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January 27, 2023

BSE Limited
Corporate Relationship Department,
1st 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:

Date and time	Type of Meeting / Event	Location
January 25, 2023, at 14.30 hours onwards	Investor & Analyst Meet to discuss performance for the quarter and nine months ended December 31, 2022 hosted by Go India 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No Unpublished Price Sensitive Information was shared / discussed in the meeting with the investors.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 Presentation for Q3 FY23.

We request you to take the above on record.

For **Laxmi Organic Industries Limited**

Aniket Bavchand Hirpara

Digitally signed by Aniket Bavchand Hirpara
DN: c=IN, o=Personal, title=3326, pseudonym=6a26e4af943276d9d3ac1bc0c5ef920ace8063f4a379fa30f60a44d3b797803f, 2.5.4.20=8db433ce8f1c86cc382ef3b38a166730a1696fb4509336ffbffabf376256b444, postalCode=401202, st=Maharashtra, serialNumber=578ad360ba01564218b7b5de223e94a93f822395c169b34d73d690d70b78a1fa, cn=Aniket Bavchand Hirpara
Date: 2023.01.27 14:16:32 +05'30'

Aniket Hirpara
Company Secretary and Compliance Officer

Encl.: A/a

"Laxmi Organic Industries Limited

Q3 & 9M FY '23 Earnings Conference Call"

January 25, 2023

MANAGEMENT: **MR. RAVI GOENKA – CHAIRMAN AND MANAGING DIRECTOR – LAXMI ORGANIC INDUSTRIES LIMITED**

MR. SATEJ NABAR – CHIEF EXECUTIVE OFFICER – LAXMI ORGANIC INDUSTRIES LIMITED

MR. HARSHVARDHAN GOENKA – EXECUTIVE DIRECTOR – LAXMI ORGANIC INDUSTRIES LIMITED

MS. TANUSHREE BAGRODIA – CHIEF FINANCIAL OFFICER – LAXMI ORGANIC INDUSTRIES LIMITED

MODERATOR: **MS. KRUTI PATEL – GO INDIA ADVISORS**

Moderator: Ladies and gentlemen, good day, and welcome to the Q3 Nine Months FY '23 Earnings Conference Call of Laxmi Organic Industries Limited, hosted by Go India Advisors. As a reminder, all participant lines will be in the listen only mode and there will be an opportunity, for you to ask questions, after the presentation concludes. Should you need assistance, during the conference call, please signal an operator by pressing star then zero, on your touch tone phone. Please note that this conference is being recorded. I now hand the conference over to Ms. Kruti Patel from Go India Advisors. Thank you, and over to you, ma'am.

Kruti Patel: Thank you, Rutuja. Good afternoon, everyone, and welcome to the Quarter 3 and nine months FY '23 earnings call of Laxmi Organic Industries Limited.

We have on the call Mr. Ravi Goenka, Chairman and Managing Director; Mr. Satej Nabar, Chief Executive Officer; Mr. Harshvardhan Goenka, Executive Director; and Ms. Tanushree Bagrodia, Chief Financial Officer.

We must remind you that the discussion on today's call may include certain forward-looking statements and must be, therefore, viewed in conjunction with the risks that the company faces. May I now request Mr. Ravi Goenka to take us through the financials and the business outlook, subsequent to which we will open the floor for Q&A. Thank you, and over to you, sir.

Ravi Goenka: Thanks, Kruti, and a very good afternoon, ladies and gentlemen, and welcome to our earnings call for the third quarter. At Laxmi, we are committed to the highest standards of corporate citizenship and the safety of our people, communities, and the environment being paramount.

Our three-decade legacy is built on the values of quality, safety, and sustainability. In the last quarter, we successfully completed a comprehensive assessment by industry experts and assessors to retain the Responsible Care certification for another three years. This certification, third time in a row, is a testament to our efforts of living, by our guiding principles.

Furthering our commitment to green energy, we are working to add solar power to our current captive hydro and wind power mix. At the moment, we are hopeful of starting with the solar power used by the end of March this year. The company has also retained its credit rating of AA-, with the outlook being upgraded to positive. The rating acknowledges the financial prudence followed and the improving cash flows.

In quarter 3, we capitalized the second phase of our second large plant of the Specialtiy Intermediates or the SI business. We have concluded the debottlenecking at our Acetyl Intermediates or the AI business. With these, all major investments, in the existing businesses for this financial year, are concluded and give us tremendous confidence in the buoyant performance of the company, in the upcoming quarters. We are future-ready.

To further our five-year growth plan, the land acquisition of the 92-acre plot at Dahej, has been completed. And we are at the finalization of a detailed investment plan, which will be shared with you as soon as the Board approval is done. The growth at this facility will be primarily from the specialty type businesses and help us consolidate our position as a leading specialty chemical partner, with the most reputed global integrators.

On our Fluoro-Speciality investments, the Italian site is now vacated. The Indian plant, one that we are all looking forward to, is on track. And this quarter, we expect the first production to commence. As I have mentioned in our earlier calls, the sample approval for the first 6 to 8 products from this facility, are already with us.

These are products that will be catering to the requirements of agrochemicals and pharmaceuticals and have demand both in the domestic and international markets. In the domestic markets, these are primarily import subsidiaries.

With that, let me come to the business and the financial performance of our company, for the last quarter. Starting with the SI business, our strategy in this segment is to cater to the domestic demand with quality products supplied consistently. At the same time, we have been working to deepen our relationships, with our overseas customers who value the backward integration that we have been able to provide.

As a result, our exports in this business have increased substantially to about 45%, while we have retained our market leadership, in the domestic markets. The supplies from the first plant that was capitalized in the last quarter, have commenced revenues this quarter. We have a robust pipeline to further innovate and forward-integrate into more value-added products.

This segment contributed 35% revenues and 65% profits during the nine months of last year, of this financial year. For the quarter Q3, these numbers are slightly higher, with the segment contributing 37% to revenues and about 70% to the profit. The contribution margins of the segment have also improved and are coming back in line with those in quarter 1 FY '23.

In our Acetyls Intermediary business or the AI business, we saw good volumes in Q3, and we maintained our market share in this business as well. Demand remained stable in this segment after having seen significant pressures in quarter 2, especially in the European markets.

However, with energy prices having softened there, demand has stabilized. From a financial perspective, this business will continue to be stable without major up-swings coming in the near immediate future. This business remains to be cash-accretive overall.

Our diversified business model has enabled us to navigate uncertain times and de-risk the business away from large dependencies. To this effect, the revenue contribution from our top 10 customers stands at 34% for quarter 3. And our industry mix has also become more optimal, giving the company more agility in the coming times. On the financial performance, I am pleased to report that in line with expectations, the performance for Q3 has been sequentially better than Q2.

Consolidated income for the company was INR 658 crores, which was flat quarter-on-quarter, largely driven by the lower prices in the AI segment. In the same period, the profit after tax for the company at a console level stood at INR 27 crores, up from INR 9 crores in the last quarter.

Improvement in the profits comes from the increased contribution of the SI segment, prudent purchasing, improving ocean freight costs and the internal cost controls that have been undertaken. As the ocean freight prices normalize and the container availability improves, the company expenses could see further improvements.

Cash flow from operations for quarter 3 at about INR 50 crores, are significant improvement, both quarter-on-quarter and year-on-year. For the nine months of this financial year, the revenue dipped by about 7%, largely due to the much softer prices in the AI segment, in this year versus the financial year '22.

The margins were also impacted by this and by the fact that energy and freight prices remained at much higher levels, in the first half of this financial year than in the same period, last year. The costs now seem to be normalizing. And as we add more renewable power over the course of time, this variance will gradually be optimized. On the working capital side, our conscious efforts and strict vigil have led to improvement in inventory and receivables days.

The overall cash flow from operation to EBITDA ratio has improved to 65% for the nine months, which for six months of financial year '23 was at 57%. And for the full year of financial year '22 was at 27%. This largely comes from the improvement in the cash flow, which for nine months of this year is at INR 125 crores, 22% higher than the INR 102 crores of cash flow from operations, for the full year of FY '22.

Before I open the floor for questions, I would like to reiterate that the company's endeavour is to create long-term consistent value for all our stakeholders, employees, customers, vendors, investors, lenders and local communities. We remain steadfast in our commitment to carry out operations, at all our facilities with the highest standards of safety, health, and environmental excellence. Our business practices and financial management are all embedded with the DNA of creating a sustainable business that, we can all be proud of.

With this, I would like to open the floor for questions.

Moderator: The first question is from the line of Ankur Periwal from Axis Capital.

Ankur Periwal: First question on Europe and SI as a business put together. So now, if I look at European revenues, we are largely flattish on a year-on-year basis, with some improvement there if I look at the nine month numbers. And if I look at SI, export has been showing a good growth on a year-on-year basis.

Will it be fair to say that the large part of this growth in SI business is coming from Europe? Or there are certain other markets as well, which are opening up? And related to that, the newer products that we were launching, the new product pipeline, is there something more which is building up? Your comments there.

Harshvardhan Goenka: Sure, Ankur. Hi Harsh here. So, Ankur, SI business is in geographies outside of Europe as well, while the AI business has a larger exposure to Europe. So we see that we're able to diversify a lot more, and we had specified that US, China and some other Asian markets, who are key focus, which is where, we've primarily been targeting. Regarding the new product pipeline, yes, there is more to come. And we are looking to put more new products in the pipeline in SI business as well. Those will come and impact us in the next financial year.

Ankur Periwal: And from a cost competitiveness perspective and given the elevated power cost, etcetera, in the global market, especially in the European hemisphere, are there significant incremental inquiries coming in or probably a quicker ramp-up basis your interaction with the clients?

Management: No, I mean, it will be generic. Yes, there continues to be significant interest in India, even though China is opening up. China can never be ignored as a market. But we do believe India has got adequate space to grow for the entire industrial and Laxmi will play its part.

Ankur Periwal: And just lastly, on the Acetyl Intermediates part, you mentioned in the opening remarks that this, probably the pricing will remain here for a while before taking an uptick there. But any significant pressure that you are seeing in overall pricing profitability, in this business, both in domestic and international?

Management: Thanks, Ankur. The Acetyl business, we continue to maintain our margins as we had estimated. And in the near future, we mean for this quarter. But usually, this is the quarter also when the demand picks up. And we are already seeing green shoots of that, not only, like I mentioned, in Europe, but also domestically. And we believe that we should be doing reasonably well. But we didn't want to say anything on the up-swing or the very-very high prices. We will continue to maintain our margins in the AI business.

Moderator: The next question is from the line of Jatin Damania from Kotak Securities.

Jatin Damania: So just wanted to, follow-up question on the AI. I mean, as you have mentioned in your opening remarks also, that we have seen a substantial jump in the volumes. So can you throw some light on which region we are seeing a sharp increase in the volume.

And where are the cost initiatives your company has taken, because definitely be -- I mean you indicated with your margins, we are able to manage as per the expectation. But given the tailwinds in terms of the reduction in the freight costs and some amount of the benefit in terms of the power cost, how many this expense in the margin that we can see in FY '24-'25? Can you throw some light on that?

Tanushree Bagrodia: So, Jatin, your question was -- so I'd like to say that probably the first thing to clarify is the volumes were good. I wouldn't like to say that there was a significant jump in the volumes. I think compared to Q2, the volumes were better in the AI business, given that the demand in regions such as Europe really came back. So that is on the demand side of the piece.

On the cost side of the business, of course freight costs have started coming down, but the container availability still is not as seamless as one would like it to be. And the cost improvement is different in different regions. So it's not that the prices have come down equally for all destinations. Having said that, we are seeing consistent improvement in freight costs. And the container availability, as we are in the end of January, has also improved than what it was in the last quarter. So I think this cost improvement should continue.

Jatin Damania: And on the SI front, as in the opening commentary, in the last question, you indicated that there are a couple of new products that we are developing. But instead of naming, can you highlight what is the total size of that product?

Tanushree Bagrodia: We don't comment, Jatin, on the size of the product. But as you will appreciate, there are two large capexs in SI that we have done. One, we capitalized fully in Q2. And the Q3 results actually are showing the benefits of that. And the other large capex, we finished the capitalization in Q3, the production will commence. So you will see the difference in Q4.

Moderator: The next question is from the line of Bobby Jay from Falcon Capital.

Bobby Jay: So I wanted to understand the economics of your business a bit better, the AI side, the raw material that you use is acetic acid, right? And that's been falling. And so has your ethyl acetate, your final product, that's also been falling. So why is the absolute EBITDA not being -- were you not able to maintain the absolute EBITDA because both are falling, right? So if it's a pass-through issue, your EBITDA shouldn't be affected.

Management: So Bobby, in a falling market, when you have -- we can maintain about, stock for about 60 days. So that impact is continuously observed in your overall margin. In a flat scenario, you're usually flat. And the reverse is true for an increasing or an inflationary scenario. But over time, we see that this business normalizes and you're able to consistently generate margin and cash, from this deal.

Bobby Jay: So what you're saying is it's actually the higher price inventory because of your extended holding period, that's impacting EBITDA?

Management: Right.

Bobby Jay: If the price falls down, then you can actually pass it on. In other words, you can maintain your absolute EBITDA. Is it right?

Management: That's right.

Bobby Jay: So now it's stabilized, correct, in this quarter or do you see the same intensity of fall that was happening last quarter?

Management: I think the large amount of intensity has -- the intensity of fall last quarter was a lot higher. We don't like to predict which way the prices will go or how much the fall will come. So I'm not going to attempt that. But what we try and do is maintain a certain amount of margin that we can constantly operate at irrespective of what price-where irrespective of raw materials finished good pricing. And you're at any point in time just exposed to 45 to 60 days of inventory.

Bobby Jay: What do you think is the reason behind this price fall? Because for acetic acid it's even below 2018 levels. Is that increased supply or lower demand or both?

Management: So I think everyone who is buying or consuming acetic acid would have a view of that. And I don't mean to predict, why it's happening. There are some reasons, I'm sure, but it's been very difficult to pin-point. Our business is tuned to making margin irrespective of where the acetic acid prices are. And that's where we like to operate it.

Bobby Jay: I know, I understand that. But I was just wondering. Is the excess supply coming up, that's something is slowing down, right, being in the industry?

Management: No. So no new supply has been announced globally that's starting up. So that's public data. But the industry largely remains long if you look at acetic acid as an individual molecule.

Moderator: The next question is from the line of Chintan Patel from Satco Capital Markets.

Chintan Patel: Sir, what is the current utilization of AI and SI segment? And I think we have a capacity of SI is around 80,000 per ton, 85,000 per ton. Correct me if I'm wrong.

Tanushree Bagrodia: Chintan, hi. Tanushree here. Chintan, I think the way to look at our SI business, and we sort of said this in the past, is rather than looking at the capacity to look at the product mix because the capacity in that business is not necessarily very relevant. As the product mix changes, the profitability could change significantly. So the way we look at this business is to look at what is the product mix that is coming out of here, and are we achieving the contribution margin, that we had set out for ourselves.

Chintan Patel: And so what is the current utilization for AI and SI?

Tanushree Bagrodia: The AI business usually runs at roughly about 85% of capacity utilization. And I think we keep running at those levels. We have a very-very large capacity. We've also just announced that we've complete debottlenecking of that. So it's a fairly efficiently run plant.

Chintan Patel: And recently we have merged our subsidiary Yellowstone and Acetyls. So can you quantify what are the financial impacts?

Tanushree Bagrodia: The financial impact, Chintan, is available in the published results because previously the stand-alone did not reflect YCPL, but the consolidated results reflected the YCPL numbers. Now you will see that the standalone numbers includes the YCPL contribution. And the consolidated then takes into account the other group companies. If you would like to have a reconciliation line-by-line, very happy to speak to you offline and take you through that.

Chintan Patel: And recently we have terminated one of the Middle Eastern subsidiary and has given an effect of deconsolidation. So can you share some color on that? So what is the comparable numbers for quarter-over-quarter and year-over-year number?

Tanushree Bagrodia: Sorry, I got the Middle Eastern subsidiary. What was the second part of the question?

Chintan Patel: Can you share some color or light, what is the comparable number for quarter-over-quarter and year-over-year basis?

Tanushree Bagrodia: So the comparable numbers are all published in the results, Chintan. And Middle Eastern subsidiary had no operations for the last one year, and so we've closed it down.

Chintan Patel: Closed it down. And can you share some lights on Fluoro-Speciality, what it will start to contribute to meaningful revenue?

Management: Sure, Chintan. So I think this year will be the way we established the base very strongly. And the next phase of capex is already planned out. So you will start seeing revenues in FY '24 in a significant way. But of course, the story is much larger, and we have much larger plans for that.

Chintan Patel: And you have highlighted in your presentation, the opportunity lies in electronics and automobiles. So can you shed some light on that?

Management: So that's one of the market segments we address, and we're looking to do that.

Chintan Patel: So that means in a particular areas, a particular product coming for this two vertical?

Management: Yes. So we've got products that will address these two industries.

Moderator: The next question is from the line of Nitesh Dhoot from Prabhudas Lilladher Pvt Ltd.

Nitesh Dhoot: So my first question is on the debottlenecking in Acetyl Intermediates. So what is the capacity addition with this debottlenecking undertaking?

Management: So, Nitesh, the total capacity is about 2 lakh tons that we have. I think the debottlenecking was completed last -- was done in a phased manner. It just got completed. So we capitalized that this quarter, therefore the announcement.

Nitesh Dhoot: So my next question is on the fluorochemicals business. So where have we been able to secure any orders after the approvals, which you understand are already in place?

Management: Yes. So that's exactly what's underway. I think the customers too are just waiting for us to see actual production and look at fresh specs from manufactured batches. So we're just waiting upon that. And subject to that, we're able to dispatch product to them.

Nitesh Dhoot: And on the HF supply, so have we been able to secure HF supply? And if you can just give some colour on that side?

Management: Yes. We've been able to secure HF supplies as well. And we've got agreements in place to make sure that we are secure on HF too.

Nitesh Dhoot: And on the Specialty Intermediates. So basically, I mean can you give the utilization of our first long-term project in Q3 capacity utilization?

Management: So it ramped up to a fairly good extent in Q3 as we had expected. I would say almost to its -- in the top quartile of its capacity utilization. So we are just waiting to see the next quarter. It's got a little bit more headroom to go. Look at it that way, Nitesh.

Nitesh Dhoot: And how is the second phase paced? And how is it paced on that side. In Q4, what kind of ramp up or what kind of utilization can we see in the Phase II?

Management: So likewise, even for our other capex, it's a similar thing, where you will see a ramp up to a fairly good level in Q4. And you may have a little bit more room to go in the quarter thereafter.

Nitesh Dhoot: And just last bit on the capex. So what will be our capex outlay for FY '24, '25? I believe other than the fluoro-chem and the SI second phase, I think there is nothing else for noise. Second phase is also commissioned. So nothing, more than that, nothing has been announced. So any color that you can give of that for FY '24 and FY '25?

Management: So we have got two capexs planned out already. We've not announced those numbers because one is FI, which will require capex for a fair bit of new products and some derivatives that we have planned. These, as we had mentioned earlier, we'll announce these capexs, we could tab, will trigger these capexs as soon as the base is solidified. And the other expansion will come up in Dahej, which we will announce once we have the full broad approval as well.

Nitesh Dhoot: Any of these would get commissioned by FY '25 itself or will it be beyond '25?

Management: No, you will see commissioning in FY '25. That's the way we are working.

Nitesh Dhoot: Sir, and I believe that for the FI capex, the asset terms would be higher than what you've indicated for the first leg of it. Would I be right?

Management: New capexs will be higher than the existing one in FI, yes.

Moderator: Next question is from the line of Khushbu Shah from Nirmal Bang.

Khushbu Shah: I just wanted to know a bit more about the product profile of chlorine. And will the margins be in line with SRF and Navin?

Management: So the product profile is going to be chlorine and HF are our primary stores, starting raw materials. And then we make several derivatives of that, which go into agro, pharma and a large range of industrial applications. Margins will be similar to those of what you see of other speciality chemical companies in the top tier.

Moderator: The next question is from the line of Rohit Nagraj from Centrum Broking Limited.

Rohit Nagraj: Sir, in terms of the first phase of FY with 6 to 8 samples, which have been approved, product samples, what could be the potential that we are looking at maybe in first year and second year of our operations, normalized operations?

Management: So the assets that we have acquired, the assets by itself can give about revenue -- they used to give a revenue between EUR 25 million to EUR 30 million in Italy. So, we will look to achieving a part of that in the first year. And as manufacturing stabilizes and we will trigger new capexs, we are seeing a long runway ahead where we can grow this significantly. So what I'm trying to say is that the first year is finally to establish the core very strongly, which enables us to fill up into new growth avenues as well as various derivatives that are already planned out.

Rohit Nagraj: Second question is now we have three segments, including the Fluoro-Speciality. And what we talked about, the Dahej, its speciality products. So will this be a separate segment without any overlap against the three segments? And what are the chemistry platforms or user industries that we are targeting from these new set of products?

Management: So user industries will be fairly similar. You might have one or two strategic user industries getting added. But just give us some more time and we'll come back to you once, we get board approval. I don't want to give some information that the Board, it's not passed through the board as yet.

Rohit Nagraj: And just one last clarification. For AI, our capacity is 2,32,000 tons per annum, right? I mean, upwards, slightly upwards of 2,32,000 tons.

Tanushree Bagrodia: Yes, the 2,32,000 tons number, the capacity is more than that after debottlenecking and amalgamation of YCPL. We don't give out the exact capacity numbers.

Rohit Nagraj: I was just trying to verify it because in our Slide 6, we have given the capacity number is higher than 232,000 tons per annum…

Tanushree Bagrodia: Yes. It’s higher. So that information is correct.

Moderator: The next question is from the line of Meet Vora from Axis Capital.

Meet Vora: I just wanted to reconcile or reconfirm the segmental as well as geography-wise revenue for Q3. So for Q3, our SI business is 37% and AI is 63%. Can I get the geography-wise mix of SI for Q3, domestic and exports?

Tanushree Bagrodia: Meet, geography-wise, we don't give the split of SI and AI. If you have any other reconciliation questions or financial questions, we can connect offline, please.

Meet Vora: And this 45%, which we are mentioning in our PPT, that's for nine months, mixed or…

Tanushree Bagrodia: 45% is for quarter 3 FY '23.

Meet Vora: It's for quarter 3 FY '23, 45% exports for SI?

Tanushree Bagrodia: Yes.

Meet Vora: And second bit on the end-user industry. So I see over here that quarter-on-quarter, there has been decline in share of printing and packaging, while there is an increase in share of coating. So has there been any customer change? Or has there been any usage change of AI or FI business because of which this change is there?

Management: So Meet, I mean, one of the strengths of the business is that we cater to a diversified industry group. And these changes would constantly happen, depending on how various end users are running-various end-user trends. So these minor things will happen. As we had mentioned earlier, printing and packaging was not doing as well. And the reverse was true for coating some time back. So these are just general parts and part of business.

Moderator: The next question is from the line of Dhruv Muchhal from HDFC Mutual Fund.

Dhruv Muchhal: Sir, just one clarification, on Slide 13, where is given the SI contribution margin growth, the index chart. So how should I think of this? So assuming the margin was 10% in 1Q '22, has it increased by 28% in Q3 FY '23? So 10% goes to about 12.23% or 12.8%. Is that the right way?

Tanushree Bagrodia: Yes, that's the right way to look at it. So what we are trying to show is that from Q1 FY '22 onwards, how has the contribution margin really faired for the SI business.

Dhruv Muchhal: The percentage margin, how is that increased on a percentage, did you got it. And what does this product mix optimization chart represent?

Tanushree Bagrodia: So a number of questions that were coming to us were around how many products are you manufacturing and how many unique products are you selling? So this chart and product mix optimization is actually showing that if we were selling 100 products in Q1 FY '22, which were giving us INR 100 of contribution margin. In quarter 3, FY '23, we are selling 104 products, which are giving us a contribution margin of INR 128.

Moderator: The next question is from the line of Rajas Joshi from Marcellus Investment Managers.

Rajas Joshi: I had a question on the fluorochemicals business. I went through your environment clearance filings. And they mentioned that the chemicals that you start producing were in the BTF or the benzotrifluoride value chain. Given that, we are procuring HF from outside, and there is already a strong incumbent, in this value chain. Could you please, help us to understand our strategy in this segment a bit better?

Management: So we don't comment products by products, but I'm happy to give you an answer to that in a different way. The products that we are looking to manufacture are not manufactured in India today, which is why we looked at Miteni, as a strategic asset. And therefore we are starting off with those products that are not made. Miteni has those technology and we're getting those to India. Therefore, we're looking at a good potential not only in terms of import substitution, but even tying up with global majors to service their international requirements as well.

Moderator: The next question is from the line of Dhaval Shah from Girik Capital.

Dhaval Shah: My question is on the fluorine side. Like we have a couple of approvals from the customers in some time, and you also saw some delay in the starting of the project. So how are the customers fulfilling the demand for those products for which they had given us an approval? Were they buying it from somewhere else? Or how was it?

Management: So it will differ from product to product, but it's a mix of two things. One is loss of sales opportunity for customers as well as potentially sourcing from others, primarily outside of India.

Dhaval Shah: So these customers whom we are going to sell, are they all domestic customers for us?

Management: No. Largely international. And a lot of them will be feeding the growth potential of their respective end molecules.

Dhaval Shah: And this, I believe, will be going into pharma and agro as you said.

Management: That's right.

Dhaval Shah: So going on in the pharma, so they don't have to mention any source in the document which they submit with the regulatory authorities, or do you have to?

Management: You're right. So there is some regulatory approval required, which is why we are focusing more on the agro molecules, agro and industrial molecules in the earlier parts, while Pharma will take slightly longer for approvals, but that we have managed our business plan accordingly.

Dhaval Shah: So basically, with this delay in the starting of the project, we did lose some customers, but now, like we are constitute of lot of those customers, switching back to us for the period where we were not available?

Management: I don't think we lost customers, but I think the customers as well lost some amount of opportunity that they had.

Dhaval Shah: So they did not manufacture the product, which they were supposed to, using our product.

Management: Correct. So both are true, where you had some amounts substituted with some amount lost as well.

Dhaval Shah: So do we have to compensate them for, given they have lost some business in the end market or some?

Management: No, there's no liability for that.

Moderator: The next question is from the line of Jenish Dilip Gada an individual investor.

Jenish Gada: Henceforth, the company will be focusing on FI and SI. So can you highlight what will be the margin going forward? And in the current quarter, second phase of SI has been accomplished. So is there any revenue contribution in this same quarter? Or it will start generating revenue from fourth quarter? And in FY '21, we had a flooding at one of our plants. So we had claimed insurance for the same. Had the recovery insurance claim has been received or not?

Management: Sure, I'll take the first two. So we are looking to invest more and more in SI- and FI-like businesses. We've made the business margins of our SI business fairly clear. That's visible to you from our online literature. Regarding sales, we had some amount of sales already in Q3 from the new plant that was commercialized. And that will ramp up further in Q4. Tanushree, can take the insurance.

Tanushree Bagrodia: So Mr. Gada, the insurance claim discussion is at a very advanced stage with the surveyor. And once these discussions close, the surveyor will submit their final report to the insurance company.

Jenish Gada: But it's taking too long because last time also I asked the same question? So it's taking long time for the claim amount…

Tanushree Bagrodia: Mr. Gada, this is a large claim with a large volume of data that, first of all, it's a large claim with a number of items against which the claim has been placed, which means there's a large volume of data and a number of inspection trips that the surveyor needs to be able to undertake, so that they can then put up their report, which will go to the board of the insurance company.

Jenish Gada: And once the claim amount is received, it will have P&L impact or balance sheet? It will add back to a profit or?

Tanushree Bagrodia: No, so there won't be a P&L impact on this. There will be a balance sheet impact.

Moderator: Thank you. Ladies and gentlemen, as this was the last question for today I would now like to hand the conference over to the management for closing comments.

Management: Thank you, everyone, for your time and patience. And it's always a pleasure to be here with all of you and to answer your questions to the best of our abilities today. But if anything remains, we are happy to take it offline. And our team will be happy to interact with you and clarify anything that you may have. Thank you for supporting our company. Thank you for being with us. Thank you.

Moderator: Thank you. On behalf of Go India Advisors, that concludes this conference. Thank you for joining us. And you may now disconnect your lines.