Management Discussion

Aarti Jhunjhunwala - Executive Director, Fineotex Chemical Limited
Thanks a lot, and a very good morning, everyone. A warm welcome to our shareholders, analysts, and members of the investment community. Thank you for joining us to discuss Finotex Chemical Limited's performance for the 2nd quarter and half year ended September 30, 2026. This is an important phase in Fineotex's evolution. We are moving forward with a much larger international footprint, deeper technical capabilities, and a more diversified set of growth opportunities. Our ambition is to build a globally integrated specialty chemicals and industrial solutions platform, the one that brings together chemistry, manufacturing, engineering support, and dependable execution for customers across critical industries.

The first half of FY27 reflects the expanded scale of our business. Consolidated total income grew by 166.8% year on year towards Rs 778.13 crore. Operating EBITDA increased by 111.2% to Rs 118.74 crore, and profit after tax rose by 81.5% to Rs 92.75 crore. Business volumes increased approximately 132.3%. These results are encouraging, but our focus is not on growth in numbers alone. We are building capabilities that can support customer relationships and sustainable profitability over the long term. 2 important opportunities are particularly important in- to our next chapter.

Oil and gas specialty chemicals through our US-based Crude Chem Technologies Group, and advanced water and wastewater solutions through Fineotex America. These businesses place us closer to large technically demanding industrial customers and create avenues to deliver a wider range of products and services. In oil and gas, our US specialty chemicals business brings specialized formulations, application engineering, manufacturing, and field-level delivery capabilities. Its Brookshire and Midland operations give us a platform from which to serve customers with tailored solutions and responsive technical support.

We see significant potential in strengthening this platform through innovation, deeper customer engagement, and disciplined execution. Equally exciting is the opportunity in water. Data centers, semiconductor manufacturing, and our other advanced industrial facilities require reliable water quality, efficient cooling operations, wastewater management, and water reuse. We tend to develop Fineotex America as a comprehensive solutions platform spanning specialty water treatment chemistry and as capabilities and partnerships develop, integrated operational infrastructure and service support.

This is an emerging vertical for us and we are building it carefully with a long-term perspective. Our cleaning and hygiene business also continues to broaden our application-led portfolio across our operations. We see customer demand moving toward efficient performance-driven, and more sustainable solutions. Our priority is to translate this demand into a differentiated offering, not simply compete on volume. Another encouraging development is ICRA's upgrade of our long-term credit rating to ICRA AA- Stable alongside reaffirmation of the ICRA A1+ short-term rating.

We view this as an important milestone as we scale our international activities. We remain committed to financial discipline and responsible capital allocation and a strong operating practice. What gives us confidence is the combination of market opportunity and capability along- already assembled across India, Malaysia, and United States. The coming period will be about integration, innovation, and converting opportunities into measurable performance, and we look forward to updating you all on this progress.

I will now invite Mr. Arindam Chaudhuri to provide a brief update on technique- on Textile Chemical Specialties.

Arindam Choudhuri - Chief Executive Officer, Fineotex Chemical Limited
Thank you, Dr. Aarti. A very good morning to everyone. You know, our textile specialty chemicals portfolio continues to address the evolving needs of processors across pretreatment, dyeing, printing, and finishing- all the space of textile processing. We remain focused on customized formulation that improve quality, consistency, and process efficiency at our all customers' end. The industry is increasingly looking for sustainable chemical solution and integrated processing packages that can help to reduce water, steam, and energy consumption while delivering reliable performance.

We are well positioned to respond through our application knowledge, customer-centric relationship, and ongoing product development, which will- through our goal for the best textile chemical company globally. Our technical collaboration with Biotechs in Malaysia, Eurodye CTC in Belgium, Healthguard in Australia, and obviously our lab in Sasamira, which broaden our R&D capabilities and help us develop differentiated products for changing customer requirement and satisfying their needs and wants.

Our priorities remain value-added applications technical service and deeper engagement in domestic and international markets. With that, I invite Mr. Yusuf Contractor to discuss our US operation and our oil and gas growth initiative. Thank you.

Prateek Giri - Analyst, Subh Labh Research
Thank you, Arindam. Good morning, everyone. The acquisition of 53.33% controlling stake in Crude Chem Technologies Group has significantly strengthened Fineotex Chemicals' position in the US oilfield specialty chemicals market and broadened our international capabilities. Our US arm offers more than 100 engineered chemical solutions across drilling, completion, production, and related applications. Its model extends beyond supplying chemicals. It combines production- product design and testing, manufacturing, application engineering, field support, and last-mile delivery.

This end-to-end approach is particularly valuable where customers require reliable performance and quick, technically informed execution and support. Our operations in Brookshire and Midland, Texas support this integrated offering. The US manufacturing platform has approximately 148,000 metric tons of stated annual capacity. We are focused on making the most of the platform, thereby strengthening customer relations, expanding our reach, and improving our operating efficiency. Our central priority is green chemistry, developing more environmentally responsible and cost-effective alternatives without compromising product performance.

We also intend to invest in differentiated and proprietary formulations technical capabilities, and customized field services, including opportunities in friction reducers and liquid additive applications. We see meaningful opportunities and growth with existing customers and engaging new accounts across key markets. At the same time, we will remain disciplined about integration, product quality, service reliability, and cash generative growth. Our goal is to make our American manufacturing platform a stronger, more responsive, and more technically differentiated supplier to the energy industry.

I will now hand over to Mr. Sanjay Tibrewala for the financial overview and his perspective on Fineotex America and FCL Group as a whole.

Sanjay Tibrewala - Chief Financial Officer, Fineotex Chemical Limited
Uh, thank you, Yusuf. Good morning, everyone. I'll briefly cover the financial performance and then touch upon where we see the next phase of opportunity. For Q2 financial '27, the consolidated total income increased by 169% year-on-year basis to approximately Rs 391 crores. Operating EBITDA rose by 92% to almost Rs 60 crores, and PAT grew 71% approximately to Rs 45 crores. For H1 financial year '27, the The total income reached Rs 778 crores, up by 167%. Operating EBITDA increased by 111% to Rs 119 crores.

The PAT rose by almost 82%, touching Rs 93 crores approximately. The reported consolidated ROIC for the first half was approximately 36.12%. The increase in scale reflects the contribution of our expanded international platform. As we move ahead, we are equally focused on the quality of growth, improvising operating efficiency, maintaining disciplined working capital, and translating earnings into cash. Our capital deployment will continue to be guided by strategic fit, execution capabilities, and long-term returns.

Our U.S. Specialty chemical business is an important part of this journey. With its US manufacturing, technical services, and the last-mile delivery capabilities, it gives the opportunity to serve the energy customers more comprehensively and build a differentiated specialty chemical business. In parallel, we are seeing a substantial long-term opportunity in the industrial water and wastewater management through our new subsidiary, Fineotex America Inc. We are positioning ourselves to serve data centers and semiconductors and other advanced industrial facilities where water quality, cooling performance, water reuse, and dependable operations are mission critical.

Our vision extends beyond supplying treatment chemicals. Over time, we aim to bring chemistry, engineering equipment, operational support, and service partners into integrated solutions across the water life cycle. This is an emerging business we will be building up through customer engagement, partnerships, technical capabilities, and disciplined execution. We are optimistic about its potential while remaining careful not to go ahead of the commercial development on the platform. Overall, Finotex is entering a new phase with broader market, stronger international capabilities, and a clear focus on sustainable profitable growth.

With that, I would like the moderator to open the floor for question and answers. Over to you, Hira.

Questions & Answers

Operator
Thank you very much, sir. We will now begin the question and answer session. Anyone who wishes to ask a question may press star and 1 on their touchtone telephone. If you wish to remove yourself from the question queue, you may press star and 2. Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles. The first question is from the line of Dhruvi Shah from NVS Brokerage. Please go ahead.

Dhruvi Shah - Analyst, NVS Brokerage
Hello.

Sanjay Tibrewala - Chief Financial Officer, Fineotex Chemical Limited
Yes, ma'am, go

Dhruvi Shah - Analyst, NVS Brokerage
Ahead. So my first question is that FY24 was one of the best years of Fineotex with PAT of approximately 21%. Uh, following the acquisition of Crude Chem, consolidated margins have moderated. Given the recent decline in profitability, can we expect the PAT margins to recover to at least 16% as it was in FY26? If not the earlier peak of 21%. My second question is, uh, following the expansion of my- yes,

Sanjay Tibrewala - Chief Financial Officer, Fineotex Chemical Limited
I mean, you want to add on some more questions or I should answer one? I mean, you want an answer now or-

Dhruvi Shah - Analyst, NVS Brokerage
So you can answer. I have another question that I'll ask. Yeah,

Sanjay Tibrewala - Chief Financial Officer, Fineotex Chemical Limited
Okay. So let me, uh, you know, enlighten you on this topic first. So as you can also see the business overall in financial year '24 was not even half of where we are today. At the same time, you can see the absolute PAT numbers have been jumping and almost we are touching almost, let's say, almost doubling it even in the last 2 quarters. And maybe in some point of '24, you can see there is a substantial jump happening. So what also happens whenever we try to acquire companies, there is always an operational efficiency which comes down the line.

It doesn't come on, on the year 1. But as you said, we will always be looking at any company where we will be able to get more operation efficiencies and try to bring up the EBITDA margin to the line of what is our historic EBITDA margins and PAT margins always. So we always endeavor to do that. Things, uh, like you can also see from the time we acquired on 9th December last year from the- till the time today, you can see there has been a is a substantial jump in the books of Foodchem. And also overall, the businesses have been picking up.

They have been able to bring the single-digit EBITDA margin company into double digits. The target which we had for covering the next 2 years, we would double- have double-digit EBITDA margins is already done in the quarter for last year itself. And then you can see quarter 1, the current year, and quarter 2 also, which is also faring very well. So things are going as per the- in fact, things are going much better than what we had anticipated. Coming to your point, yeah, we always look at these things.

There are a lot of sustainable products which have been eyeing our attention, and we have been getting great breakthroughs in a lot of big companies. You'll be seeing a lot of things happening where we are able to bring a lot of efficient chemicals, of solutions to the customers. Including sustainability, at the same time making sure the oil operations are more enhanced and the recovery of the oil is done much better while use of our product. So we have been able to delight the customers by giving them solutions which are not only sustainable, at the same time it is adding a lot of efficiencies to their existing oil and oil recovery cost.

So there is a lot of things where the margins are going to be much higher than the normal margins. So when you look at the blended margins in the coming couple of years or wherever we are, you will see that, you know, we are closer to what you are looking at. So, so that's what I can say. Thank you.

Dhruvi Shah - Analyst, NVS Brokerage
Thank you, sir. My second question is that following the expansion of manufacturing capacities in India and the US, could the company share its CapEx plan for the next 2 to 3 years? How much investment is planned and which business will receive priority and what additional revenue potential can we expect from these investments?

Sanjay Tibrewala - Chief Financial Officer, Fineotex Chemical Limited
So if I say about priority, I mean, let's put it like that. Textile specialty chemical, Fineotex is already a well-recognized international brand now. Okay, so that is an auto-run business. Things are going very well. As you can also see, the results of textile companies per se in India has been faring much better even in the last quarter. If you might have noticed, a lot of bed sheet companies, uh, who are our top customers, you can see their results. Everything is getting much better. So let me say about- I mean, all the participants, let me answer everyone on this line.

So how we look at it is, you know, textile was subdued in the past due to the- as you know, due to like India depends a lot on US markets and there was a jump in the prices of chemicals and yarns, etc. And US, uh, you know, there was geopolitical tariffs and everything which happened due to which India was not favorable last year calendar, let's say so. And now with India, with the UK, with the EU tariffs, I mean zero tax almost, and with the US getting back to the original tax or maybe a little lower than that, things are playing very well in textile.

So that business is already going up. It's- everything is a priority. I mean, I would not say that this is not a priority or that is not a priority. Number one. Number 2, coming to cleaning and hygiene businesses, it has been doing quite a lot of new things are happening in cleaning and hygiene because there is a lot of sustainable needs coming up. At the same time, cost reduction is going on. I think in the coming times, cleaning and hygiene is going to be picking up. Now in oil and gas, we have 2 kinds of businesses.

One is from the Indian operations and one is from the acquisition company in US, the US arm. So let's say in the Indian oil and gas specialty chemicals where we are, it's mainly connected to export businesses. So that business has been growing much more than what we had anticipated. In fact, last week also we were in ADIPEC, which is the largest oil show on planet actually in Abu Dhabi. And there has been such a great,

Prateek Giri - Analyst, Subh Labh Research
You know,

Sanjay Tibrewala - Chief Financial Officer, Fineotex Chemical Limited
Tailwind happening in this industry, especially from India, that most of the Middle East companies, they want to buy more products from India. They don't want to buy from China, US, and other ones because It's more closer to them. The freight rates are still digestible compared to the other areas. So already in India also, we are getting a good business from Aramco. We are supplying to- I mean, you can name the big customers and we are almost- everyone has started to buy from us in, let's say, a month back or one or two months back.

So a lot of things are going on. And in terms of oil, crude came up in US. You can see the way things have been shaping up. There's a lot of operational companies, operators who have been asking for services, and operators who have been asking about specialty products because we give the last mile deliveries and everything as well. So that is also getting exciting. So priority-wise, yes, we are

going to expand our focus and investments more in the oil and gas and water treatment.

Arindam Choudhuri - Chief Executive Officer, Fineotex Chemical Limited
Now

Sanjay Tibrewala - Chief Financial Officer, Fineotex Chemical Limited
Water treatment is such a business which is also, in a way, we are already doing it from India. We have polymers which goes in the water treatment. We supply to products, uh, for B2B companies who buy the chemicals from us and they give their services, uh, to the likes of Aqua Farm, Ion Exchange. And you know, these are the service providers,

Arindam Choudhuri - Chief Executive Officer, Fineotex Chemical Limited
They-

Sanjay Tibrewala - Chief Financial Officer, Fineotex Chemical Limited
And the companies where our products are, you can say,

Arindam Choudhuri - Chief Executive Officer, Fineotex Chemical Limited
Comparable

Sanjay Tibrewala - Chief Financial Officer, Fineotex Chemical Limited
In, uh, in terms of the product category.

Arindam Choudhuri - Chief Executive Officer, Fineotex Chemical Limited
Plus we are

Sanjay Tibrewala - Chief Financial Officer, Fineotex Chemical Limited
Doing a lot of water treatment chemicals already exports from India. So even in textiles you need water 21 has an ETP, and ETP requirements are going up in textiles as well. So any company, any production company will always- wherever water is used, compulsory going forward, water treatment business is going to grow.

Arindam Choudhuri - Chief Executive Officer, Fineotex Chemical Limited
Now

Sanjay Tibrewala - Chief Financial Officer, Fineotex Chemical Limited
Coming to US market, now US is getting, uh, as you might have seen, like, you know, in, in US, in the next- they say in the next 2 years there is going to be an increase of almost $2 billion, uh, $1.5 trillion of investments going to happen in, in US in semiconductors and data centers, especially in Texas. Especially in Midland where our plant is, by the way. So this is something which the world has never seen before. And, uh, and even if you can- a couple of days back, even Tesla has mentioned about the $74 billion investments which they are going to do in water treatment- I mean, data centers and semiconductors.

Again, these, these chem- these industries need a lot of water treatment, and all the water has to be recycled. Now that's the catch over there, that, you know, being a supplier to these companies, this industry is gonna be always flourishing because there is- this is just one of the examples. There are so many more companies which are coming up, and, uh, and, you know, we are very much inspired and excited on those kinds of businesses. So that will be also one of the line where we will be investing.

Actually, uh, I just tried to give a broader picture on to all the participants you know, on this question itself and to give a more elaborated answer. Thank you.

Mansi Rathore - Analyst, Heartpay Investments Private Limited
Thank you, sir.

Operator
Thank you. Ladies and gentlemen, in order to ensure that the management is able to address questions from all the participants in the conference, kindly limit your questions to 2 per participant. Should you have a follow-up question, please rejoin the queue. We will take the next question from the line of Samarth Goyal. From Choice Institutional Equities, please go ahead.

Prateek Giri - Analyst, Subh Labh Research
Hello, sir. This is congratulations on robust operating performance this quarter. So, sir, my first question comes from like from the P&L statement itself. Can you be a little louder,

Sanjay Tibrewala - Chief Financial Officer, Fineotex Chemical Limited
Samrat, please?

Prateek Giri - Analyst, Subh Labh Research
Yeah, sure, sir. Is it better now?

Sanjay Tibrewala - Chief Financial Officer, Fineotex Chemical Limited
Yes, somewhat. Yeah.

Prateek Giri - Analyst, Subh Labh Research
Yeah. So my first question is that Like the other expenses dropped by around 6% and the COGS saw 6% increase simultaneously. Uh, can you just throw some light on how would we see like coming quarters? Have you made any changes to the, uh, operational performance which resulted to drop in other expenses simultaneously? From the COGS perspective, I wanted to know How was the price pass-through in this quarter? Were you able to pass through elevated prices to the customers, or because of increased competition, or you face any challenges in passing through the price?

Sanjay Tibrewala - Chief Financial Officer, Fineotex Chemical Limited
So thanks, Amrit. I'll just try to give a reply to that query. So like you mentioned about the other incomes, there are a lot of things which are happening around. There is a lot of Initially, there were a lot of investments which we have done now to start some new product lines in crude chem as well. And there was a lot of action going on for the other incomes. More technical people, you know, strong technical partners and consultants were invited, and there was a lot of expenses being done in order to have much better- in order to have much better product lines and grow the companies and capacities and new product lines in the same machines which we are already installed.

So yes, there was in, in the previous to previous quarter Q1, there were certain, a lot of more expenses than it was. But I think somewhere or the other it's getting settled around, and we have been becoming more operationally efficient as well. And with the new machines and the new things, there is a lot of cost saving which we have been working on. So going forward, I think it should be the similar line. Also, if you can also notice, the other income has also been reduced in this quarter. Okay, just to give a perspective of the other- when you said about the other expense, I want to touch on the other income also.

So as you can see, uh, this year, this quarter, the other income has, uh, it has dropped considerably, you can say so. It's because it's, uh, you know, this is about the treasury investments in, uh, you know, and on the dividend incomes and other things. So technically those are the awards and some foreign exchange things around. So that is something which has also reduced from the other incomes in this quarter. Now, sorry, I forgot, I forgot your second question. What was it?

Prateek Giri - Analyst, Subh Labh Research
So it was a continuation of this, that the cost expenses increased by 6%. What was the- so like, what were the challenges there? Were you able to pass through the elevated prices? Or was there additional competition from other players as well?

Sanjay Tibrewala - Chief Financial Officer, Fineotex Chemical Limited
Yeah, so it's not a competition actually, uh, and also we can always pass on the prices in a couple of months. So generally what happens is once we get a customer, we have a tie-up with them for a couple of months maximum because- and in fact, in oil and gas, a lot of things keep changing on. So everyone knows that everyone has to only be secured for a month or 2, cannot be having long-term contracts. Even in fact, Aramco has also dismissed all their old contracts. Everything is happening fresh and on spot.

There is a new concept started like war surcharge and spot purchases and spot businesses, which is locking only 1 or 2 months of the demand of the company. So we can always- we do keep passing the things. At the same time, sometimes it also happens that some of the prices of chemicals have gone down. And maybe we have ordered it before, there was a delay in the, you know, in the inventory coming, the stocks coming to the plant because of the longer- as you see, due to the geopolitical situation, the freight rates, that is one.

And apart from that, the transit time from Asia to US and other things have increased a lot. Sometimes what happened is the, you know, we had to order a lot of chemicals which reached maybe later But then the prices might have corrected on that line. So there is a little bit of inventory destocking also which plays into factor. So yeah, this is something, but it is always equilibrium where you can always expect things to get back to somewhere midpoint or something like that.

Arindam Choudhuri - Chief Executive Officer, Fineotex Chemical Limited
Okay, got it, sir. So, okay, uh, the next question- I'm sorry to interrupt,

Operator
Samat. You may please rejoin the queue for follow-up questions.

Arindam Choudhuri - Chief Executive Officer, Fineotex Chemical Limited
Okay, thank

Operator
You. Next question is from the line of Nalin Shah from NVS Brokerage. Please go ahead.

Nalin Shah - Analyst, NVS Brokerage
At the outset, I must congratulate the team at, uh, Finotex for, uh, I would say, the much, much greater top-line growth. And of course, you know, the absolute numbers, even the bottom line has gone up considerably well. So that I must congratulate the team. Now some of the things, you know, which we want to understand is that, that, uh, you know, this oil and gas chemicals business which

is, you know, US you are doing, is it that, you know, this business also can be, you know, I mean, because the oil and gas industry in India is also very big, so are you going to do something similar in India also, or for the time being you are going to concentrate only on the overseas market?

That is my first question. My second question is that on the Water, you know, this data center water treatment and water, you know, I mean, this recycling business which looks to be very, very much, you know, I mean, imminent. What is the earliest, you know, point of time when, you know, you feel that you will be start, you know, some kind of a top-line contribution from that business? And whether there is any technological data is involved which is already with us already? And secondly, similarly, whether this data center business, you will be also able to do it in the Indian market also, same thing, or how, you know, you propose to envisage?

That is the second question. And my third question is, because you said that so many different things are happening, so many exciting opportunities are coming up, so if you can just give us some idea about that, where do you see Fineotex In 3 years' time, say by 2030 March, where do you see the Fineotex in terms of at least top line numbers? Thank you.

Sanjay Tibrewala - Chief Financial Officer, Fineotex Chemical Limited
Uh, thank you, sir. Uh, thanks for your questions. So one by one, let me pick it up and reply to you. So oil and gas, typically what happens in India, basically India is more into refinery.

Prateek Giri - Analyst, Subh Labh Research
So

Sanjay Tibrewala - Chief Financial Officer, Fineotex Chemical Limited
Oil is not extracted from India per se. However, we are one of the vendors to NDC from 2006 and '07. So I'd like to give all the participants a perspective on what is our business model. So the 4 verticals and segments which we just spoke about, which is textile specialties, cleaning and hygiene, where our plant is already FDA certified, and then the oil and gas, which has from India and as well as from the US company, which are the same manufacturing units, plus the water treatment. So all 4 sectors, and plus in fact we are doing some business with Aarti, we do some business with paint companies for their additives and other things.

Which are not too important, so we classify in others and things like that. So basically our model is either we increase more product range in the same set of customers to excite the existing customer to take up a better wallet share. At the same time, the chemistries- wherever we have common chemistry, let's say we do polymerization, esterification, sulfonation, phosphonation in polymers, we do homopolymer, copolymer, tough polymer, we do for acrylic, we do for melic, we do for polymalic. Way for- I mean, you know, all the chemistries, you know, what we're doing.

Wherever these chemistries have an application in other industries, we always focus on those segments also. So we get a better efficiency of operations and better asset turnover ratio, which you might have also seen in the last 60 quarters of being listed, or maybe more now. So last 60 quarters since Fineotex has been listed, and the data are on the public domain, you can see always our asset ratio has been favorable because of this, where we focus more on fungibility of the machines. Our product lines and our reactions are also in a way that our reactors are multifunctional and made to, made to suit them, all the kind of reactions in the same things.

These are batch-wise processes which helps us to always have a- I mean, the process is to have a better SOP of cleaning, and then after the Production is done of one particular product chemistry.

We can always have a cleaning process and then go to the next chemistry in the same vessel. That is the reason you can see always we have a better internal accruals, a better ROCs, and better asset turnover ratios and things like that. So oil and gas [Foreign Speech] we are already vendors to ONGC. However, India [Foreign Speech] the scope of oil and gas business is not at all comparable to maybe a smallest country in the Middle East also, for example.

Okay,

Prateek Giri - Analyst, Subh Labh Research
Now

Sanjay Tibrewala - Chief Financial Officer, Fineotex Chemical Limited
So basically we still like oil. There are three main processes. One is the upstream when the oil is taken out from the ground. Then there's a midstream where the oil is transported, and there is the downstream where the refining process happens. India mainly it is refining more of it. However, which ONGC also does. So we keep doing those things in India. We already vendors. We get a lot of orders from Oil India, ONGC. I think we applied to Reliance also, but these are not too much important and comparable because ONGC is also- it has its own, uh, it's not still- it's still somewhat, let's say, it's not the choice of our customers.

I mean, we would like to work with bigger companies which have more professionally- I mean, ONGC is getting much better from where it was, but that, you know, it has a lot of long-term, let's say, you know, contracts and, you know, tenders and all these things which we'd never like to do. We always like to have flexibility. So oil and gas we are already doing in India, but the scope is less in this. Now coming to water treatment, now, uh, in water treatment, uh, you had asked us one question right now that how do you see what all the- when can we see numbers and things coming up.

So correct, we'll be, uh, soon officially launching our website and, uh, you know, and announcing it on the social media and LinkedIn, and I mean also on the stock exchange probably. About our new website and things which we have totally dedicated to water treatment. I think in a couple of weeks we are, or maybe next week itself or this week, and we are going to, uh, take it up to that lines where you can understand the kind of companies we have. I mean, kind of sectors we are going to service to.

Water treatment is such a thing that every customer is requiring. Even if it is a textile company, you need it. Even if you are doing semiconductor. Now semiconductors and data centers are huge. They are gonna go huge. And already, let me tell you, to coming to more accurate answers to you, I think we were expecting Q1 next year to be the order lines picking up, but I think the Q4 this year itself, I think we will be having orders in hand, uh, because there is a lot of approval systems which we have done.

A lot of, let's say, Fortune, uh, top 10 companies of the world has also done a lot of NDAs from us which we are not allowed to disclose here.

Nalin Shah - Analyst, NVS Brokerage
Right.

Sanjay Tibrewala - Chief Financial Officer, Fineotex Chemical Limited
And, uh, so there is a lot of excitement going on internally on those lines. We are very much excited with this opportunity, and I think we are rightly poised for this because it's a totality of the things.

They don't, they don't need only the product. They need the product, they need the people, they need the services. We have a logistic company, as you know. So CrudeChem also has Fracmax, which is an exclusive logistic company doing only work for CrudeChem, where we have our trailers, ISO tanks, flatbeds.

Drivers, other things. So in US, last mile delivery is very, very important. We as Indian-based, we don't much value about, you know, the delivery part of it. But just to give you some more insight about it, in US, even the tankers and trucks, when it is reaching, even if it is 1,000 miles away, you have to be very specific on the ETA. And there is an hourly window open that your tankers or trucks has to reach in that. Otherwise, there are penalties happening. And in oil and gas, this is a very important thing.

They work on NDTs. It's called downtime rate or something like that, in which if something goes- if you delay something, you, you pay claims on that. So, so that is what we have a service here along with us. And would like to mention that, you know, that is also helping the business and the customers to be more happier, delighted. And in US, companies are ready to pay you the price As long as you give them the services, this is their most service-oriented concept. Like in India, we are not too much service-oriented.

We are more happier with the products. [Foreign Speech] you know we will manage our own purchases. We'll send find some transporter and even the transport systems. You know, just a perspective to all of you. Yeah, yeah, correct. So touching on your question again, we have the already have the right people. I mean in the company, in the groups. Who have great experience in water treatment. And so this is something which is where we are. I mean, if you ask me where is my focus area right now, I'm putting my personal timeline and energy on 2 main fronts.

One is oil and gas, which is already growing, and a lot of things are going on that. And one is the water waste management and the water treatment things, which is also- this can be one of our major businesses maybe. Going forward. Uh, so we are looking at- because the opportunities are of a very high level. Now coming to another question which you asked me, I think was about how do you see, uh, let's say 2 years, 3 years down the line, you said, I think, right? So

Nalin Shah - Analyst, NVS Brokerage
Yes, by 2030.

Sanjay Tibrewala - Chief Financial Officer, Fineotex Chemical Limited
So I mean, I would like to mention here there is a lot of things happening. We are getting a lot of opportunities from chemical companies for mergers and acquisitions and inorganic, you know, joint ventures and things like that. It's, it's very, uh, hard to say that way, but if you see the way, uh, the company has grown in the last 6 years- in the last 6 years, I think the company has grown by 10 times. And, uh, and, uh, and I think now the opportunities are increasing. We have already got a lot of- so we have, uh, we have a plant- we don't have a plant, sorry, we have a company in Russell Khaima as well.

In, in, uh, in UAE. And there's a lot of exciting opportunities which is also coming in the Middle East. There's so much opportunity coming in the US also. So I think going forward, uh, we will be- I mean, there is a lot of opportunities that we can always become in the, in the coming decade, or to give a broader picture, 6 to 7 years. I think, yeah, we should be at least, uh, 3 times from where we are, and, or maybe 4 times minimum. So I would not rule that out at all. I mean, rather, I would be a little bit surprised if you don't do that, rather, actually.

But that is just a general estimation assuming a lot of factors, as you know. And also, as you know, that in the geopolitical situation changes on every day or every, or every Twitter I tweet, or I don't know what, how. But so a lot of things keep changing, so we are assuming things to be normal. And so, so that's what I would like to say to address your question and all the participants also, where we are looking at ourselves in the coming times.

Nalin Shah - Analyst, NVS Brokerage
Correct, correct. Sanjay, what is the kind of CAPEX you require for this?

Operator
Mr. Shah, you may please join. Let him complete that

Sanjay Tibrewala - Chief Financial Officer, Fineotex Chemical Limited
One. Uh, let's see, please, the kind of CAPEX you will

Nalin Shah - Analyst, NVS Brokerage
Require for this water management thing.

Sanjay Tibrewala - Chief Financial Officer, Fineotex Chemical Limited
So yeah, uh, that's the interesting one. So already the company has a substantial cash flow, cash on books right now, and, uh, there are a lot of internal accruals also coming up and actually being accumulated in going forward the way it looks like. So I, I mean, the asset turnover ratio of this division is going to be definitely in line with our normal practice. I mean, normal, uh, last, the, the way we are working, like it should be at least 5 to 6 times always higher. So I don't want to give you exact number right now, but I think we can always do it.

And in case we, we, we need something, we can always go to- in case we need some kind of fundraising or something, we have the debt opportunity always with us, or maybe in equity or something. We can always- oh, we have an open mind for that. Yeah,

Nalin Shah - Analyst, NVS Brokerage
Absolutely, absolutely. Thank you very much. Thank you very much, and all the best to you.

Sanjay Tibrewala - Chief Financial Officer, Fineotex Chemical Limited
Thank you, sir.

Operator
Thank you. Next question is from the line of Prateek Giri from Shublab Research. Please go ahead.

Prateek Giri - Analyst, Subh Labh Research
Hi, Sanjay. Greetings. Hope I'm audible. Yes, my first question is on sequential revenue number in CCTL. By the looks of it, it seems, uh, from the last quarter Q1 '27 to Q2 '27, number is either flattish or it probably has declined a bit. I closely track this number of rig count in USA. Probably that has gone up materially, you know, in last 3 months. So if you can just help me understand, uh, why our number has gone down this quarter as compared to last quarter Q1 '27.

Sanjay Tibrewala - Chief Financial Officer, Fineotex Chemical Limited
So I'd like to take a step back also. If you also consider the kind of businesses Foodchem was doing before, so the business was around the range of $50 million maybe in the last year, and already it is analyzed to $100 million from the time we have acquired. So we have not completed one year also,

by the way, and in one year you have seen, uh, 2x things happened out. Okay, number 2, I would like to mention that I don't see any kind of a decline or something I would rather say that there is a lot of things happening around, and sometimes the rig counts is good, uh, way of comparing things.

You are very right that the rig count is increased. So what you can also infer on that basis, there'll be more and more opportunities coming up. So also keep in mind, uh, there is a lot of- every well is a customized well. I mean, customized products are required for every well. Sometimes you get fresh water there, sometimes you get saline water, some Some wells are in Midland, some are in Delaware, some are in South Texas, and so on and so forth. So there is always- in oil and gas, you will always see things coming up and having flattish also.

So it's not directly connected to the- to exactly the ecosystem of the growth of the industry in a way. However, if you also go one back step behind, if you see that we have already doubled, and you can see the numbers of Baker or Halliburton or Weatherford or Schlumberger in that. So there is sometimes a lag of, uh, things which is, uh, there pending. And sometimes the customer says, don't deliver it this month, deliver us the next month. So in- so how to take this understanding much easier, it's not a cleaning and hygiene detergent soap kind of business that every day the person is going to use soaps.

Sometimes due to weather, sometimes due to the other factors, because these chemicals are just one of the ingredients. There is a clay, there is a sand, there is water, there is so many different matter. Weather, by the way, weather is also very important. You know, it's like if there is lightning there, everything shuts and they have to do it. It's a rule of the, uh, you know, is the way it works. So there is always something which flows out of this quarter, goes to the other quarter, sometimes it rolls back.

So always view this businesses on the annual basis. You cannot- it's like a, how do I say, IPL match. You cannot watch every over and then translate in 20 overs how much will be the run rate. So there will be certain power overs which comes and does the, the job. So similarly, there are certain quarters which does the job of 2-3 quarters, and sometimes some orders of quarters are not- is always been postponed to the next one as per the well, as per the requirement of it. So that is the way it works.

So, so you, you need to understand this and see it on a macro level. Yes, Mr. Giri.

Prateek Giri - Analyst, Subh Labh Research
Yeah, no, this was helpful. So, uh, probably, uh, we should expect some recovery, uh, probably this quarter or probably this H2 itself.

Sanjay Tibrewala - Chief Financial Officer, Fineotex Chemical Limited
I mean, I don't know what do you call recovery. I mean, uh, in fact, we are too excited about the way we have performed. And, uh, so I don't know what does the recovery mean. I think we are almost, uh, in, in less than 1 year we have not- let's say in 6 months, by the way, because you are talking of quarter 2. So let's say 6 months because December was, uh, last year we just entered and, you know, that was just the paperwork and things happened. Let's say from 1st Jan to 6 months, you have seen, uh, you know, the numbers are evident to you.

So I mean, I don't see any scope of word recovery here. I mean, there is nothing to recover. I mean, the, the growth momentum is there, and how much we can keep maintaining the growth momentum, that's it. That's it. That's about it. Got it. That's the way we would look at it.

Prateek Giri - Analyst, Subh Labh Research
No, got it, got it. So you want any second question is on, uh, you know, our aspiration to probably acquire another business probably in water treatment segment. I would like to get your opinion on the fact that, you know, we have recently acquired CCTL. It is to an extent that we have acquired it half only. So as a shareholder, is it right to think that for the next few months, quarters, or probably a year or 2, we should largely focus on CCTL scaling probably increasing our stake there and then only go for, you know, acquisition in other chemistries, probably water chemistries, etc., because it is involving equity dilution also.

And so that is where I am coming from.

Sanjay Tibrewala - Chief Financial Officer, Fineotex Chemical Limited
So, uh, Mr. Giri, I mean, we can send you some more inputs about it. Maybe it's in the- so already it's in the earlier conf calls and some of the presentations which we have shared about. And I mean, so basically we have almost 54% today. We, or let's say the, the, the SPAs, in a way where the, the promoters, founders have to sell 25% to us on January 28th. Okay, so that is 25%. So we will become 79 to 80%. That's number one. Number 2, the new investments which we are doing, all the new opportunities which we are eyeing is something which is not in this company, Prudkem.

We have already have, as you might have seen on the stock exchange also in the last 2 months, we have 2 new companies commissioned. One is Finotex Holdings Inc. And one is Finotex America Inc. So these are our subsidiaries, wholly owned subsidiaries of Finotex Group, and So, so that answers to your point. So anything on- anything will be invested there will be on 100% on Finotex.

Prateek Giri - Analyst, Subh Labh Research
Understood. Those answers, uh, that answers my questions. Good luck to your team. Uh, and, uh, thank you for the answer.

Sanjay Tibrewala - Chief Financial Officer, Fineotex Chemical Limited
Now your question was very important actually. This helps all the participants also to get the, the direction of, uh, the real situation as well as where it is going forward. So thanks.

Prateek Giri - Analyst, Subh Labh Research
Yeah, actually equity dilution is something, you know, which is our existing shareholder. We sometimes feel the pain of when things go down south. So that is why I was asking this. But I, uh, good luck to you and, you know, good wishes to everyone there.

Sanjay Tibrewala - Chief Financial Officer, Fineotex Chemical Limited
Thank you.

Prateek Giri - Analyst, Subh Labh Research
Thank you.

Sanjay Tibrewala - Chief Financial Officer, Fineotex Chemical Limited
Thank you.

Operator
Thank you. Thank you. We will take the next question from Mansi Rathore from Heartpay Investments Private Limited. Please go ahead.

Mansi Rathore - Analyst, Heartpay Investments Private Limited
So am I audible,

Sanjay Tibrewala - Chief Financial Officer, Fineotex Chemical Limited
Sir? Oh yes, Mansi, please go ahead.

Mansi Rathore - Analyst, Heartpay Investments Private Limited
Yeah, so I just had a few questions. One on the tax rate, which fell from like 25.5% in Q1 to 21% in Q2. And can you, can you get,

Sanjay Tibrewala - Chief Financial Officer, Fineotex Chemical Limited
Can you repeat, can you repeat what do you say? Sorry, can you repeat the last sentence?

Mansi Rathore - Analyst, Heartpay Investments Private Limited
Tax rate fell from 25% in Q1 to 22% in Q2. So what drove this? And could you please share the revenue split by segment for Q2?

Sanjay Tibrewala - Chief Financial Officer, Fineotex Chemical Limited
Oh yes, perfect. Thank you for asking this. So as I would like to mention that even the Indian operations, the new plants which we have commissioned 2 years back, is also under the new company, Indian's wholly owned subsidiary, which is FSPL Specialties, which is 100% of Fineotex Chemical Limited, where the tax as per the, the, the new tax investments for the new companies, it's 115 BAP where the taxes are 15%, number one. Number 2, the tax rate in US is far lower than India. And the more and more we grow the companies and the businesses in these 2 areas, the tax rate overall historically what you have been seeing will be coming down.

And it should be always- I get I mean, our estimate would be that it should be always around 17 to 20%, uh, going forward. So 20% would be also good number to, to be expecting it in future, number one. Uh, number two, to give you- you wanted the, the revenue breakup and things like that, right? So, uh, so basically, uh, oil has been, uh- so okay, oil is almost like 65% of it, uh, approximately. Textile specialty which was in fact 90% in 2022, has still grown, by the way, from that number in absolute numbers.

However, due to the other, uh, other verticals and segments doing far exceedingly better and scaling it up, so that has come to 25% broadly. And let's say the, the hygiene cleaning businesses and other things, it is around, uh, 7-8%, let's say, more or less.

Mansi Rathore - Analyst, Heartpay Investments Private Limited
Okay,

Sanjay Tibrewala - Chief Financial Officer, Fineotex Chemical Limited
Okay,

Mansi Rathore - Analyst, Heartpay Investments Private Limited
Thank you, ma'am. Share compared to Indian business or split between crude can and India business?

Sanjay Tibrewala - Chief Financial Officer, Fineotex Chemical Limited
So what has also happened now, I would like to give up to all the participants here that there are a lot of, as you know, the freight rate has increased and a lot of things has happened. So what we also

did, uh, like I have been telling in our previous, uh, phone calls also, after Entering Crudechem, we brought a lot of resources to Crudechem, that is technical resources, technology transfers, product knowledges, financial resources, manpower, and things so on and so forth. Now coming to your question, there has been a great, uh, you know, good product lines which were also transferred, technology transferred to Crudechem because to cater the US demand, which helps us to avoid the freight rate.

Now supposing you make the products in India and then you export it to US or wherever it is you want to, So it becomes a lot more challenging from the inventory control, from the timeline which has increased dramatically because earlier to Middle East, now you have to round it up totally. And as you know, like, you know, Jebel Ali is closed, Kuwait ports are closed, Dammam is closed, Jeddah is depending on the center of the Middle East. So the- we also did a lot of transfer technology due to which a lot of businesses has been, uh, you know, so crude chem will always be, let's say, uh, 90-95% of the businesses, let's say, on that line.

But I would not like to say in that way. We work always on a totality. And, uh, so, so that is the way we look at it on a broader terms.

Mansi Rathore - Analyst, Heartpay Investments Private Limited
Okay, okay. Thank you.

Sanjay Tibrewala - Chief Financial Officer, Fineotex Chemical Limited
Thank you, ma'am.

Operator
Yeah, thank you. Next question is from the line of Athar Sayyad from HS Capital Ventures. Please go ahead.

Athar Sayyad - Analyst, HS Capital Ventures
Uh, hello sir, good afternoon. Sir, I just have 2 questions on the warrant front. So firstly, I wanted to understand, like, we had allotted warrants to promoters and as well as shareholders, like some other groups. So I wanted to understand, in 2025 On console basis, uh, we saw some outflow.

Sanjay Tibrewala - Chief Financial Officer, Fineotex Chemical Limited
Yes, go ahead, I can listen to you.

Operator
Mr. Atharv, we are not able to hear you. Can you hear us?

Sanjay Tibrewala - Chief Financial Officer, Fineotex Chemical Limited
Okay, but let me- okay, let me give some perspective on that. I, I guess the question was that, uh, or maybe about, uh, yeah, so, so basically, yeah, there was, uh Uh, in fact, in my individual name, I had subscribed to the warrants which was exercised as well on the time period before that, and, uh, that proceeds are also in the, in the books of the company and being used for the growth of the company. I probably- this is what you must be asking. Yeah, those are exercised. That's what it is, maybe.

Okay. Yeah, Miss, uh, Madam Auditor, please go ahead.

Operator
Thank you. We will take the next question from the line of Darshil Zaveri. From Crown Capital, please go ahead.

Arindam Choudhuri - Chief Executive Officer, Fineotex Chemical Limited
Hello, hello. Yeah, firstly, congratulations on a great set of results, sir, uh, and thank you so much for allowing me a question, sir. So I just wanted to know, like, I think you mentioned there's some seasonality impact in crude chem, so is it like H2 is always better? Could you help us out with that, sir? Uh, and I think I was just hoping that Going forward, you can give in presentation some brief numbers about how crude chem has performed, maybe just some revenue and profitability. That would also be really helpful, sir.

That's my first question.

Sanjay Tibrewala - Chief Financial Officer, Fineotex Chemical Limited
Okay, so yeah, Mr. Dharmesh, let me answer in a way. So there is not exactly H1s or H2s happening around, but so what happens, let's assume in a way, so let's take Christmas for example. Now when Christmas comes in, generally the, like from 15th December, things are getting in a, in a, you know, new things are not happening around and people postpone their things on this. But if you consolidated the, the, let's say December and Jan, the totality is always the same. So that's, I don't know, that is what you would like to listen to, I don't know.

But in a way I would like to say it doesn't work exactly on that. What are the external factors which affect this is one is the, let's say, the rig counts, the geopolitical situations, the freight cost of Uh, sometimes the weather. But again, having said that, these are short-term things because ultimately oil is going to be the charm of the world even for the next 50, 100 years. There is no doubt about it, number one. Number two, even if it doesn't happen in this particular month or quarter, let's assume, uh, you know, it is going to fall on the other ones.

That's the way oil industry works. It's not like a detergent market where every day you will have to clean your hands and soap it out and things like that, and it's always predetermined that in spite of recessions or boom or anything, any detergent consumption is assumably the same. It doesn't work like this. So, uh, this is the way I would like to answer your point. Coming to crude chem, I think that is your second question or a part of the first question. Yeah, I mean, everything is going as expected, or maybe a little bit better than what we were expecting in, in this quarter also.

And the kind of, and, uh, you know, the kind of new things happening around, the kind of fame we are getting. If you also see, you know, we have been invited as panel guests for the biggest federations. If you see our LinkedIn, uh, Foodchem posts and other things, you will see that, you know, our team members, the technical people and, uh, directors have been also invited to on the seminars and the panel of the entire US, you know, forums where we are telling the people about the trend happening around and what should be done.

So there is a lot of things gonna shape up. Sustainability is going to come in a big way. We already poised for it. 44% of our products in crude chem is sustainable. At the same time, it is helping to get EOR, enhanced oil recovery. So this is going to help the customers to save cost. If I'm not wrong, I think we were able to- some of our products were able to save almost 17 to 18% of the cost of the consumer, which is huge in fracking and completion. So I mean, it's already getting the attention.

We are getting ahead of the other companies who are into this play, and we are- I think we will be more quicker in achieving and making further enhancing the brand and the businesses on those

areas which are going to be more and more in demand. So this is something which I would like to tell you to answer your question and other- and all the participants.

Arindam Choudhuri - Chief Executive Officer, Fineotex Chemical Limited
Yeah, that's really helpful, sir. And so I just wanted to know, I think we had mentioned previously that our target for next year would be around $200 million revenue from crude chem. Are we holding on to that, sir?

Sanjay Tibrewala - Chief Financial Officer, Fineotex Chemical Limited
Yeah, I mean, what we mentioned was 2028, which is the calendar year '28. I mean, there they- that's the way they work out. They don't work on our Indian calendar point of view. So I mean, it is, uh, this is- we have a plan in place and things are going on that line. However, these, these are like, like I was referring about a cricket match, IPL match. You cannot estimate every over will do how many runs, but broadly it is something which is, which is, should be achieved. And it looks like, you know, if we have doubled the business in in, in 9 months, or let's say 6 months, or in that run rate, I don't think why should this not happen in the next 6-7 quarters.

So that's the way we, we are looking at it.

Arindam Choudhuri - Chief Executive Officer, Fineotex Chemical Limited
Yeah. And plus, as your

Sanjay Tibrewala - Chief Financial Officer, Fineotex Chemical Limited
Participants also said, and, uh, what your participants also- the participants today also mentioned about the rig count, which is perfectly right actually. There has been an increase in rig counts. And US, by the way, US is gonna grow. There's no doubt about it because Guyana is coming up. If you see, there was some, uh, a big news about Guyana being, uh, gonna supply to India also the, the oil in the- there was something last, last week in, uh, from the PM office also, and that's also picking up.

Guyana, Suriname. We have started to supply to Canada also, by the way, to big service operators, which is huge. So, so there's a lot of things happening around. We are in the right position. We are rightly positioned right now. That's what I can say.

Prateek Giri - Analyst, Subh Labh Research
That's great to know, sir. Yeah, that's it from my side. Thank you so much.

Operator
Thank you. Next question is from Kamit Kumar from KA Private Limited. Please go ahead.

Arindam Choudhuri - Chief Executive Officer, Fineotex Chemical Limited
Hello.

Operator
You are audible, sir.

Arindam Choudhuri - Chief Executive Officer, Fineotex Chemical Limited
Sir, hello, Sanjeev sir. My question will be on like Most questions are covered, sir. Uh, like you have acquired the certification for Aquasec Premium in India. Has orders start flowing? Has any production? Any updates are on this?

Sanjay Tibrewala - Chief Financial Officer, Fineotex Chemical Limited
So as you might have also seen, Amit ji, uh, you have already, uh, I think it is mentioned in the investor presentations, in this quarter we have achieved- our plant has been audited by CIB and the registration certification is also maybe attached, which shows the date as September or something like this, which is just a couple of months back. And, uh, yes, we are very close to that, and this should also be shipping up in this, uh, in this financial year, looks to be. Now, this is something when we achieve it, we will be updating everyone, and this is something where there are efforts and there are In the company there is a, I mean, the entire couple of people who are focused on this business generation as well.

So yes, uh, and also, you know, we have uploaded the, you know, Hopkins approval things, a certification this time about the product's performances. The product already registered in Delhi CIB, which was done 1 year back, but the plant approval was pending, and that also we have completed. So we are very closer to, and all the compliances and all these things are getting forward. Thank you so much, Mr. Amit.

Operator
Thank you, sir. Next question is from the line of Viraj Trivedi from Vinayak Digital. Please go ahead.

Arindam Choudhuri - Chief Executive Officer, Fineotex Chemical Limited
Hello, hello,

Athar Sayyad - Analyst, HS Capital Ventures
Hello.

Arindam Choudhuri - Chief Executive Officer, Fineotex Chemical Limited
You

Operator
Are audible, Viraj.

Arindam Choudhuri - Chief Executive Officer, Fineotex Chemical Limited
Congratulations for the good set of numbers.

Athar Sayyad - Analyst, HS Capital Ventures
I would firstly that in previous conference we have given the

Arindam Choudhuri - Chief Executive Officer, Fineotex Chemical Limited
Guidance of achieving 3000 crore

Athar Sayyad - Analyst, HS Capital Ventures
Driving but I request

Operator
Hey you please speak with your handset mode please we are not able to hear you it's fluctuating okay

Arindam Choudhuri - Chief Executive Officer, Fineotex Chemical Limited
Okay okay now can you hear me

Operator
Yes better hello

Sanjay Tibrewala - Chief Financial Officer, Fineotex Chemical Limited
Yeah yeah we can hear you you

Arindam Choudhuri - Chief Executive Officer, Fineotex Chemical Limited
Can okay okay congratulations for the good set of numbers I would like to achieving Rs 3,000 crore revenue by FY28. So we are very much, uh, can we say that we are very much on the track of achieving that?

Sanjay Tibrewala - Chief Financial Officer, Fineotex Chemical Limited
I can tell you one thing in this, uh, topic, like we are looking at a lot of things happening around. And so actually, if you see, we are already at Rs 1,600 crores if you analyze the last 2 quarters also.

Prateek Giri - Analyst, Subh Labh Research
Yes. And

Sanjay Tibrewala - Chief Financial Officer, Fineotex Chemical Limited
The kind of opportunities we are getting in organic and other opportunities of chemical plants I think, yeah, we are looking at a lot of things happening around, and even if it 3,000 doesn't happen in the, uh, let's say the financial year '28-'29 or whatever it is, we are still gonna be much ahead of time in the businesses where we are. And we are trying to, as we have also mentioned, we are going to be making it more operational, uh, efficiencies are going to come, and we are trying to increase further on the, the margins however we, uh as you proceed ahead.

Thank you.

Operator
Thank you. Next question is from Utkarsh Somaya from Eco Quantum Solutions. Please go ahead.

Arindam Choudhuri - Chief Executive Officer, Fineotex Chemical Limited
Thank you for the opportunity. I had 2 questions and one clarification on one of your previous answers. I'll just start with the clarification. Uh, I think you said that if you happen to do an acquisition, you will not dilute equity in Fineotex Chemicals, but you may raise money in the 2 recently incorporated subsidiaries. Please tell me if I got that right. And may I ask my other question? Let me, uh, let me answer this first.

Sanjay Tibrewala - Chief Financial Officer, Fineotex Chemical Limited
Yeah, so no, that is not correctly understood. What the question that time was, the- I think someone was asking a question, one of the participants, whether why you, uh, you know, putting more investments of new businesses in crude chem because you have lesser share and the investments will not be, uh, you know, correctly justifying, or whatever he meant to. So that was the note about Crude Chem comparing vis-à-vis our new companies which has been formed recently, not even 2 months back. And at the same time, I also highlighted that even in Crude Chem, we are going to increase the stake.

It is evident. So So what you understood now is- was not right. I mean, this is the, the correction, uh, clarification for that.

Arindam Choudhuri - Chief Executive Officer, Fineotex Chemical Limited
So if we do find an acquisition, we're open to raising money via equity. Is that fair? No, there are

Sanjay Tibrewala - Chief Financial Officer, Fineotex Chemical Limited
2 parts of it now: raising funds and in which company you are gonna acquire it from. So let me say we already have 2 new subsidiaries. Even if we acquire in US, we can go through those channels. Or if you are doing something in Middle East or anywhere else, we can always do from the, uh, the main Finotex, uh, wholly owned subsidiaries, etc. So that is the way it is. So basically this also takes care of the question of the earlier participant, you know, which was- I mean, he was not encouraging in a way to, to buy the companies via screwed chem.

That is what it was. Now coming to your part of the question, or let's say your question now, is are we open for equity dilution or not? Now, I mean, yes or no, both. I mean, it's not a no-no, but it's not a yes-yes. I mean, it also depends on what kind of acquisitions are we looking at, what's the time frame, and how quickly we need the funds, and, uh, what is the, you know. So basically, any acquisition which we will do will be EBITDA accredited. That is number one. Number one. Number two, We are also very disciplined in deployment of our cash.

If you see our 60 quarters of being listed, the company promoters are not too, too, uh, ever, uh, you know, working on debts and, you know, uh, leverages and too much of, you know, things. So we are quite a predictable management, I would say, and predictable, uh, business also in a way. So we are not gonna do anything which is out of proportion. And, uh, so we are not too comfortable on adding too much of a debt. Now having said that, in case we need some debt in the initial times and then we can bridge it up with other equity fundraise or wherever it is, we can always consider that.

So it's a question about how we look at those opportunities when we touch that, uh, that platform.

Arindam Choudhuri - Chief Executive Officer, Fineotex Chemical Limited
Okay, and so one more question, uh, I think you just said that if you don't achieve Rs 3,000 crores by FY29, you'll be shy of that, but you'll make up for it by getting your EBITDA margins to your erstwhile 20-odd percent. So can you just speak a little bit on this please and clarify the same?

Sanjay Tibrewala - Chief Financial Officer, Fineotex Chemical Limited
So basically this has- this is something to do with the way we are looking at ourselves. So I also mentioned a couple of more things, uh, I don't know whether you heard about that, but yeah, I mean, we have been at a run rate of almost Rs 1,600 crores and the kind of businesses which we are getting, if we don't in next 2, 3, 4 years, I don't think, you know, why we should not be doubling or something like that. And the, the best- I mean, this is something what we have ourselves self-plan on what things are we can see that way.

Now that has- I don't know what I mean, uh, you want to hold on that number as a, as a base of things, uh, okay. So let me also tell you, this world, I'm very sure all the participants are not even knowing like what is going to happen tomorrow, day after, right now where the situation is. So everything works on the external factors where things are totally governed by geopolitical situation. There is this election coming up, there is this happening, there is crude oil prices fluctuating, there is India and things are- a lot of things are happening around.

So this has all things are assumably, assumably constant and good, then maybe this is what we are looking at. That's the way I would say.

Arindam Choudhuri - Chief Executive Officer, Fineotex Chemical Limited
Perfect. Good luck for that. Thank you.

Sanjay Tibrewala - Chief Financial Officer, Fineotex Chemical Limited
Thank you.

Operator
Thank you, ladies and gentlemen. We will take that as the last question.

Sanjay Tibrewala - Chief Financial Officer, Fineotex Chemical Limited
Okay, uh, thank you everyone for your questions. And

Operator
The conference back to Mr. Sanjay for closing comments. Over to you. Thank

Sanjay Tibrewala - Chief Financial Officer, Fineotex Chemical Limited
You. Thank you so much. Uh, thank you everyone for your questions and interest in Finotec. We have been able to do the best for and increase the value of the share stakeholders as usual. We have been making sure that we keep on maintaining our growth momentum, which you have seen in the last 6 years as well. We appreciate your trust, and we are- you can always reach to us. Our enthusiastic team is always there to give you more insights. And in case you want any factory plant visits, you know, you're more than welcome.

And the silent period is also over from today. So yeah, we can always do that. Thank you, everyone. Uh, that's all from us. Thank you.

Operator
Thank you very much, sir. On behalf of Fineotex Chemical Limited, that concludes this conference. Thank you all for joining us today, and you may now disconnect your lines.