

**LAXMI ORGANIC INDUSTRIES LTD**

Chandermukhi, Third Floor, Nariman Point, Mumbai 400021, India  
T +91 22 49104444 E info@laxmi.com W www.laxmi.com

May 27, 2025

**BSE Limited**

Corporate Relationship Department,  
1<sup>st</sup> Floor, New Trading Ring,  
Rotunda Building, P. J. Towers,  
Dalal Street, Fort,  
Mumbai – 400 001

**Scrip Code: 543277**

**National Stock Exchange of India Limited**

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

**Trading Symbol: LXCHEM**

Dear Sir / Madam,

**Sub: Disclosure under Regulation 30 read with Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Pursuant to Regulation 30 read with Schedule III of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), we wish to inform you that the Company participated in the investor conference as given below:

<b>Date and time</b>	<b>Type of Meeting / Event</b>	<b>Location</b>
May 21, 2025, at 14.00 hours onwards	Investor & Analyst Meet to discuss performance for the quarter ended March 31, 2025 hosted by Strategic Growth Advisors	Conference Call through dial-in

No Unpublished Price Sensitive Information was shared / discussed in the meeting with the investors.

Further, please see enclosed the transcript of the Investor Call for Q4FY25.

We request you to take the above on record.

For **Laxmi Organic Industries Limited**

**Aniket Hirpara**

Company Secretary and Compliance Officer

**Encl.: A/a**



“Laxmi Organic Industries Limited  
Q4 FY '25 Earnings Conference Call”  
May 21, 2025

E&OE - This transcript is edited for factual errors. In case of any discrepancy, the audio recording uploaded on the stock exchange on 21<sup>st</sup> May 2025 will prevail.



**MANAGEMENT: DR. RAJAN VENKATESH – MANAGING DIRECTOR AND  
CHIEF EXECUTIVE OFFICER –LAXMI ORGANIC  
INDUSTRIES LIMITED**

**MR. MAHADEO KARNIK – CHIEF FINANCIAL OFFICER  
–LAXMI ORGANIC INDUSTRIES LIMITED**

**MODERATOR: MR. TANAY SHAH – STRATEGIC GROWTH ADVISORS**



**Moderator:**

Ladies and gentlemen, good day, and welcome to the Q4 and FY '25 Earnings Conference Call of Laxmi Organic Industries Limited. 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 start then zero on your touchtone phone. Please note that this conference has been recorded.

I now hand the conference over to Mr. Tanay Shah. Thank you, and over to you, sir.

**Tanay Shah:**

Thank you, Anushka. Good afternoon, everyone, and thank you for joining us on the Q4 and FY '25 Earnings Conference Call for Laxmi Organic Industries Limited. On the call, we have with us Dr. Rajan Venkatesh, MD and CEO; and Mr. Mahadeo Karnik, CFO. The company has uploaded its financial results and investor presentation on the website as well as stock exchanges. We hope everyone has had an opportunity to go through the same. We will begin the call with some opening commentary from the management, followed by a question-and-answer session.

Before we begin, I'd like to point out that this conference call may contain certain forward-looking statements about the company, which are based on the beliefs, opinions and expectations of the company as on the date of this call. These statements do not guarantee the future performance of the company, and it involves risks and uncertainties that are difficult to predict. I now hand over the call to Dr. Rajan Venkatesh, MD and CEO. Thank you and over to you, sir.

**Rajan Venkatesh:**

Thank you, Tanay. Namsakram to all. Good morning, good evening, and good afternoon, depending on where you're dialling in from. Thank you for investing your time with us. So, as always, taking you through the various buckets that we would like to share with you. First is a very quick look into macro. Then coming closer to home, which is our industries that we are very proud to serve. Then comes the element of our raw materials, which are key building blocks across our value chains. And then I would like to take the opportunity to give an update on our ongoing projects as a status update.

So let me start with macro, certainly, one of the more exciting times we are all living in with what's going on globally and evolving on a day-to-day basis as we speak. I have received this question multiple times, so I'll put that first upfront. Into the U.S., Laxmi has an exposure of less than 10% of our sales at an enterprise level. And broadly, given that things are fluid and evolving, we view that opportunity as neutral to positive. So that's the first point.

The second lens also when you look at the chemical ecosystem, I must say, unfortunately, things have not developed negatively, but certainly also not positively. We continue to see the overcapacities in China continuing to play out. Other geographies like Europe continues to be in pressure. Now when I'm talking about this, this is the overall chemical ecosystem I'm talking about, not specifically Laxmi. I want to clarify that.

Producers in Japan and Korea continue to be under pressure. Certainly, India continues to be one of the more brighter spots. And North America to a certain extent. So that's where we see if you look at the global chemical ecosystem.



Then if we come to the next point, our customer base that we serve and industries. I would say most of the industries from a quarter-on-quarter basis, we continue to see the demand being stable. So, when I'm talking about these industries, be it pharma, be it printing and packaging, be it our pigments, be it industrial solutions. The one section that we continue to see weakness is agro. So, I think, at this point of time, continues to be weak in our lens.

We are also very thrilled with the new segments that we have entered into, I've called that out in the past. And you would have also seen the recent LOI that we signed with Hitachi Energy, which is again bringing us into a very different segment, which we are excited about.

When we talk about raw materials, and I call about two of them, which is acetic acid and ethanol, on a full year basis, FY '25 versus FY '24, we have seen double-digit decline, so about 11% decline in pricing for acetic acid. And for ethanol, it is in the range of 15%. So, this is also what you see is getting reflected. Our prices are a little more softer, which is obviously more pronounced in essentials, but also certainly does impact the specialty portfolio, given that the overall feedstock environment continues to be a bit more softer and has declined on a full year basis.

Then comes to the ongoing projects. Our project at Dahej, what we say very proudly Indra Dhanush. There, we have received the EC and the factory license. So that project, building on the continuous efforts of the whole team, remains on track with on timelines, in scope and on budget.

When we come to our other project, which was the fluoro intermediate setup at Lote, there again, we remain committed to what we had shared. In quarter 4, we saw the first positive commercial sales happening, and the ambition continues to be that into FY '26, we are around 40% to 60% of the peak revenues that we have laid out for ourselves. Obviously, some softening on the pricing points have happened, but broadly, that remains our focus area as we take our projects.

If we then look at our performance, Clearly, what we have shown is strong volume growth in certainly a point in time and markets which are not growing at that pace. So, a lot of credit, a lot of focus, a lot of diligence from our side. We have also actually maintained our contribution margins by playing the entire portfolio across essentials and also specialties. So that is a very positive reflection, if I have to look at the full year basis.

Then when we look at the SG&A costs, we have certainly added in areas where we have committed that is when we're looking at the newer plants and also the capability people linked to running these assets and running us at an enterprise level, while all other costs is we have been very, very prudent and we have held that in line.

We've also been financially very disciplined. We have held our debt at very low levels despite the capex cycle that we are into. And that is what is all keeping me -- I would say giving me comfort that once we are now very well equipped and we are well geared. And as the cycles turn, we are also very well positioned, A, to navigate the current point in time; and B, also leverage the upside, which we have done in the past and we will continue to do in the future.



With that, I'll pass it on to Mahadeo, where he can take us through the numbers in more granularity. One other element, which I would like to call out. As things move across, in one product in our specialty portfolio, the end application which it is serving has got a regulatory phaseout. This is what we had anticipated for quite some time now, but we have been diligently serving our customers and they are markets thereby.

While we have a substitute already lined up, in the interim, it will have some minor impact and some softness into our P&L. But we are completely geared for it. It is at a specialty level. It is less than 10% of our specialty basket. –We saw this coming, but we are leveraging it now.

With that, Mahadeo, I'll pass it on to you. And I'll talk about our project with Hitachi in my comments.

**Mahadeo Karnik:**

Thank you, Rajan. So, as this is a call for full year as well as the quarter numbers, I will take you through first full year synopsis and then the quarter 4 numbers.

Our volume growth has been 11%, specifically coming from our execution excellence project, which we call it Lakshya, that was on the back of a minimal capex. Our gross margin, if you look at in this environment has improved by 218 bps, which is a testimony that we are controlling the cost of the products, because the realizations, specifically in essential business are going down.

In case of our employee costs, employee costs remained same as previous year. Again, the power and fuel remains same, so percentage versus the sales. Though the volumes have increased by 11%, the power and fuel has just grown by nearly 2%. Other expenses have grown up by nearly INR 59 crores mainly out of -- the whole part of this is the sea freight cost that we have to incur. Sea freight this time has increased nearly by 60% year-on-year. Excluding sea freight, the other costs remain exactly flat.

So overall, EBITDA, we are at 9.4% versus 9%. Again, we are having an operating leverage in these moments. Other income remaining flat. The depreciation has started to increase now because we have capitalised the Lote assets. Finance cost has increased mainly because of the term loan that we have taken as well as the buyers' credit that we have taken, and the GST interest that it accounted at this line. The effective tax rate nearly remained same as last year. So overall, the PAT remains at 3.8% versus 4.22%.

For the quarter, the volume have grown by 1%. The gross margin has reduced. And now we'll take you through 2 major levers that are impacting this comparison versus previous year same quarter. In last year same quarter, the essential price realization and margin realization was much higher and highest in the quarter of last year FY '24, mainly on account of sudden shutdown of one of the suppliers. So that has not happened this time. So, the margins are at a stable level. That's why you can see a dip of gross margin from 35.6% in quarter 4 FY'24 to 34.6% in quarter 4 FY'25.

We have also onetime impact of the assets that we have sold at a loss because they're not in use of nearly INR 68 million, which means that the adjusted EBITDA for the quarter is INR 590 million versus INR 900 million in previous year. The INR 900 million includes the one-time



impact of the loss of profit claim that we received of INR 10 crores. So overall, if you adjust the EBITDA like-to-like or excluding one-time costs, the EBITDA is at 9.3% versus 10.2% of last year.

The depreciation, again, has increased from INR 30 crores to INR 39 crores. The tax -- we have a credit of nearly INR 85 million. This is mainly coming off because of the merger with YFCPL got announced and all the financials got restated for consolidated numbers. As YFCPL was taxed earlier at 17%, now it is effectively taxed at 36%. That's why all the depreciation and the current year losses are creating a deferred tax asset. So that is creating a one-time tax credit of INR 85 million in this year.

So overall PAT margin remains at 3.1% versus 5.7%. On a business level, overall, the EBITDA of essentially is at 3% and specialty is at 23%. Working capital remained very robust at 24 days versus 11 days of last year. 11 days of last year was because of a one-time blip in the extended credit on alcohol consignments, which has now normalized, so which we have now got the working capital days at 24. Our term loans have reduced from INR 90 crores to nearly INR 42 crore in this year.

So, we are looking at how we can be efficient in financing, how we can be efficient in working capital and how efficient we can be on the project tracking and on cost. So with that, I will end up my summary here. And Tanay, over to you.

**Tanay Shah:** Yes. Anushka we can start the Q&A session.

**Moderator:** Thank you very much. The first question is from the line of Rohit Nagraj from B&K Securities. Please go ahead.

**Rohit Nagraj:** So, first question is on the LOI that we have signed with Hitachi Energy. So, if you can give just more details about what is the arrangement, what is the technology here, whether there is a technology transfer. And generally, what is the size of the market we are looking at? And when we will start probably commercializing the product and getting the revenues?

**Rajan Venkatesh:** Rohit you seem to be as excited as we are on signing up this LOI. So, I think let me just structurally explain it to you. We have signed the LOI. And as we speak now, we are in the next phase of detailing the contracts. So, signing -- ticking that box and we want to pin down the moving parts. Thereafter, is where we will go to our Board and seek final approvals. And then thereafter, I am very excited to share far more details in the granularity that you sought. So please bear with us.

But what is important to call out here for us is, one, is, again, a testimony to what we started off like in our diketene journey when we started with our fluorination journey, we said this is a platform we want to begin with. It's a start point, not the end point. And I think this is now testimony. The second time around, we already had one large MNC who collaborated with us in the past, which we have called out. And now this is the next big pivot that we are making.

This is obviously, as you have seen, bringing us into an interesting new segment of power transmission and generation and transmission. So, I think that is what we are excited about. And



I'm certainly will share the details as soon as I am privy to with you and the overall audience. So kindly bear with us.

**Rohit Nagraj:** Sure. Just one clarification. As of today, this market is served by Hitachi or is this a new market that will be developed once the tech transfer happens?

**Rajan Venkatesh:** So broadly, Hitachi is the market leader by far in this segment. So, we are now collaborating with the leader. This product is primarily being sourced by them from China, and this is a unique opportunity that brings in the mix.

**Rohit Nagraj:** Fair enough. That's really helpful and a bit more details on the same. Second question on the Miteni front. So, we have depicted in our slides that by FY '27, we're able to reach the peak potential of maybe close to about INR200 plus/minus crores. Are there any other projects that we are working on? I understand we still have the team Miteni in Italy working with us. And just a clarification on the same that we will be continuing with the R&D setup in Italy? Or are there any plans of shifting it to India and probably vacating that space there?

**Rajan Venkatesh:** So, Rohit, again, thank you for the question. As we have clarified in the past, Rohit, we have no team today in Italy. The whole thing is absorbed within Laxmi. We also recently announced the opening of a brand-new innovation center. That is where a lot of that technology is nestled in India. So, it becomes Laxmi's global innovation centre in Navi Mumbai for the world. And there is no team in Italy who are working with us.

**Rohit Nagraj:** Got that. Just a clarification on this. In terms of any liabilities from the Italy plant. So, we don't have any connection to Italy whatsoever right now, that everything has been transferred to India. Is that the right way to look at it?

**Rajan Venkatesh:** Yes.

**Rohit Nagraj:** And on the new projects that we are working on, on the fluorination space, which user segments we are targeting?

**Rajan Venkatesh:** So, as we have also said, the Miteni brings us a certain range of products and portfolio for the Miteni legacy. So that is serving a range of industries that today we are already very active in, be it in the agro, be it in the pharma space, be it in industrial solutions. And obviously, we are leveraging it into newer segments and the recent LOIs is the case in point.

**Moderator:** Next question is from the line of Ankur from Axis.

**Ankur:** First question on the Miteni side. So now R&D team is relocated here. And we had a set of portfolio with us from Miteni. Your thoughts in terms of, one, the ramp up in the existing products that we are working on and secondly, the newer ones on which we were working. And when you are giving a guidance of full revenue ramp up by FY '27, we have some LOI's, some business contracts already signed up? So some visibility over there?

**Rajan Venkatesh:** Ankur. Thank you for your question. So again, let me go back to the thesis, right, of what we have always maintained. Miteni, legacy Miteni -- and I like to call it legacy Miteni because it is



Laxmi now, came in with a technology platform base. Electrochemical fluorination being one part of their technology platform.

And that is what we are continuing to leverage, both the electrochemical fluorination part of what we had acquired and the other parts of that technology platform to [A], build on the existing portfolio that Miteni had and [B], leverage that into the newer segments. And again, a case in point, what we have now just signed with Hitachi.

Even prior to that, building on that adjacency was with another MNC that we had collaborated. So, to be very precise to your question, the majority of the baseline is building of what we had acquired and we are building off that.

**Ankur:** Sure. And from a revenue -- the second part, from the revenue ramp up point of view, what gives us the confidence and the visibility of a ramp up in the next 2 years?

**Rajan Venkatesh:** So one is, if you look from a market lens in our assessment, certainly, the demand is certainly higher than supply. So that's a positive going-in positioning. We have also invested the last 2 years even more diligently to bring this entire asset to the level of comfort where we need to be and also where our customers are. And that is what is now giving us the comfort as we move into FY '26 and beyond to actually leverage this overall platform steadily.

**Ankur:** Sure, Rajan. So, will it be fair to say that we'll have decent visibility on this revenue ramp up there, given our discussion with the global customers?

**Rajan Venkatesh:** Yes. Absolutely.

**Ankur:** Okay. Great. Just a clarification. The new LOI that we are signing up with Hitachi, will this be made in the same premises as Miteni? Or there is an incremental capex requirement for that?

**Rajan Venkatesh:** So, anything fluorine, as we have also stated in the past, we have called it out that we had already overinvested in IOU from a line of sight of future expansion. That is what we are leveraging in. So, it will be in our Lote complex. And obviously, we will bake in wherever there are synergies feasible.

**Ankur:** Okay. Secondly, on the full year basis, we highlighted 11% of volume growth. The spec. chem. revenue is up some 14%-odd. If you can help break up the volume growth specifically for specialty chemicals.

**Mahadeo Karnik:** So, the specialty chemicals volume growth year-on-year is 7%.

**Ankur:** Okay. So, there is a pricing improvement that we have seen in the specialty part of it?

**Mahadeo Karnik:** Yes, yes.

**Rajan Venkatesh:** It is primarily the product mix, the portfolio, I think that's been our strength that we've been calling out consistently. In the diketene derivative space, today as we speak, even on a global lens, Laxmi has the largest diketene derivative portfolio, and that is what we are consistently leveraging upon.





- Ankur:** Sure. And there were a couple of Spec Chem projects that we are working on. Have they been ramped up fully? And how do you see the growth outlook there in the Spec Chem business over the next 2 to 3 years?
- Rajan Venkatesh:** So, Ankur. Broadly, again, calling it out at a macro level, we continue to see, at least with the customer base that we are engaged, that agro still, from a demand lens, continues to be under pressure. So that's the first point. I think specific projects, if you can be more specific, then I can answer. But broadly, the projects that we are today already engaged in, we are well entrenched with our customer base. I would not, at this point of time, add anything or subtract anything from that.
- Ankur:** Okay. No problem. And from a Agro Chem contribution here, that still will be a majority part of the specialty, right?
- Rajan Venkatesh:** No. If you really look at it also shown into our chart, the agro as a part of our whole portfolio at an enterprise level is less than 10%. And also, within the specialties, this has been also very well entrenched, that are specialty downstream, Now primarily, it is our diketene derivatives is very well hedged across the industries that we are serving. And in fact, we are also entering newer industries like I called out last time around, like personal care and others.
- Ankur:** Yes. Okay. Great. And just last bit - while there is detail on the gross margin mix between the 2 segments, we have been sharing EBITDA mix there. So, if you can help with the full year EBITDA margin or EBITDA contribution breakup for the 2 segments.
- Mahadeo Karnik:** So, EBITDA margin for specialty is 23%, EBITDA margin for essential is 3% on a full year basis.
- Moderator:** The next question is from the line of Rohan Mehta from Ficom Family Office.
- Rohan Mehta:** So, in your initial address, I just wanted to clarify. So how have the acetic acid prices trended over the past month? And what are the current spot prices versus what they were a month back? That's be the first one. And also, if you could provide some color on the current spreads for ethyl acetate?
- Rajan Venkatesh:** So okay, our acetic acid, the first is, again, let me take a step back. So, on a year-on-year basis, on a full year basis, we have seen acetic acid prices decline in the range of 11%. So, in FY '24, on an average, it was about 450. On an FY '25 average, it was about 400. So, as we speak now, we exited sort of quarter 4 in that similar ballpark of about 395 to 400. And I think that is where we are.
- Obviously, as we have also called out in the past, from a supply-demand side for acetic acid, there is more supply than what demand curtails. So, we continue to see some more softening anticipated into the acetic acid prices into, obviously, quarter 1. That is where we have the line of sight at this point of time.
- When we talk about your second part of the question on the ethyl acetate spreads, we've also dwelled into that in the past. If you take out the COVID peaks, the average spread over a 13-



year period, whatever you take, 10-to-13-year period, should be over acetic acid and ethanol, spread should be around \$ 225 per metric ton.

What we observed in the last quarter, and that's why we say, today, the spreads are far more subdued has been in the range of about \$ 140 to \$ 150. Obviously, depending on certain aberrations, it could go down another \$ 10 to \$ 15. But that's the range of what we are expecting. And that's why we say, today, we see our essentials portfolio, especially ethyl acetate, in the bottom quartile.

But that being said, you see the leverage that we have, we have been able to grow market share and we believe we have a good cost positioning to win. And as things move across upward, we are well positioned.

**Rohan Mehta:** Sure. Thanks for the clarification, sir. And on the ethyl acetate, I believe there were some players who have shut down capacity last quarter or two. So, has there been any more capacity shutdowns in Q4?

**Rajan Venkatesh:** No, I think nothing that has been official, especially outside India. I think you are referring to the announcement from Sipchem that they made. And I think that is progressing, as we understand from the market from today's perspective. And the other players, I think we see them off and on. So, at this point of time, no other official announcement that we are aware of apart from the one you called out in quarter 4.

**Rohan Mehta:** Right. And lastly, sir, on the acetic anhydride, could you tell what the current spreads are?

**Rajan Venkatesh:** Acetic anhydride is, I think a much smaller part of our portfolio. Certainly, it would be fair to say there, again, we are continuing to see that the margins are under pressure, given that the downstream paracetamol and you've heard that from the largest player in the acetic anhydride space calling that out. So, it is no different for us from that lens, but we are a much smaller player in that space.

**Rohan Mehta:** Sure. Thank you so much for patiently answering my questions and wishing you all the best.

**Moderator:** Thank you. The next question is from the line of Aryan Jain from Lotus Wealth. Please proceed.

**Aryan Jain:** Thank you for the opportunity. You mentioned in one of the slides that we have a road map to achieve 20% ROCE by the year 2028? So, what's the growth plan to achieve this number and do you think there are some risks involved associated with this number?

**Rajan Venkatesh:** So Aryan, thank you for the question. Again, so let me call that out. One is we have our essentials part of the business, as we have said, it is a cyclic business. And at this point of time, listening to the narrative that I was sharing with the previous caller, we are today in the bottom of the cycle.

The margin assumptions we have made is over a cycle and we remain very, very well positioned to leverage once things pivot. And you already see certain producers actually announcing a



shutdown. So, we will see, given that the bottom of the cycle as long as prolonged, we will certainly see other producers also feeling the pressure, but we are well positioned.

So that's one part of the puzzle that you need to understand when we look at our essential's basket. It's not a point in time; it is over the cycle. In our specialty space, our ambition has been also very clear that we need to maintain EBITDA ranges of 20% to 25% independent of the cycle. As you saw also in our performance in FY '24, where we closed to about 24%. Mahadeo just said where we closed FY'25 at 23%. I think we continue to be strongly positioned and are diligently working in that direction.

What could be risks? Clearly, from this side, obviously, the softening you would see on the raw materials is something I called out, but that could be a double positive. So, when things also pivot, we are well positioned to leverage because we are also investing in the current down-cycle. So that's the way I would view it, Aryan.

**Aryan Jain:** Just had a follow-up regarding this. We actually have a margin of about, I think, so 8% to 12%. And for us to achieve that number, we have to essentially double our revenues, maybe triple our EBITDA. So, do you think like this number is actually sustainable given the margins that we have?

**Rajan Venkatesh:** So, as I again said, the margins are twofold. One is, if you look at our essentials business, it's over the cycle and we are in the bottom of the cycle. In the specialty business, we have continued to maintain our EBITDA ranges despite of the market backdrop that we are operating in.

Thirdly, we are in an investment mode. So, our volumes will improve by 1.7x versus where we closed out in FY '24. We also called that out. So, it is not going to be simply achieved from the current baseline. There is an investment which is going in. We will also be doubling our capability of the ketene and diketene derivative space. So, all of that is what is going to come into play for us to be on track with our ambition.

**Aryan Jain:** Wonderful. And just to confirm, our capacities that are going to be doubled in ketene and diketene products, they're going to be at the Dahej plant, if I'm not wrong?

**Rajan Venkatesh:** Yes. The diketene derivatives would be at the Dahej site. The expansion that we are doing for our ethyl acetate is at our Lote side.

**Aryan Jain:** Wonderful. Thanks a lot. Thanks for answering my questions patiently.

**Moderator:** Thank you. The next question is from the line of Yash Mehta from Malabar Investments. Please proceed.

**Yash Mehta:** Thank you for the opportunity. If there was a question by one of the previous participants on volume growth. Sir, you mentioned 11% volume growth for the full year. You mentioned that specialty is 7%. So, is it a fair thing to say that acetyls would have grown at 13% or 13%, 14%-odd volume growth for the full year?

**Mahadeo Karnik:** Yes, you are correct.



- Rajan Venkatesh:** We have got only one suggestion, it is essential. While acetyls is the older term, we call it essentials.
- Yash Mehta:** My bad. So, what would be the growth, sir, just to clarify for the full year?
- Mahadeo Karnik:** It's 12.5%.
- Yash Mehta:** Understood. And for the quarter, it would be helpful to understand that there was a 10%-odd decline. Is that largely volume-driven or there was a fair amount of pricing fall as well?
- Mahadeo Karnik:** So, the volume has declined by 1%. The rest is price fall. As I said, in the last year, the prices were quite exceptionally higher because of unplanned shutdown of one of our suppliers. So, it may not be a right parameter to check that is specifically in our essential business.
- Yash Mehta:** Understood. So, the business -- like on volumes is broadly flat, only driven Y-o-Y pricing spike that happened last year. Okay. And in terms of product mix, it seems that this year was one of the first years where we have introduced a lot of new products in this essentials business as well?
- Rajan Venkatesh:** Yes, Yash, so where are you leading with the question?
- Yash Mehta:** What I was trying to understand is, was there a negative price mix because since new products get added, what would be the share of ethyl acetate within them and has that changed over the last 1 year that is driving the 9% negative price mix?
- Rajan Venkatesh:** No. So, in fact, one of the key products that we introduced was n-propyl acetate, so there is no negative price mix in that Yash. In our strategic timeline, we are also very clear that we need to find a good hedge to ethyl acetate. So, if you look at FY '24, ethyl acetate as part of our essentials basket was contributing 85% to our essential's basket. And the ambition that we have is in that FY '28-time horizon to bring this down to almost 65%.
- So, I think that's a conscious effort from our side. We are also looking at products which are primarily import substitute and n-propyl acetate is a case in point. Butyl acetate, what we called out about two quarters back is a case in point. I think that is also bringing in resilience to our customers in India in today's, I would say, trade backdrop.
- Yash Mehta:** Got it. So today, ethyl acetate would be much lower than 85 in contribution?
- Rajan Venkatesh:** I would say it would be a 80-range, early 80s range.
- Yash Mehta:** Got it. And sir, the other question that I had was as far as Lote complex is concerned, since you've already reached 40%, 60% utilization. Is it fair to suggest that the site has achieved cash breakeven at these levels on a monthly basis, at least?
- Mahadeo Karnik:** No. So, the first is we've not achieved 40%. So, quarter 4 was the first, as we called out, also if you see in our charts, is where we started commercial sales from our Lote setup. And the cash breakeven question that you have, this will happen in this financial year. So, the target remains about close to 40% to 60% of our peak revenues and the cash breakeven will happen this year.



- Yash Mehta:** So, it will helpful to kind of call out the additional spends that are happening at the particular site today, like in terms of maybe operating drag. Just to understand the EBITDA margin better, nothing -- no other reason?
- Rajan Venkatesh:** Yes. We are happy to understand the granularity that you seek and we can follow up with Mahadeo offline. That's what I would recommend, Yash, if it's okay with you.
- Yash Mehta:** For sure. Thank you very much. All the best.
- Moderator:** Thank you. The next question is from the line of Jigar Shah from Elivate Research. Please go ahead.
- Jigar Shah:** Good afternoon, sir. So firstly, I just wanted to get a sense on the rationale of investing additional capital in ethyl acetate, given that is a segment where we are dependent on external factors for pricing. And also, there are overcapacities already. Because even if overcapacities go away, there will be sufficient supply to cater to the demand, right?
- Rajan Venkatesh:** So, Jigar, thanks for that question. So, our thesis has been always the same, that whatever we do to win in our essentials basket, we need to look at economies of scale. And what this investment does, it is providing us economies of scale. A 70 KT single-line technology, we would be the first plant in India providing that economies of scale.
- Our markets for ethyl acetate continue to grow. So, one needs to get a little more granular into what is that. While you talk about supply-demand being at a certain level, I think one needs to also understand what is utilization and where are the other competitors on the cost curve. And that is the granularity that we have done.
- Even if you saw it in the course of this year and last year, the fungibility that we are able to bring in into our market share domestically is I think, also a testimony to the way we are also steering our entire back end and front end. So that is what is giving us the comfort. To also call it out in quarter 4, there has been announcement of players like Sipchem deciding to move out.
- And so, I think we will see how things evolve, but we remain confident that we are the leader in this portfolio. And we have reached the bottom of the cycle. So, we are well leveraged as things move further, we are very well positioned.
- Jigar Shah:** Okay, understood. Secondly, sir, when do we expect to commission the Dahej plant and when do the revenue start to flow in?
- Rajan Venkatesh:** Towards the second half of this year is what we are looking at. The mechanical completion, chemical charging all happening at our Dahej facility, and we'll be more granular closer to that commissioning period.
- Jigar Shah:** Okay. And lastly, sir, on a consolidated basis, I mean, given all the dynamics coming into play, we should broadly get to our FY '28 targets, right?
- Rajan Venkatesh:** We are very diligently working towards it, Jigar. But again, to the previous caller called out, obviously, today, we will continue to be in the bottom of the cycle when we talk about our



Essentials business. So, we have always viewed this over the cycle, not at a point in time. And also, we are seeing some softening in the feedstock, which is obviously also in our specialty business, taking down our revenues.

But we are very diligently, as also Mahadeo called out, looking at other levers, not just hoping that things will evolve, but playing to our strength and navigating through.

**Yash Mehta:** Got is, sir. Thank you. Thank you very much.

**Rajan Venkatesh:** Thank you, Jigar.

**Moderator:** Thank you. The next question is from the line of Rohit Nagraj from B&K Securities. Please proceed.

**Rohit Nagraj:** Thanks for the follow up. So, this year, we had exports of about 36%. What would be the composition in terms of Specialties and Essentials? And in FY '28, when we are targeting 2x of revenues, how much would be the export contribution? And again, what will be the split between Essentials and Specialties? Thank you.

**Rajan Venkatesh:** So, Rohit, I think what is important to note is that exports will continue to be one important lever as we are steering our portfolio. So, in our Essentials part, we have been in the range of 70% to 75% domestic and somewhere between 25% to 30% of exports. Obviously, it also depends on the price arbitrage, the way we steer it.

For our specialty part of the portfolio, on a rule of thumb, 50% is domestic, 50% is exports. And also, this is driven by the customer mix that we are serving. So, I think that remains the key focus rather than talking about -- it has to be specific to the business unit that we are and the portfolio that we are steering.

Now that you brought the export question, it's a good segue to also bring to the people's attention that we are doubling on 2 regions. So, we have built-in capability in China. And you see also my leadership team chart; Lydia Wang joins us as the Head of China.

And we have also built in capability in Europe, with Mustafa coming in as the Head of Essentials and also Head of LOBV. And we have another colleague, Pascal, who then supports our Specialty business. So, we are also building in competence and capability in these regions to tap those opportunities there.

**Rohit Nagraj:** Sure, that's really helpful. Second question on the numbers. So, we have total capex, which is about INR 1,100 crores, and a large part of that is expected to happen in 1H FY '26. First question on that in terms of funding, how are we looking at on the debt equity front? And second thing, when the entire capex is complete, what is the peak debt that we are looking at? Thank you.

**Mahadeo Karnik:** So, Rohit, I look at around INR 300 and INR 350 crores of term loan maximum, which I will pay off by, say, FY '27-'28. So, debt equity at peak would be around 0.23 or 0.30. Not more than that.

**Rohit Nagraj:** Yes, got it. Thanks and all the best.



- Moderator:** Thank you. Ladies and gentlemen, in the interest of time, we will take the last question from the line of Chetan Doshi from Tulsi Capital. Please proceed.
- Chetan Doshi:** Thank you for giving me the opportunity and congratulations for the new tie-up with Hitachi. One question is regarding the Dahej plant. You said in the second half, you plan to commission the plant in a phase manner. So, in the current year, how much turnover do you expect to end up in the March '26?
- And are you planning to dilute the equity, because again, this new tie-up with Hitachi will require a lot of funds? So, my question is on this. Would you be diluting the equity in near future? Or we will continue with the internal accruals?
- Rajan Venkatesh:** So, Chetan, let me answer the second part first. We are not going to dilute equity. We've been very prudent. You currently see our debt to equity, and Mahadeo just called out what would be at peak. So, I think we are very, very cognizant, very prudent and very well-funded in that lens, right?
- We've not called out specifically, normally, as you have new investments coming with your experience, I hope you understand, it takes a certain period to ramp up. So that's why in the second half of this year is where we will see our Dahej project mechanical completion and chemical charging happening across most of the assets.
- And then the ramp-up would take. Obviously, that's a qualification step because for certain of these products the customers will need to qualify the supply point, so there is a qualification step. So, we are really looking at the ramp-up starting into FY '27 and '28.
- Chetan Doshi:** Just last question. So, you expect that the profits of the company will be on the rise because you are not planning to dilute the equity and you -- I think the main focus will be on the Specialties rather than Essentials?
- Rajan Venkatesh:** We are basically playing the strengths of our portfolio here, Chetan. So, if you see where we closed out FY '24, we had a good blend between our Essential to Specialty business. The focus in our Essentials business is to continue to diversify from ethyl acetate and offer a range of products which is today imported into India and support our customers.
- In our Specialty vertical, it's to double-click on our diketene downstream and be globally top 3 in the world, including China and obviously then also leveraging our fluorination setup. So that's the way we are entirely steering the business, Chetan.
- Moderator:** Thank you. Ladies and gentlemen, we take that as the last question. I would now like to hand the conference over to the management for closing comments. Over to you, sir.
- Rajan Venkatesh:** So, thank you all for your interest, and thank you for joining. So let me conclude by saying a few things. One is, and this is captured in my reflections, I think first and foremost, let me start by firstly thanking my entire team. While we talk about numbers, there's a lot of brain power, manpower and heavy lifting that goes in the background. So, a big thank you to the entire Laxmi team, our customers who pay our bills, the Board of Directors, our investors and the communities



where we operate our other assets and the related stakeholders. So, a big thank you to all of them.

We've actually achieved 11% volume growth and 9.5% EBITDA growth year-on-year, while maintaining our profitability in the prevailing environment, which is a testimony to our performance. The growth was driven by the focus on operational excellence. Second, talking about the capacity augmentation. Third, our customer-centric approach. And fourth, the prudent cost and fund management.

Innovation is what keeps our business relevant and dynamic, and we're thoroughly excited to inaugurate our Laxmi Innovation Centre that happened in the quarter 4 of FY '25. It is tailored to meet the needs of the dynamic workforce that are part of us, and we are proud to have them and support our customers' ambition.

Our fluoro intermediate size has commenced generating revenues in quarter 4, and we are focusing on expanding that into FY '26 and beyond. I'm also as excited to share the LOI that we have signed with Hitachi, and this will pivot us very positively into a new sector with the market leader in that sector. At our upcoming Dahej site, we have received environmental clearance and factory licenses, and the project remains on schedule in terms of timeline, scope and costs. As team Laxmi, we remain geared to win and geared to growth, and we work diligently towards that goal.

Now giving you a bit of a lens also into what we are talking about in the first half, as I called out in the specialty portfolio, there has been one product which downstream has undergone a regulatory phase out, which will certainly have some minor impact as we go into the first half, and we will be more granular as the things progress. Thank you again. And stay safe, stay healthy, stay happy. Thank you all.

**Moderator:**

Thank you. On behalf of Laxmi Organic Industries Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.