22nd May, 2025

BSE Ltd.
Listing Department,
Pheeroze Jeejeebhoy Towers,
Dalal Street,
Fort,
Mumbai-400 001

National Stock Exchange of India Ltd.
Listing Department,
Exchange Plaza,
Bandra-Kurla Complex,
Bandra (E),
Mumbai-400 051

Subject: Transcript for Earning Call for Q4 and FY 2024-25

Ref: BSE Scrip Code: 500650; NSE Scrip Code: EXCELINDUS

Dear Sir/ Madam,

Pursuant to Regulation 30 and 46 read with clause 15 of Para A of Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, enclosing herewith transcript of the earning call for the Quarter and Financial Year ended March 31, 2025 held on Friday, 16th May, 2025. The transcript is also available on Company's website at https://www.excelind.co.in/reg-30-disclosures

We request you to take the above information on record.

Thanking you,

Yours faithfully,

For Excel Industries Limited

Surendra Kumar Singhvi
Digitally signed by Surendra Kumar Singhvi
Date: 2025.05.22 10:39:10 +05'30'

S K Singhvi
Company Secretary
Encl: As above

"Excel Industries Limited Q4 FY-25 Earnings Conference Call"

May 16, 2025

MANAGEMENT:	**MR. RAVI SHROFF – MANAGING DIRECTOR, EXCEL INDUSTRIES LIMITED**
	MR. PRADEEP GHATTU – PRESIDENT AND CHIEF OPERATING OFFICER, EXCEL INDUSTRIES LIMITED
	MR. DEVENDRA DOSI – CHIEF FINANCIAL OFFICER, EXCEL INDUSTRIES LIMITED
MODERATOR:	**MR. BHAVYA SHAH – MUFG INTIME**

Moderator: Ladies and gentlemen, good day, and welcome to the Excel Industries Limited Q4 and FY '25 earnings conference call organized by MUFG Intime.

As a reminder, all participants' 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 '*' then '0' on your touchtone phone. Please note that this conference is being recorded.

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

Bhavya Shah: Thank you. Welcome to the Q4 and FY '25 Earnings Conference Call. Today on the call, we have with us Mr. Ravi Shroff, Managing Director; Mr. Pradeep Ghattu – President and COO, and Mr. Devendra Dosi – CFO.

This conference call may contain forward-looking statements about the Company, which are based on beliefs, opinions, and expectations as of today. Actual results may differ materially. These statements are not the guarantees of future performance and involve risks and uncertainties that are difficult to predict.

Our detailed safe-harbor statement is given on the Page #2 of Investor Presentation of the Company, which has been uploaded on the Stock Exchange.

With this, I now hand over the call to Management for the opening remarks. Over to you, sir.

Ravi Shroff: Good evening, ladies and gentlemen, a very warm welcome to all of you, and thank you for joining Excel Industries Limited maiden investor conference call. It's a special moment for all of us at Excel, and I'm truly delighted to share this platform with our investors and analyst community.

Since this is our first earnings call, I would like to give you a brief introduction into who we are, our areas of operations, and our plans. Excel Industries Limited is one of the oldest chemical companies in India, and has a rich legacy. We are pioneers in phosphorous chemistry in India.

With the spin-off of Agrochemicals business of Excel Industries into a separate Company called Excel Crop Care Limited in 2003, and the subsequent sale of Excel Crop Care Limited to Sumitomo Chemical in 2016, we transitioned into a specialty chemicals Company. We also continue with the Environment business as well. Broadly, the business of the Company are classified into 2 divisions, the Chemicals division and the Environment business division.

The Environment business division accounts for around 1% of the total revenues of the Company. Today, the major groups of the Chemical division are agrochemical intermediates, specialty chemicals, polymer inputs, and pharma intermediates and APIs. We are major suppliers of some key agrochemical intermediates as well.

We have a leadership position in these intermediates with global capacities and good backward integration. Our specialty chemicals product group comprises of anti-scaling and sequestering agents, biocides, and phosphorous derivatives. We have good backward integration in some of these products as well.

In case of the Polymer Inputs business, we are niche players in this business with a strong position in the products that we operate. In the Pharma, Intermediate and API space, we have strategically chosen to operate in select niche products, where we command the strength of being completely backward integrated into the basic intermediates. The Chemical division has 3 manufacturing sites, Roha, Lote Parshuram in Maharashtra, and Visakhapatnam in Andhra Pradesh.

Now I would like to share with you, in brief about the developments in the year gone by, and the growth plans of the Company. We have entered 2024-25 on the back of severe destocking cycle of the last 2 years, which adversely impacted our top line and margins in '23-'24. While we saw demand revival in some product categories, the general environment of volatility continued with sudden changes in demand patterns.

The Company navigated the uncertainties with agility. Production volumes and capacities were ramped up when the demand was favorable and a constant emphasis was maintained on volumes and market share and prudent working capital and cash management. The Company also worked on opportunities for future growth.

In view of the good demand of one of our biocides that we manufacture, the Company initiated capacity expansion which is underway. The Company also is working on developing a portfolio of biocides in some chemistries where it has strength. We are also working on expanding volumes in our current set of products as well as developing a set of products which is complementary to our existing product range.

In July 2024, the Company announced a long-term supply contract with a multinational Company. The Company has completed the commissioning of the plant and production trials, and supplies are expected to start from Q2 of this financial year. We have finalized a location for a new corporate R&D center. We are targeting to operationalize the same in H1 of this financial year. We have a strong focus on health, safety and environment management as well as sustainability.

In the last financial year, we entered a long-term agreement to purchase solar power. 48% of our total electricity requirements are from renewable sources. The Environment business represents 1% of the total turnover of the Company.

With this background, I would like to hand over to my colleague, Mr. Devendra Dosi, the CFO, to take the call forward.

Devendra Dosi: On behalf of Excel Industries Limited, I am pleased to extend a warm welcome to all of you who have joined us for this conference call. We truly appreciate your valuable time and continued interest in our Company's performance.

Moving on to the financial performance of the Company in Q4 and FY '25:

Quarterly performance. On a stand-alone basis, we reported revenues of Rs 248 crores in Q4 FY '25, an increase of 26% quarter-on-quarter. The increase was supported by uptake in agrochemical sector. EBITDA for Q4 FY '25 was approximately Rs 20 crores, an increase of 61% quarter on quarter.

EBITDA margins stood at 8% as against 6.3% in Q3 FY '25. Margins have improved over previous quarters, largely due to improved demand in certain key products. Profit after tax in Q4 FY '25 stood at Rs 11 crores as against Rs 6 crores in Q3 FY '25.

Yearly Performance:

For FY '25, on a stand-alone basis, the Company reported net operating revenues of Rs 978 crores as against Rs 826 crores in FY '24, reflecting a growth of 18%. EBITDA stood at Rs 121 crores as against Rs 24 crores in FY '24, up by 400%. EBITDA margins for FY '25 stood at 12.3% as against 2.9% in the same period last year. Profit after tax in FY '25 stood at Rs 84 crores as against Rs 15 crores in FY '24, an increase of 453%.

That's all from my side as of now. We can now open the lines for Q&A.

Moderator: Thank you very much. We will now begin the question-and-answer session. Ladies and gentlemen, we will wait for a moment while the question queue assembles.

The first question is from the line of Sudarshan Padmanabhan from ASK. Please go ahead.

S. Padmanabhan: Thank you for taking my question. Sir, my question is understanding a little bit more specifically on the agro- intermediates. You did talk about some demand revival happening in certain products. Sir, if you can elaborate on the 2 legs of growth. One is we have seen excess inventory in the channel predominantly over the last 2 years, impacting volume across several players. The second is excess capacity, primarily because of China, leading to volatility in the raw material prices and finished goods. So, on these 2 aspects, how do we see the industry now poised?

Ravi Shroff: Could you please repeat the question?

S. Padmanabhan: Yes. Sir, my question is on the industry side, on the agro-chemicals. One is on the demand side, if we were looking at the last 2 years, there was higher inventories, there were several challenges on the volume side. Similarly, on the pricing side, both raw material and finished goods, because of excess glut, thanks to China, the prices were all around the place and companies were showing inventory losses. On these 2 aspects, how do we see the scenario going forward?

Ravi Shroff: Yes. So, responding to your question, the demand side definitely has seen volatility in the last year. And similar patterns of volatility have been observed in the previous years as well. There was definitely something like a destocking cycle that was happening globally. This was synchronized with certain excess capacities that have come up in the last few years, particularly already existing capacities, plus some new capacities. So, combination of this definitely did put pressure, particularly in the agro-chemical space.

Going forward, it's difficult to say because of the volatile environment, and all of the circumstances and situation. But are definitely some stabilization has come in and we will have to wait and watch to see how things are going forward.

To add to that, phosphorus chemistry is, of course, a core strength of the Company. As you all are aware, our entire portfolio here is built around the phosphorus chemistry. So, this keeps us at an advantageous position in terms of being able to manage these cycles. We have been working with our internal financial controls, as well as inventory, as well as market positions. We are looking at these very, very actively and making sure that, whatever the situation, we are able to manage and get the desired results.

S. Padmanabhan: Sure, sir. Sir, extending that into our supply chain, I think we talked about being backward integrated, strongly in prosperous, etc. Sir, if you can give some color on the kind of molecules that we have on the agro intermediate space. We talked about biocides, certain products. How do we see the mix changing, say, in the next 2 to 3 years?

And when you're talking about supply chain, did we have any raw material dependence on China? Do you think that there is a risk to that? Over the years, if you can give some color on, how have we improved the supply chain? Are we sourcing more from the domestic market, some color?

Ravi Shroff: So, I'm going to start with the last question first, about supply chain and linkages to China. So, as a Company, we have very, very limited, if at all, exposure to China as far as the supply chain is concerned.

Looking at the agrochemical intermediates part of the portfolio, as I was sharing, a lot of it is phosphorus and downstream products. Excel has been manufacturing these products for at least 4 to 5 decades now, including at 1 point we were backward integrated into manufacturing our own phosphorus as well. So, we have a good market position in these agrochemical intermediates. These are comparable to global capacities in terms of matching the requirements and expectations of our set of customers.

Does that cover all your questions?

S. Padmanabhan: Sure, sir. Yes. And, sir, one, on the attribution of different subsegments in the overall chemicals, how big would primarily agrochemicals, specialty chemicals be?

Ravi Shroff: Yes. So, agrochemical intermediates roughly represents 50% to 60% of our portfolio; specialty chemicals is 20% to 30% of the portfolio; polymer additives is 5% to 8% of the portfolio; and pharma intermediates and API represents 4% to 8% of the portfolio.

S. Padmanabhan: Sure, sir. Sir, one question before I join back the queue on the pharma and intermediate side, we have been having exposure to a diabetes space, through Teneligliptin. Do you think this launch of GLP-1 in India and probably the opportunities, globally, a lot of people are talking about it, somewhere down the line, do we think that is an area where we can participate as well? Some color on how we are seeing this segment? What are the kind of molecules you plan to extend further?

Ravi Shroff: So I will just give a little perspective on our positioning in this space. Our API and Pharma Intermediate business is currently a small, but strategically important and integrated part of our overall portfolio. So as a philosophy, again, we are fully backward integrated, starting from basic raw materials, all the way to finished API, which ensures supply security and cost efficiency both.

The current product basket, as you are aware, you mentioned Teneligliptin. We have some other human as well as one animal API as well. These are all very selective opportunities and we are participating in this fashion where we can fully backward integrate.

So if we look at even future opportunities, wherever there is a compelling opportunity, if it aligns with this approach, our technical capabilities, compliance framework, market strategy, then we will look at such opportunities. Otherwise, the current portfolio is, as I explained, is designed with this kind of objective in mind.

S. Padmanabhan: Sure, sir. Thanks a lot. I will join back.

Moderator: Thank you. The next question is from the line of Jatin Damania from SVAN Investments. Please go ahead.

Jatin Damania: Thank you for the opportunity, and thank you for hosting the call. Sir, I just wanted to understand, if you can highlight the top 5 products in your portfolio, considering that the Company is #1 producer of DETC, can you also explain the strategic importance of such key offerings like DETC within your overall products?

Ravi Shroff: Yes, let me just get the data and get back. Yes. So for competitive sensitivity, we will not be able to disclose specific products, but we can share that the top 10 products account for roughly 90% of our revenues, and this reflects a balanced mix across Agrochemical Intermediates, Specialty Chemicals, and Polymer Additive segments. As mentioned earlier, we are very, very strong in phosphorus-based chemistry. So that, in totality of our portfolio, represents roughly 80% of the revenues, which is dependent on phosphorus-based chemistry.

Jatin Damania: Sure, sir. And definitely you cannot give the product-specific guidelines, but in terms of the order book and the project pipeline, if you can you help us understand how the situation looks like because last year we had indicators regarding the de-stock, which was happening. So how did the FY '26 start with, and what sorts of visibility do we have across our product baskets?

Ravi Shroff: So I will highlight some specific things here. We see a good demand for one of the biocides that we manufacture, and we have already taken a capacity expansion, for which, earlier this year we gave the disclosure. We are also working on a range of biocides in this space, and we are looking at how we can expand the portfolio here.

In general, the outlook for monsoon that has come out recently indicates that the monsoon should be normal in India. So along with that, we are anticipating at least that the agrochemical sector should have a normal year this year. And again, this is only being stated based on what we know and what we understand today, but we will have to look at how things go.

And of course, we don't look at things on an order book scenario. We are looking at more mix of spot market, as well as, how we are positioned for key products perspective. So there's no order book approach that we use.

Jatin Damania: So sir, now when you do not look at order book approach, but in terms of the margin profile, definitely in some of the products we are backward integrated, in some of the products we are different in the market. So how do we differ in terms of the margin across our segments, such as agro, Specialty, polymer additives, and pharma and API?

Ravi Shroff: Yes. So as far as the margins are concerned, our focus remains on building a resilient and sustainable business model. And we focus a lot on operational efficiency, always improving our product mix, because every product undergoes cycles, and, we have to be aware of those cycles.

And of course, we look at value-added offerings in addition. So margins, in our case, vary due to input costs, product cycles, market dynamics. And as far as our margins are concerned, we target EBITDA margins to be 13% to 15% over the medium term is what we are looking at.

In terms of long-term strategy, we are looking to also strengthen our presence in high-margin specialty chemicals, as well as, it's always a focus to improve capacity utilization and supply chain efficiencies.

Jatin Damania: Okay sir. And one question on your waste management side, because we recently completed the STP and solid waste projects. So how do we see notable opportunities in the near-to-medium term on the same?

Ravi Shroff: Yes, on the waste management, as such it's not a significant portion of our turnover. And, we are not looking at, again, anything from an order book perspective there as well. As you are aware, the business of waste management has different mixes associated with it. And currently, I think for us, there is nothing specific to comment in terms of pipeline or things like that.

Jatin Damania: Sure, sir. That's all from my side. Thank you and all the best.

Moderator: Thank you. The next question is from the line of Nikhil from SIMPL. Please go ahead.

Nikhil: Yes. I think it's a good beginning, and hope Company will continue with the con-calls in future. My question first on the product breakup. See, and I have been attending our AGMs, and our idea was to reduce the dependence on agro-chem and increase on the specialty and the polymer side. But if you look at it, the mix on agro-chem has remained around 60%.

So can you talk about how many new molecules we have launched in the specialty and the polymer side? And why is it taking more time to gain traction there? And over the next 3 years, would this mix remain what it is today? Or how will it tilt in terms of non-agro and agro?

Ravi Shroff: So you're right about your observation that agrochemical is a significant portion of our revenues. And we have also highlighted it in the past, and we continue to highlight that, we will look at the other areas as well.

As far as ramp-up is concerned, as mentioned earlier on this call, we did make an announcement of increasing capacity of one of our biocides. We also had a long-term contract that we have signed with a multinational Company. Both of these are driving us in the direction of increasing revenues from these areas.

In addition, we continue to look at opportunities in the space, and particularly opportunities that are lateral in terms of where we are positioned today already, and allow us to utilize either our technology and or our market position to gain benefit in terms of launching new product pipeline.

Nikhil: Okay. And specifically, so 2 questions. One, when you are talking about technology and we have always been a key phosphorus-based player. And in terms of now, if we divided the industry landscape, one is our existing range of industries, which is agro-chem, pharma, polymer.

And second is we also talked about focusing on battery chemicals. So any movement or any product development or any validation we have done on the newer segments, which we were focusing.

And secondly, specifically on this product, the Rs. 50 to Rs. 60 crores of contract, which we have signed, is this a generic agro-chem product which we are supplying? So which segment does this product belong to? Is it agro-chem, polymer? If you can just give some sense here.

Ravi Shroff: So I'm taking two parts of your question. One is in the newer areas. And the second part, which you just asked about the contract, right. So in terms of the newer areas of business, there are definitely interesting opportunities.

And as I mentioned earlier, our approach will be to look at where we have a core strength in manufacturing, and where we have some kind of advantage, whether it's existing assets, which we can utilize, market position, some technology advantage, etc. So there are several opportunities that we are looking at, in terms of, extending the product and product range. And as I mentioned, biocides is one of the key areas that we have already done something in terms of expanding existing capacity.

We are also working on developing a range of additional biocides where the Company believes it can use its technical capabilities, which will give us some advantage in terms of this offering as well.

And of course, we will use the same philosophy in terms of being able to backward integrate, which gives us, as always, that advantage in terms of being able to control the processes and the steps in-house.

To add to that, biocides as such is a fairly established segment of business. So that will definitely be one of the areas where we are looking to grow our market position.

As far as, the contract which was signed, we will not be able to disclose anything specific. But definitely, one thing we can share is that it is something where it is allied to our core strength and capabilities. And whatever newer opportunities we want to look at, we will utilize this kind of approach. And definitely even the team is gearing up to being able to, of course, look for such opportunities. And when they come, we will look to taking them on as well further.

Nikhil: Okay, just one thing in the introduction, you said that we used to earlier even manufacture or extract phosphorus. In the last cycle, in last 2 years, what we have seen is that the phosphorus prices, which are now more defined by how they are ruling in China. So is it right to say that we would be dependent upon China to buy the base phosphorus chemical, and then whatever steps we need to do that, we do ourselves. So our dependence on China is basically to procure phosphorus.

Ravi Shroff: We don't buy phosphorus from China, so I can at least clearly tell you that. And I don't know about what happens in the market, but I don't think China is a key determinant of the phosphorus pricing today.

Nikhil: Okay. And the second question is on our dependence on DETC. And we were trying to reduce or move DETC from the agri-based usage to more non-agri-based usage. Over the last 3 to 5 years, how would that mix have changed? And what would be the contribution of DETC today for FY '25?

Ravi Shroff: So I can't share the specific number as far as what it means to our overall portfolio. But I can definitely tell you that, we are well aware of the concentration of DETC in our overall portfolio. And we have taken steps to reduce the concentration by growing in other areas. Some of the examples I already gave you on that front. And in addition to that, DETC has been a key contributor over the last 10 to 15 years in terms of the growth of the Company.

Even our market position in DETC and the way we look at, we have been able to position ourselves well in terms of being able to capitalize on DETC as an opportunity.

Nikhil: Okay. Fine, I will come back in the queue. Thanks.

Moderator: Thank you. The next question is from the line of Dhavan Shah from Alfaccurate Advisors. Please go ahead.

Dhavan Shah: Yes, thanks for the opportunity, sir. So my first question is on the biocides. I think you mentioned that our next growth focus area would be on the biocide portfolio. If you can help us, what is the market size in domestic and export business for this particular portfolio? And how many products are there right now in this particular space? And are we primarily looking for exports for biocides or are we selling in domestic market also?

And also you mentioned that we are planning to increase the capacity of biocides. We already initiated the capacity expansion and it will come by H2 '26. So how much incremental revenue can come from this capacity expansion?

Ravi Shroff: So biocides forms a part of our revenue in the Specialty Chemicals group. As you are aware, biocides has very many applications because of its antimicrobial properties. This goes into paints and coatings, agrochemicals, metal working, fluids, water treatment, wood preservation, adhesives, amongst many other areas. And of course, because of these properties, there is wide ranging end applications as well.

So our aim here is currently, we are focusing on the domestic market as far as biocides is concerned. But from a future perspective, of course, it's a large global market as well. I won't be able to comment anything specific as far as numbers go, in terms of, or future products at the moment.

Dhavan Shah: Understood. But this capacity expansion would be of how much versus the present capacity? Would it be 25%, 30% higher than the present capacity? And realization wise or maybe asset turn wise, how much CAPEX are we going to do for this incremental capacity, if you can help?

Ravi Shroff: Yes. So we have disclosed that Rs. 10.3 crores was invested and this was done to double our capacity. And this is for the existing product. As I mentioned, we are working on a few other products which are in the pipeline. And at appropriate time, if relevant, we will make disclosures around that as well.

Dhavan Shah: Understood sir. Understood. And for the agro-chemical also, I think I read somewhere in the presentation that we are also increasing capacity over there. So basically, if you can help us to understand about the volume growth and price growth for this 4th quarter and FY '25 versus the last year. What was the volume growth totally, not just agro-chemical, but in terms of the total, if you can help, that is also fine.

Ravi Shroff: I can come back to you with specific numbers. I don't have them off hand in terms of Q4 volume growth, but I can come back on that.

Dhavan Shah: Okay. But the full year revenue is roughly Rs. 980 odd crores. So on Y-o-Y basis, 18% around is the top line growth. So is it primarily because of the volume growth or is there any pricing growth also?

Ravi Shroff: It's a combination of both, but largely driven by volume growth.

Dhavan Shah: Understood. And what would be our next year target? Because, this new capacity expansion of biocide would also be there. Plus, the new contract would also contribute to the revenues from the second quarter. And there is also, the upcycle or the restocking happening in the agri side also, plus stability in the prices as well.

What is our internal projections in terms of the overall revenue for FY '26, if you can help? Because despite, there was a poor season and we were witnessing slowdown in the agri cycle last year, still we did roughly 18% kind of the top line growth. And right now, the cycle is favoring us, plus, we are also doing the expansion. So what would be the feasible or achievable numbers for this year, FY '26, and next year also, if you can help?

Ravi Shroff: So general environment is of uncertainty and a lot of volatility. So it would be difficult to give you any forward-looking guidance. Generally, we don't want to go into giving guidance, but I can only tell you that there's a lot of uncertainty on policies, etc., globally. And I don't know how much impact we will be having because of that.

Dhavan Shah: Okay. But this biocides contributes the most in the Spec-Chem business, which is roughly 25% of the overall revenue?

Ravi Shroff: I won't be able to comment on that. We won't be able to give specific breakups. But to add to your question of earlier, there's something we can share with you is in terms of at least the capital expenditure that we are looking to spend going forward, the Company is targeting to spend roughly Rs. 200 crores to Rs. 300 crores of capital expenditure over the next 3 years timeline. This includes both maintenance and modernization, as well as growth initiatives.

Dhavan Shah: Okay.

Ravi Shroff: Yes, this will be supporting future growth in terms of new products, new opportunities.

Dhavan Shah: Okay. So we were like spending roughly Rs. 40 crores to Rs. 50 crores every year. So that comes to roughly Rs. 150 odd crore we were already spending, but that number would be double in next 3 years that is what you are highlighting, right?

Ravi Shroff: It will be higher. The range, as I have indicated, is Rs. 200 crores to Rs. 300 crores. So it could double, if you want to look at that as an interpretation.

Dhavan Shah: And does this include the R&D center also that you are putting up? The CAPEX for R&D?

Ravi Shroff: Yes, it includes all the CAPEX that we are doing.

Dhavan Shah: And R&D center CAPEX would be how much? And what kind of R&D are we going to do over there?

Ravi Shroff: Let me come back with, we are looking to spend roughly Rs. 15 crores on our R&D center, right? And the typical R&D set-up that we would need in terms of process development, new product opportunities, and also in some cases where application-oriented products we have, we will be looking at a combination of this.

The other core area for the R&D center will also be technology development, where we would like to introduce new technologies, which would enable us to take newer opportunities in the future.

Dhavan Shah: Understood. Understood, sir. And I think you already gave the break-up of revenues of 50%-60% from Agri, then spec-chem 25%, and then 10% polymer. So if you can help us with the margin breakup also, EBITDA margin, segmental-wise. What is the EBITDA margin across these 4 segments? Spec-Chem, polymer additives, API, and your agrochemical?

Ravi Shroff: Specific breakup, we will not be able to share. However, as I shared earlier, overall, we are looking at 13%-15% EBITDA margins.

Dhavan Shah: Okay. From the next year itself.

Ravi Shroff: This is just a range that we are giving you, and it will be our aim to stay in this range.

Dhavan Shah: Understood, sir. Understood. That's all from my side, sir. Thank you.

Moderator: Thank you. The next question is from the line of Ravi Mehta from One Up Asset Management. Please go ahead.

Ravi Mehta: Yes, hi. Thanks for this call. Just a couple of questions. So is it possible to share capacity utilization, what we achieved in FY '25?

Ravi Shroff: Yes, I will just get back to you, just give me a moment. Yes. Currently, capacity utilization across the Company stands at 70%-75%, which is consistent with our ongoing optimization and operational strategies.

Ravi Mehta: Okay. And what could be the peak utilization possible before you add new CAPEX?

Ravi Shroff: See, typical with chemical companies, 85%-90% is considered as the maximum effective utilization. And because of the nature of our product lines, we need to keep some operational flexibility as well as periodic maintenance and upgrades as and when required.

Ravi Mehta: And entire facility is kind of fungible, like you can make or there are some dedicated lines. So just how to understand that?

Ravi Shroff: So largely being a chemical Company, there is a high extent of fungibility within our assets. However, what we do is we do maintain dedicated product lines. So while the equipment may be fungible, the product lines are maintained in a way that we would like to ensure reliability and consistency in terms of supplies to our customers.

Ravi Mehta: Sure, sure. Just one question I had is that if I look like, last 4-5 years, the gross block has kind of doubled, just the gross block number, whereas the top line maybe in 2025 is close to Rs. 1000 crores and in FY '19 was Rs. 800 crores. So I thought probably, the utilization were lower, because we are just about 25% higher top line, but on a kind of double gross block. So if you can help me reconcile my understanding.

Ravi Shroff: Our CFO, Mr. Devendra will cue in with this question.

Devendra Dosi: Yes, so in 2019, we actually acquired a unit in Vizag. So that was addition to somewhere around close to Rs. 100 crores. But if you look at, we have also added capacities in almost all the product segments. And the CAPEX has gone into that. The revenue which we are looking at, could be also an account of the price factor. But in terms of volume, we have actually grown from 2018-2019 to 2024-2025.

Ravi Mehta: Sure. So you mean to say probably the price is adverse and you are utilizing higher capacity. Because I thought probably you would be at 50%-60% utilization. That was my understanding.

Devendra Dosi: There is a lot of variability both in price and volume that keeps happening. So yes, and there is also some element of modernization that we keep doing. So some of the older assets will get replaced with newer ones.

Ravi Mehta: Okay, okay. And also this would be towards environmental compliance also? Or there are more CAPEX spending on the environment side, like maybe ZLD or things like that?

Devendra Dosi: So environmental spending has gone up due to, of course, regulatory requirements as well as, we would like to be a responsible Company in terms of taking proactive steps as well. In addition to that, the rest of the CAPEX has been either growth focused or maintenance CAPEX as I shared with you.

Ravi Mehta: And just one thing, in the investor deck, it was mentioned that FY '25 we saw growth. There was an element of price benefit also, like price have also gone up in some of the key intermediates that you make. So just wanted to understand the flavor of whether the entire benefit of higher price of, one of the key intermediate you make is that already reflecting in the Q4 numbers or the order bookings for Q1, Q2 is happening at even a better realization? Just some color on how the market scenario is.

Ravi Shroff: Again, it's very, very difficult to comment on prices and pricing. And I can only tell you that there is definite cyclicity in our products, which also reflects in our numbers if you look at over the years. And our aim is to manage and maintain these cycles through whatever we are doing in terms of working capital management, our supply chain management, as well as, making sure that our cash flow cycles are very well aligned with these objectives.

Ravi Mehta: Yes, sure. Appreciate that. And lastly, the 13% to 15% margin band that you spoke about across the segments. It's fair to assume that for each of the segment it will be there or there will be an element of some cross-subsidization where you might be making more margins in one segment and, compensating with lower margins or is it like that or?

Ravi Shroff: I won't be able to comment on specifics of the segment or which one is more, which one is less. But I can tell you definitely that our focus is to get into some more high margin specialty chemicals. And also, improving our own capacity utilization and any possibilities of supply chain efficiencies, process improvement, etc. So that's the aim of the organization.

Ravi Mehta: Okay. So incremental CAPEX will be more towards specialty chemicals. Is that a fair understanding?

Ravi Shroff: Not necessarily, but the outlook in terms of what we are looking for, on a general basis would be focusing on that. And wherever opportunities we find in existing products or adjacent products, as I shared earlier, we will look at those opportunities as well, because that allows us to strengthen our market position.

Ravi Mehta: Sure. Sure. Thank you. Wish you good luck.

Moderator: Thank you. The next question is from the line of Deep Gandhi from My Thought PMS. Please go ahead.

Deep Gandhi: Yes. Hi, sir. Thanks for the opportunity. Well, just one question around the CAPEX. So you mentioned that you are planning to spend Rs. 200 to Rs. 300 crores of CAPEX over the next 3 years. So can you help us give us a break up, say how much of it is going to be towards say maintenance CAPEX? How much will be growth? And so also, how much will you spend towards newer products? If you can help us understand that.

Ravi Shroff: I will just come in with the CAPEX and put things a little bit in perspective. From 2019 to 2024, the Company has invested approximately Rs. 346 crores of CAPEX. The mix for us was between maintenance, process optimization, cost management and, of course, selected projects that we looked at from a business perspective.

What I'd like to also add to that is that we are going to look at a mix of both maintenance and growth CAPEX, as was shared earlier in the call. About Rs. 40 to Rs. 50 crores is what we do every year on maintenance and modernization. Any additional CAPEX will be focused on growth-oriented opportunities.

And also, I'd like to just come in that, currently we are doing about 2.5 as asset turnover. For the future growth CAPEX, we would be looking at something like 1.25 to 1.5 times as asset turnover. And this will be, of course, subject to what products we pick and any specific opportunities that we get into.

To add to that also, that we have a strong balance sheet currently. And the support for these investments will be largely done through internal accruals.

Deep Gandhi: Sure. And, sir, any number you can share for how much of this CAPEX is going to be for Agro business and how much will it be for non-agro specifically, say, the specialty chemical side?

Ravi Shroff: This will be based on opportunities as we look at them and opportunities as we evaluate them. And I have given you a broad indication on what we are looking to spend and what our expectation out of that is. So we will try and stick to this in terms of, our way forward. And, of course, any time we need to make any disclosure around this, we will come back to you.

Deep Gandhi: Okay. Sure. Thank you.

Moderator: Thank you. The next question is from the line of Ajay Surya from Niveshaay. Please go ahead.

Ajay Surya: Thanks for the opportunity. If I look at our product category, which is more dominant towards maybe the agro-intermediates and specialty chemicals and the products, maybe the DETC or phosphorus trichloride or maybe other products. Here, China is a dominant player. So if you can share details on how the import trend has been over the years? Are we still seeing any dumping in these chemicals?

Follow up on this is, are we the preferred supplier for the agro-chemical players in India? And if you can also share maybe our market share across categories, that will be helpful.

Ravi Shroff: So no specific comments on what our competitors do in this case. Particularly, we do have Chinese competition, and I cannot comment in terms of whether they are dumping the product or not from their perspective. But definitely we can share with you that these products are key products for us. We have a leading position in all of these products, in these segments. So that definitely does make us a preferred supplier, especially for the domestic markets.

You had one more element of your question. Can you just repeat that?

Ajay Surya: Are we seeing our market share or are we the preferred supplier?

Ravi Shroff: Yes, so definitely we are the preferred supplier. And because one thing also to add to you is that we have global scale capacities for these products, which definitely allows us to position ourselves. And as I shared a little while earlier, through efficient supply chain management, inventory management, as well as cash management, we are able to make sure that our customers don't lose out at any point in terms of the supply.

So our effort is, of course, to maintain our market share and using efficient manufacturing practices, and appropriately de-bottlenecking or adding capacities as and when required, we are able to consistently make sure that the domestic market for these products is something that we are preferred suppliers for.

Ajay Surya: Got it. Sir my next question is, if I look, what would be our export share of overall revenue? And also one of our product categories like water treatment, we have a good share of export products under that category. So if you can highlight how is Excel Industries or the Management looking to grow that portion of revenue or what are the thoughts around that, that will be helpful.

Ravi Shroff: So export is approximately 18% of our overall revenue. We have direct exports to North America, Latin America, Europe, Southeast Asia, Africa and Australia. Also would like to add here that there is a notable share of indirect exports as well, which is not part of this 18%, where we supply chemicals or intermediates to domestic customers, who in turn export the finished products or downstream products from these. And would like to also add that Europe has been the largest market for us, and we are looking at other opportunities in USA and other markets as well.

Coming to your other point of your question, can you just repeat one more time?

Ajay Surya: Water treatment.

Ravi Shroff: Yes, absolutely. So water treatment is something that yes, we do have some export exposure in this segment as well. We are looking to increase our existing exports in this sector as well as we will look at appropriately whenever there are any allied opportunities, because again it's a very global requirement of these products.

Ajay Surya: And sir, the point of asking this question was like maybe a couple of years ago, our exports ramped up quite significantly, and then maybe due to the global scenario that has come down, and it has again slowly started to pick up. So just wanted to know, like, is it just an opportunity based area which we look at or is it something strategically which we want to be a focus area?

Ravi Shroff: So you're right in your observation that the exports had gone up earlier. They came down and they are increasing again. Our product mix also has undergone a change in terms of exports and also geographical mix has happened. And particularly with exports, there's always the exposure in terms of global cycles. So combination of these factors has changed our export profile to some extent.

And of course, we would like to increase our share of exports going forward, and we are taking some steps, particularly as we mentioned, the long-term contract that we have signed is in the exports market, and we will look for these kind of opportunities as well as other opportunities for exports.

Ajay Surya: Got it, sir. And sir, one final question, how much of our revenue would be on spot or contractual basis?

Ravi Shroff: It's not possible to give you an exact mix here. It's always a combination of things and managing our market share and making sure that we continue to be preferred suppliers. That's how we are approaching these products.

Ajay Surya: Got it, sir. All the very best for future.

Moderator: Thank you. The next question is from the line of Pujan Shah from Molecule Ventures. Please go ahead.

Pujan Shah: First question would be as we have been targeting to get diversified into various products, so just want to understand on a qualitative aspect that what type of strategy we have been aligning to get into those specific niche areas like specialty chemicals, that will help us to reduce the concentration in the phosphorus chemistry.

So will that be aligned to phosphorus, but with different applications or it would be on multiple applications, but not related to phosphorus? Because ultimately, the core aligning of Excel was always the phosphorus chemistry. So how we have been getting to diversifying that part?

Ravi Shroff: Phosphorus chemistry is definitely something that has been a strength for us. So we have looked to expand wherever possible on this chemistry. And whatever we have developed so far has come because of our core strength in phosphorus chemistry. So one of the approaches we have had is expanding wherever we can, using this core strength.

In terms of the other part of your question that you asked was what are we doing to reduce. So of course, we have not just strength in phosphorus chemistry, but we are good position in terms of other chemistries and technologies as well.

And just to give you an indication, in terms of the way we are looking at things going forward, we will look for opportunities which not necessarily only based on phosphorus. We will be agnostic to the way we look at opportunities. But of course, if it's based on phosphorus, it is an inherent strength for the Company and we will internally align and decide based on which opportunity is better, and how do we need to look at in terms of what it serves.

And there are other parameters that we need to consider as well, in terms of how it matches with our existing assets, how it matches with our existing profile in terms of the volumes, etc., that we want to look at, other cash and other requirements in terms of what kind of CAPEX, etc., required as well.

Pujan Shah: Got it, sir. And my second question would be on the polymers and intermediate. So that is the space we have been doing quite well. So just wanted to understand, will it be a contractual nature going forward for the polymers and the intermediates or will it be via building our own excellence of DETC?

Ravi Shroff: So I can't comment on the contractual aspect that you are asking about. No specific comment on that. But our approach, again, in Polymer Additive segment is to look at wherever we can backward integrate. And the current set of products that we have, for example, these are for niche applications and we have global market positions for these.

So while the numbers and the volume may not appear that large, but definitely we can share with you that the way we positioned ourselves in these products, we are significant players in terms of the products that we offer. And for us, these product offerings have been built over 25 years now. And again, they're going to a lot of global players, particularly in the polycarbonate space.

Pujan Shah: Right, right. And my last question pertains to the DETC. So we have seen, obviously, it's quite volatile in terms of pricing, but lastly in the few months. So well before, let's suppose, considering the 6 months, we have seen very correction in the price, while the price right now is being stabilized. So do you see considering the same price, expectation on the same range. Do you think that the market will pursue the similar range in the next year? Or do you feel this price won't be sustained any how and it can connect to any reason out there?

Ravi Shroff: I can't make any specific comments on the prices and pricing. It depends on many factors. What we can tell you is that we have a very good market position, particularly for the domestic market in this product. And pricing is an important part of our strategy, and it goes very well hand-in-hand with making sure that we continue to be preferred suppliers. So we do track market share. We track and make sure that whatever our customer requirements, we work very closely with them and make sure that we continue to be preferred suppliers for this, particularly DETC.

Pujan Shah: Right. And DETC capacity utilization would be around 85%?

Ravi Shroff: I can't make specific comments on that. This keeps changing from time to time.

Pujan Shah: Okay. Got it, sir. Thank you so much.

Moderator: Thank you. Ladies and gentlemen, due to time constraints, that was the last question for today. I would now like to hand the conference over to Mr. Ravi for closing comments.

Ravi Shroff: Thank you all for joining us today and your interest in Excel Industries Limited. We appreciate your engagement and insightful questions shared today. As we enter this new chapter of engaging more actively, we remain focused on strengthening our core business, exploring new opportunities prudently, and upholding the standards that we have defined over the decades. We look forward to continued dialogue in future, and thank you once again for your time and interest today. Thank you.

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