



4.4 Chemical

The Chemical business manufactures and markets a wide range of resins, water treatment and specialty chemicals to help improve processes across various industries through customised and cost-effective solutions. Thermax supplies a range of construction chemicals for strengthening, protecting and repairing concrete structures. It also supplies chemicals for oil field operations and paper and pulp processing.

Case Study

Construction Chemicals Help Restore a 120 m Chimney for Odisha's Metal Conglomerate

A large metal conglomerate in Odisha, India, entrusted Thermax with the task of repairing the 120-metre tall chimney of its power plant. The project, however, was a challenging one. Firstly, the sheer height of the chimney required materials that could withstand severe environmental factors such as wind, rain, and temperature variations. Additionally, it demanded

a blend of innovation, expertise, and high-performance materials to ensure the structural integrity and longevity of the chimney. Also, the timeline for the project was tight, calling for swift execution without compromising on quality.

To address this, Thermax Construction Chemicals developed an innovative solution integrating a variety of high-performance

materials that complemented the existing range of repair products. This comprehensive system was designed specifically to repair and protect the chimney, offering a holistic solution. The Thermax team, along with a renowned applicator, provided extensive technical support, ensuring optimal application and performance of the materials.

Chemical Subsidiary

Thermax Inc., Houston, Texas, USA

Business Performance

During FY 2023-24, the order booking declined by 1% over the previous year (growth of 3.3% in FY 2022-23), and the revenue decreased by 16.8 % (growth of 29.6% in FY 2022-23). The decline was primarily due to the slowdown in the US market, driven by inflation and a recessionary environment.

Key Industries

- » Chemical
- » Commercial
- » Electronics
- » Food and Beverages
- » Oil and Gas
- » Paper
- » Petrochemicals
- » Urban

Geographical Footprint

- » North America

Sustainable Growth Plan

- » To expand into Canada, Mexico, and Latin America markets through our distribution channel with a focus on mix bed application in the North American market
- » We are planning to collaborate with companies through strategic alliances to expand our product portfolio

Key Solutions Provided

- » Sale of chemicals (ion exchange resins)

Highlights

- » Received orders from large OEMs for industrial water treatment
- » Secured multiple orders for drinking water applications
- » Received orders for specialty processing resins from the petrochemical industry
- » Acquired orders for specialty resins for a juice clarification process from a provider of citrus commodities in Brazil

MANAGEMENT DISCUSSION AND ANALYSIS

Performance of Chemical Segment in FY 2024

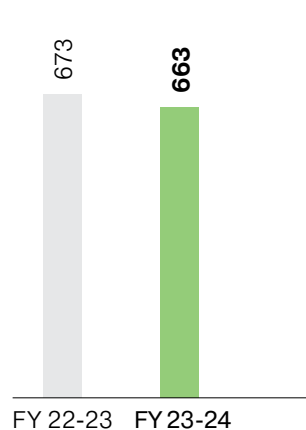
The Chemical segment accounted for 6.9% (8.1% in FY 2023) of the Group's gross operating revenue. The business posted an operating revenue of Rs. 663 crore (Rs. 673 crore), while the segment's profit was Rs. 124 crore (Rs. 86 crore) for the same period. The increase in profit and profitability was mainly due to the stabilisation of commodity costs and an increase in the sales of specialty products. Thermax is setting up an ion exchange resin manufacturing plant at Jhagadia, Gujarat, and will be investing an additional Rs. 45 crore into the Rs. 250 crore plant. We are also investing in new technology tie-ups and exploring partnerships with global majors to expand our chemical portfolio.



Chemical

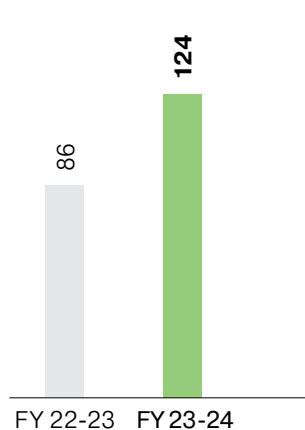
Revenue

(Rs. in crore)



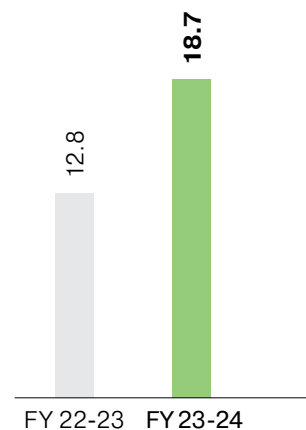
Profit*

(Rs. in crore)



Profit Margin*

(%)



Profit* and Profit Margin* – Segment PBIT before exceptional and unallocated overheads