed a dealership network?
- Mayur Padhya:** No, we are directly selling to consumer. We have not prepared any dealer distributor network at present, but we are working on that.
- Sandesh Raghav:** Okay, thank you.
- Moderator:** Thank you. We take the next question from the line of Vignesh Iyer from Sequent Investments. Please go ahead.
- Vignesh Iyer:** Thank you for the opportunity. So first question, I want to know, if I am not wrong, you said earlier that the sulfuric acid plant, we have taken shut down, right? For what time period was that?

- Mayur Padhya:** It was about 20 days. It's an annual shutdown. We are required to shut the plant for government's boiler inspection and some maintenance work.
- Vignesh Iyer:** Okay and also can you share the metric on Sulfur pricing in Quarter 3, Quarter 4 and what it is right now, I mean around the month of May, if you could share the pricing?
- Mayur Padhya:** Q3 and Q4, the sulfur prices have been very high. Since Q3, the prices started increasing. It's in the very abnormal level at the moment also. So Q3, the average could be somewhere around Rs. 18,000 to Rs. 20,000 a ton. Q4, the average is around Rs. 25,000 to Rs. 27,000 a ton on an average. So it's a very, very high cycle. Prices like this don't happen for few years, I would say. I have seen this kind of prices only a couple of times in the last 15 years. But the good thing is that the demand from the overall consumer side for sulfuric acid and derivative products have been decent, have been strong. So this increase in the raw material prices, we are able to pass it on towards our finished good prices. So our margins are coming quite decent from the sulfur-based products also. And going ahead, currently also the price of sulfur is around Rs. 27,000-Rs. 28,000 levels. But at the same time again the finished good prices of sulfuric acid and derivatives they are also quite high and we are able to pass on the raw material increase.
- Vignesh Iyer:** Sir, are we seeing any lag when it comes to pricing sulfuric acid per se or is it in the tandem as in tandem with sulfur?
- Mayur Padhya:** It is usually in the tandem with sulfur. So because of, like I said, higher prices of sulfur resulting in higher prices of sulfuric acid. So that has been the trend. And majority of the production comes from sulfur-based production of sulfuric acid. So there is no choice with the consumers and to pass on the increase, so sulfur works on international pricing. So then there are no imports of sulfuric acid. So Indian business of sulfuric acid is quite protected and because of the raw materials linked to the international prices, so prices just fall off. And the global sulfuric acid prices remain within our similar ranges.
- Vignesh Iyer:** So our booking of sulfur has been on a spot rate, or has it been on a contract basis? How has the procurement been for sulfur?
- Mayur Padhya:** We have an annual contract with Reliance since few years and most of our quantity is covered in the contract. So we don't do any spot booking and because of our large consumption of sulfur, we definitely have one of the best rates of sulfur coming from the contract with Reliance.
- Vignesh Iyer:** Sir, annual contract for the volume but not the price, right? Price would be spot, right? Spot basis?
- Mayur Padhya:** Price would be, every 15 days the price changes depending on the global prices.
- Vignesh Iyer:** Okay. So, just one last question from my side like what you gave for sulfur. Can you give for Sulfuric Acid what the prices for Quarter 3, Quarter 4 and May?

- Mayur Padhya:** Quarter 3, the prices were around Rs. 8,000 a ton. For Quarter 4 the price was around average I would say about Rs. 13,000 per ton. Currently the prices are in the range of Rs. 12,000 to 13,000 per ton.
- Vignesh Iyer:** Okay, sir. That's all from me sir. Thank you and all the best.
- Moderator:** Thank you. We take the next question from the line of Prit Nagersheth from Wealth Finvisor. Please go ahead.
- Prit Nagersheth:** Yes, hi. My question is regarding the change in BIS for some of the products. I think the H-Acid, K-Acid, and Vinyl sulphone. I think those have been move to some in August and some next year. How does this impact your planning or your expectations from these because of the change in BIS?
- Mayur Padhya:** The BIS was coming as an additional benefit for us. And presently, government has deferred it for three months. So after three months they will once again review and decide whether to implement it or not. So this is something, another positive thing which is going to come to this industry, but that has been deferred. So there is no impact as such in the industry or in the company. Before getting implemented, it has been deferred. So there is no effect.
- Prit Nagersheth:** Right. But in terms of price trends, because if BIS had come, the price trends would have increased higher. So how are you seeing that given that it has deferred and it may get further deferred? So how does that affect the pricing of those products for you?
- Mayur Padhya:** See, the prices may go down temporarily because some psychological benefit or psychological effect is there. So that effect will have for 10-15 days. Then once again, it will stabilize as per industry demand and supply. So we don't see much impact as such.
- Prit Nagersheth:** Sir, regarding the industry demand and supply, how do you see the trend for these products for FY'26?
- Mayur Padhya:** FY'26 is a good, see earlier, 2 years we have faced that supply was more and demand was lesser but presently it's matching demand and supply. So that's why the good prices has stabilized and continued since the last 8 months or so. Temporary stabilization are there, but more or less it has stabilized.
- Prit Nagersheth:** And do you see any volume pick up in these products?
- Mayur Padhya:** Yes, volume has already picked up since last 3 quarters, which you can see from our presentation data that our intermediate utilization is very good. So that will continue.
- Prit Nagersheth:** Any guidance for utilization for FY'26?

- Mayur Padhya:** '26, yes it will remain similar for dye intermediate. Some improvement is possible still in caustic. Some improvement is possible in dye stuff also. Basic chemical will remain more or less same level and good improvement will be there in our benzene downstream product.
- Prit Nagersheth:** Go it. Wonderful, that's it from my end. Thank you.
- Mayur Padhya:** And also the TCCA part, which has not too much of contribution, FY'25, I think that will have a contribution of around 4,000 tons. So about 70 crores of top-line should come from there and with a better margin. That's also additional.
- Prit Nagersheth:** Wonderful. Thank you.
- Moderator:** Thank you. We will take the next question from the line of Shantanu Basu from SMIFS Limited. Please go ahead.
- Shantanu Basu:** Hello, sir. Most of the questions were asked by my colleague Aditya Khetan, but I just have a few more. So firstly, with regard to the subsidy, can you please tell me how much subsidy was received in FY'25 and going forward for the next five years, how much do you expect to receive? That's my first question.
- Mayur Padhya:** Yes, subsidy we have not yet received from Punjab government which we were anticipating. So that is lying with the final stage that is state level committee they say it and we are expecting that next month that committee will be there and our case will be considered in that committee. As far as value is concerned, almost Rs. 49 crore of amount has approved till March '25 out of which we have already only recorded Rs. 3 crore of SGST, balance we have yet not accounted for. So once it is approved by a state level committee then only we will review with the auditor and then consider. So as far as cash flow is concerned, we are expecting about Rs. 40 crore at least should be there, should come to Company as a cash flow considering present situation. And this will be there for seven years. So next seven years, we are expecting about Rs. 20 crore of subsidy every year from Punjab government and another about Rs. 4 crore from Gujarat government for our Saykha benzene project.
- Shantanu Basu:** So sir if I understood correctly, FY'26 you would receive Rs. 40 crores of subsidy expectedly.
- Mayur Padhya:** Yes, cash flow, this is what we estimate.
- Shantanu Basu:** And for the next 6 years that is after FY'26, next 6 years you are expecting 20 crores plus 4 crores, that is 24 crores every year.
- Mayur Padhya:** Every year, correct.
- Shantanu Basu:** Okay. So that solves one thing. And then the next question is with respect to benzene, I mean your presentation mentions and Ankit bhai also talked about it, that you faced competition and

there was a slow demand situation. So obviously under the competition, were you trying to imply that you faced competition from China, because domestic players are limited, right? It's you and it's Aarti, right?

**Ankit Patel:** Domestically, other than Aarti, there is another very good sizeable player called Kutch Chemicals. Another player, Hemani, is also there. We are the fourth player. But also at the same time, there are imports, Chinese imports that come in. And I think the problem is coming from the consumer side, where the largest consumption comes from the paracetamol industry where the utilization in that industry is around 50% at the moment. So overall global demand of paracetamol has been down since couple of years and they have slightly improved in last 1 or 2 months but yet not even crossing about 50% levels. So that is I think where the main problem is. I think when the paracetamol consumption normalizes, I think then it should be a quite normal scenario for us also and we can also reach optimum 80% level of consumption utilization.

**Shantanu Basu:** So Ankit bhai, it's more to do with paracetamol, right? And not competition per se. It's more to do with slow demand in the paracetamol sector, right?

**Ankit Patel:** Yes, it is a slow demand from the main consumer side.

**Shantanu Basu:** Main consumer side, okay. And demand scenario remains, I'm sorry, competitive scenario and the revenue projections, what we have stated or what we imply 80% capacity utilization. Once the paracetamol situation improves we can get there, right? So 80% capacity utilization, right?

**Ankit Patel:** Yes, absolutely, yes.

**Shantanu Basu:** Okay, good to know that, sir. And the next question is with regard to Turkey. I mean, this is again with regard to the recent operations Sindhoor that happened and Turkey's support to Pakistan and all. So there's the concern that, and you must have read reports as well, that some Turkish players, particularly the airport sector, was facing some sort of scrutiny and closer of business. So although our subsidiary is more of a trading and marketing subsidiary over there, we just want to understand if suppose, I mean, in the remotest of circumstances, if suppose a government action or something similar, how would that affect our Turkish business or the businesses of the areas that the Turkish subsidiary caters to? Can that be done directly by us? Would it be difficult to close the subsidiary? Just your color on that, if you can help, sir? I know this is hypothetical but any...

**Mayur Padhya:** Yes. See, since last about 2 years or so, average volume what we export to Turkish subsidiary from India is monthly about 60 metric tons. So it's not a significant figure as far as our turnover is concerned. Second thing, if we close down the subsidiary, we can definitely directly export this material to there directly. And third thing, as far as closing down of the subsidiary, we have not reviewed that situation, but it's a very small staff of about eight, nine person, and there is no asset as such in the company's name. Whatever office and some lending unit what we are operating is on rent. So it's very easy to close down the activity Because there is no date as such

there, no other committed investment in property etc. So it's very easy to close down the company.

**Shantanu Basu:** And sir, the Turkish subsidiary, does it cover only the Turkey market or other parts of the European market as well? So, just want to understand that?

**Mayur Padhya:** Yes, it's a south to Turkey as well as Uzbekistan, which is nearby Turkey. We had a plan to sell it to nearby other countries also, but that wouldn't be materialized. So presently only Turkey and Uzbekistan. These two countries are being served from there.

**Shantanu Basu:** And would my assumption be correct if I say that it's mostly related to the textile segment?

**Mayur Padhya:** Yes, mainly textile segment. Leather and paper are also there, but major part is going to textile.

**Shantanu Basu:** And lastly, if you can give me a color on the pricing situation of your product segments that is dyestuff, dye intermediate, basic chemicals, benzene and other businesses. Just want to understand the pricing situation currently vis-à-vis FY'25 closing and FY'24 and how do you foresee it for the next two years or maybe for the next year, FY'26? Some broad color in terms of pricing?

**Mayur Padhya:** See, prices are more or less similar what they were prevailing in Q4. Considering the present scenario, whatever we see, the demand supply situation, etc. we see that this should continue in near future. For next year, it is very difficult to say at present, but looking to the circumstances, it should be in this range only. There shouldn't be much effect, positive or negative, with the pricing.

**Shantanu Basu:** Okay, so pricing should be more or less stable. that what you're implying?

**Mayur Padhya:** Correct.

**Shantanu Basu:** Okay, and sir, the question to come up, so sorry for asking one more. So with regard to the benzene, sir, any thoughts on immediate entry into other derivatives or are you satisfied with the 4-5 derivatives that you have?

**Ankit Patel:** As of now, we are planning to remain in the same product mix because of two reasons. The focus was on the utilization levels. Second is we already have some consumptions internally in the product mix. And third is that we don't plan to do any major CAPEX at the moment. So we are planning to reduce our long-term debt with the focus for the FY'26 is definitely that. So you'll not see any major CAPEX as of now. And the focus for this year will definitely be to increase the utilization and bring down if losses, if there are any, and improve the margins.

**Shantanu Basu:** And once you achieve that 80% utilization, then maybe you will take a call for further CAPEX and further debt equity maybe in FY'27?

- Ankit Patel:** We can do that. We also have other opportunities. So we will see whenever we are ready with our debt to equity ratios and overall debt situation, then we are looking at something to do in the following year.
- Shantanu Basu:** Right. And that would be FY'27, possibly, or maybe later?
- Ankit Patel:** Anything sizable can happen in FY'27 or beyond? For FY'27, like I said, we already have a room to improve by about 15% to 20%. So the focus is definitely on that side. We want to stabilize all the businesses like TCCA, which has a now good turnaround possibility, Benzene, which we need to take the utilization up to about 80%. So I think for this year, we do have a good scenario, good platform set for a 15% to 20% growth and to stable our couple of the good opportunities like benzene and the TCCA. And then following year, while our debt will also be reduced again, I think then we can look at a good size investment and then follow beyond that, maybe you can look at something a little larger also.
- Shantanu Basu:** Right. Thank you. Thank you very much for patiently answering that question. Thank you very much.
- Ankit Patel:** Thank you.
- Moderator:** Thank you. We will take the next question from the line of Ankur Agarwal from R C Business House. Please go ahead.
- Ankur Agarwal:** Thank you, sir. What is the peak top-line with present capacity possible?
- Mayur Padhya:** Present capacity and present pricing, can do top-line of about Rs. 1,950 crores to Rs. 2,000 crores.
- Ankur Agarwal:** With 80% capacity that are using?
- Mayur Padhya:** Yes, it's a division wise different but more or less average you can consider that.
- Ankur Agarwal:** Then we have to take more CAPEX for the further expansion if required?
- Mayur Padhya:** Yes, thereafter CAPEX will be required.
- Ankur Agarwal:** Okay, what is the debt reduction program?
- Mayur Padhya:** See, current year we are targeting to reduce debt. There is a scheduled repayment of about not about, it's Rs. 120 crore and addition to that we are planning to pay by land sale etc. So another Rs. 20 crore can be paid further. So 120 crores to 150 crores data will be reduced during current year.

- Ankur Agarwal:** What is the blended interest on the present debt?
- Mayur Padhya:** It's about 9.25%.
- Ankur Agarwal:** Thank you. That's all from my side.
- Moderator:** Thank you. We take the next question from the line of SK Damani from SKD Consultants. Please go ahead.
- SK Damani:** Namaskar sir. Thank you, sir. Sir, actually I am bit late because I was not able to connect the line in time. So, I mean, can you give us a broad picture of all our products, basic chemicals, intermediate and final products. I know usually the dyes chemical industry is not passing through a good phase, but certain chemicals is there if you can kindly highlight which of the chemicals are having good prospects which can contribute in coming times in this year. Can you kindly?
- Ankit Patel:** If you look at the performance of Q3 and Q4 and compare it to the previous few quarters before that, that you can see improvement in the volume, improvement in the top-line, improvement in the bottom-line. The trend continues for us because we do have a good product mix. We not only depend on dyestuff industry or the intermediate industry. But there also we have good signs recently where the intermediate industry has been doing decent. Dyestuff was little down last year, but that is also now back with better volumes and it can still even grow further. Our integrated business model in the Dyestuff industry helps us to perform better than some of the industry players. So yes, you are right that the dyestuff industry has been a little challenging in the last few quarters, because of the integration, we are doing a little better compared to the overall industry performance. So that is there. Our Chlor-Alkali also contributes a good number in terms of top-line. Also, the margins have been quite decent and strong there. So going ahead also there, we expect a little bit of growth in top-line with solid bottom line numbers. And our basic chemicals, because we have not added any capacity, that will more likely remain stable and flat in the line of FY'25 numbers. There also the volumes are good. The demand comes from different segments. the margins are also good there. And one another good thing is that PCCA, our volumes have been very, very small because of Chinese imports in India and not very regular business to exports. But now because of the anti-dumping for five years, that also will add a very decent number in the top-line. And more importantly, we should do good EBITDA levels from there also. So that which was hardly there in the last few years. So overall, we do have, and the last one, the latest on the benzene derivatives there again, the Q4 utilization was only about 25%, 30%. It's now already looking at about 40% to 50%. Because of the large CAPEX, large plant, there are lots of overheads which the other divisions have to take care of in the FY'25. But going ahead, already the scenario is improving a little bit with the higher utilization numbers. And going ahead, we are targeting for the year minimum 60% to 65% plus levels. So with that, I feel that the negative impact that business had on overall numbers, that will also be better. So the forecast that we are talking about is about 1,900 crores plus top-line, which is about 10% growth. And our Q4 EBITDA numbers are almost 11%. So we are definitely looking at that as minimum



levels with the addition of TCCA top-line as well as improvement in the benzene and other businesses because of the integration and Chlor-Alkali doing quite decent. I think we are looking at about Rs. 1,900 crores to Rs. 2,000 crores of top-line with even better EBITDA than Q4. That's how the current business is going on and that the coming year looks like for us.

**SK Damani:**

Thank you very much. And my second question is that we have a caustic chlorine unit in Rajpura, Punjab. So are we implementing agro waste as our fuel to save electricity costs because in that area many of the paper industries have reduced their costs because of using these agro waste and lots of things. So we must have oriented and second is how we are orienting ourselves to utilize our chlorine there for our finished products of dyes or intermediates or something like that. So that unit also becomes very, very positive in the company?

**Ankit Patel:**

Yes, very important question in terms of environment and terms of chlorine consumption which is a little challenge in the Chlor-Alkali industry. Since we took over, we bought new boilers and for our all entire steam utilization, we are using either captive hydrogen and majority of the energy comes from our agro-waste. So we are definitely not buying any fuels, any petroleum products to do that. But the good thing for us is in Punjab, the electricity rates for us are very good. Because we are a large consuming electricity consumer, we have special subsidized rates. So the rates are actually in fact very good for us. And for the steam part, we are using entirely hydrogen or agro waste. So that changes we have made. I think so we are doing the best possible efforts there. And second, chlorine utilization. I think we are definitely one of the units in the country which has the least problem in disposing the chlorine. The reason is there are already five pipeline buyers. And in FY'25, a sixth pipeline, chlorine consumers also added. We also have captive consumption of chlorine in couple of our plants within the same Rajpura complex. So we have a very comfortable scenario as far as the chlorine consumption goes. Where again in the industry that chlorine consumption or chlorine disposal is a problem. So we are very comfortable, and we are also already planning a couple of more chlorine line consumers in neighboring areas.

**SK Damani:**

Very nice, sir. And are we thinking of expanding that unit also adding more caustic chlorine lines?

**Ankit Patel:**

We are looking at there are a couple of possibilities. One is a small expansion which can happen within the same plant. This is not a large CAPEX so that we can plan anytime. We are looking at that. Because it is a Brownfield, I think the return numbers are also very, good. And now the demand is also quite stable. Also, we are working on a future possibility not this year, we don't want to dive into any large CAPEX cycle, but beyond that, we are definitely working on expanding it. So that will come down the line, but not this year. But it's a great opportunity because the business is doing good for us. The north region is also quite satisfactory overall. So yes, you will see that coming, but not this year.

- SK Damani:** Right, sir. It is all your very good management that you have turned around that unit so nicely. So congratulations and all the best from my side. Thank you very much. You are very kind in replying to me. Thank you.
- Ankit Patel:** Thank you very much.
- Moderator:** Thank you. Next question is from the line of Aditya Khetan from SMIFS Institutional Equities. Please go ahead.
- Aditya Khetan:** Yes, thank you sir for the follow up. In this quarter, we had taken a shutdown into the basic chemical business. And we had witnessed that there is a good amount of volume drop. So ideally our dye intermediate volume should also have been lower because it is forward integrated but therefore the volumes are largely flattish. So have we imported some of the raw materials in this quarter to maintain the volumes of dye intermediate?
- Ankit Patel:** That is the usual scenario. This shutdown comes every year for us because of the mandatory requirement for boiler inspection. So we do have large storage facilities as well as we buy from the local markets. So the basic chemicals that we produce from the plant that was shut down that are widely available from the Indian markets only. So whenever we need some extra product, we just buy from the market. So we don't let that disturb our dye intermediate numbers.
- Aditya Khetan:** Okay. And sir, like I believe with benzene derivatives currently it is not contributing to EBITDA. At what point or at what level do you think like it will start contributing to EBITDA?
- Ankit Patel:** We feel that the utilization of around 65%-70% I think that can bring us to some positive EBITDA numbers and I think improvement in the pricing of around 8%-10% that is definitely a level I think we can reach breakeven or more positive contribution in EBITDA. So we are not too far from it. With the increased utilization I think it will bring down one of the overhead cost. And just a slight improvement in the finished good crisis can definitely put us in positive.
- Aditya Khetan:** Okay. And sir this benzene derivative, the caustic, dyestuff, I think all will reach your peak utilization level in the next year time frame only. And we have not outlined any sort of debottlenecking or any sort of improvement in capacity. So how do we plan for FY'27 and '28 when we have no CAPEX outlined right now?
- Ankit Patel:** So for FY'27, I mentioned about the improvement from the Chlor-Alkali, which can come about 10%. We are also looking at a very small expansion, which is more of a debottlenecking of the plant of Chlor-Alkali. So there also we can add another 10%. So we can add about another 60 crores-70 crores from the current numbers on annual basis in Chlor-Alkali. I think we are also looking at TCCA where the utilization for this year, because we will not get the entire year's benefit, it will be about 60%-70%. So going ahead, there are also about Rs. 20 crores-Rs. 30 crores of top end can be added for the FY27. So these are the two areas. And again, like what we are targeting for this year, benzene, the utilization average we are targeting is about 60%

plus. So there also, if we can take it up to 80% in FY27, so that again is about 50 crores-60 crores. So put together of these three divisions, I think we can add another about Rs. 120 crores to Rs. 150 crores of additional top-line in FY'27. So again, from, let's say, Rs. 1,950 crores, another maybe another 7%-8% CAGR in the FY'27 also. And by that time, we are looking at some more CAPEX which can happen in the year of FY'27. So again, that can fuel to the growth of FY'28 and beyond.

**Aditya Khetan:** Got it. And sir, the debottlenecking in caustic chlorine you mentioned, how much we are planning on the base capacity, whether 10%, 15% and what would be the CAPEX for it?

**Ankit Patel:** We are working on that right now, but the current numbers, we are targeting 10% to 15% capacity addition, and the investment is less than Rs. 10 crores.

**Aditya Khetan:** Got it. Sir, just one last question, sir. What would be the contribution of TCCA in FY'25? And what is the pricing like pre-anti-dumping duty? And now with this duty, how much prices have increased, if you can highlight on that?

**Mayur Padhya:** See, TCCA prices earlier imported at about \$1 or even below \$1. And locally, they were able to sell Rs. 110 per kg or so. But now after implementation of anti-dumping duty, it has moved to 160 plus level. So there is a good improvement as far as prevailing prices are concerned. And contribution from TCCA in FY'25 was negligible. Rs. 7 crores-Rs. 8 crores were there. So whatever additional production we will be able to do, that will directly add to top-line of the company. I hope I have covered all your points.

**Aditya Khetan:** Got it. Thank you, sir.

**Moderator:** Thank you. Ladies and gentlemen, in the interest of time, that was the last question. I would now like to hand the conference over to the management for closing comments.

**Ankit Patel:** Yes, with this we conclude the call and would like to thank everyone for joining us today on this earning call. If you have any further queries, you can connect with us. Thank you.

**Moderator:** Thank you. On behalf of Bodal Chemicals Limited that concludes this conference. Thank you for joining us and you may now disconnect your lines.