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July 24, 2026

DCS-CRD **BSE Limited** First Floor, New Trade Wing Rotunda Building, Phiroze Jeejeebhoy Towers Dalal Street, Fort Mumbai 400001 Fax No.2272 3121/2037/2039 Stock Code: 543213	Listing Compliance **National Stock Exchange of India Limited** Exchange Plaza, 5th Floor Plot No. C/1, 'G' Block, Bandra- Kurla Complex Bandra East Mumbai 400051 Fax No.2659 8237/8238 Stock Code: ROSSARI

Dear Sir/Madam,

Sub.: Transcript of the Earnings Conference Call held on July 20, 2026 for Q1 FY27

Ref.: Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Pursuant to the Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and with reference to our intimation dated July 14, 2026, regarding Earnings Conference call with Analyst(s)/Investor(s) held on Monday, July 20, 2026, we would like to inform that the transcript of the aforesaid conference call is enclosed herewith and the same is also available on the website of the Company at www.rossari.com/announcement under the head 'Investor Call'.

The same may please be taken on record and suitably disseminated to all concerned.

Thanking you,

Yours Sincerely,

For Rossari Biotech Limited

Parul Gupta
Digitally signed by Parul Gupta
Date: 2026.07.24 20:18:00 +05'30'

ROSSARI BIOTECH LIMITED MUMBAI

Parul Gupta
Company Secretary & Head - Legal
Membership No.: A38895

Encl.: as above

Rossari Biotech Limited

Q1 FY27 Earnings Conference Call Transcript

July 20, 2026

Moderator: Ladies and gentlemen, good day and welcome to the Rossari Biotech Limited Earnings Conference Call. I now hand the conference over to Mr. Mitesh Jain from CDR India. Thank you and over to you, Mr. Jain.

Mitesh Jain: Thank you, Swapnali. Good evening, everyone and thank you for joining us on Rossari Biotech Limited's Q1 FY27 earnings conference call. We have with us Mr. Edward Menezes, Promoter and Executive Chairman, Mr. Sunil Chari, Promoter and Managing Director, and Mr. Ketan Sablok, Group Chief Financial Officer of the company.

We will begin the call with opening remarks from the management, following which we will have the forum open for a question-and-answer session.

Before we start, I would like to point out that some statements made in today's call may be forward-looking in nature and a disclaimer to this effect has been included in the earnings presentation shared with you all earlier.

I would now like to invite Mr. Edward Menezes to make his opening remarks. Over to you, sir.

Edward Menezes: Thank you, Mitesh. Good evening, everyone and thank you for joining us on our earnings conference call. It is a pleasure to have you with us today as we discuss our operational and financial performance for the first quarter of FY2027.

We commenced FY27 on a strong note, delivering our highest ever quarterly revenue and EBITDA, with consolidated revenue growing 28% YoY. The performance was supported by healthy momentum in the domestic business and the continued expansion of our international presence. Despite a dynamic operating environment, our diversified portfolio, extensive market research, and disciplined execution enabled us to deliver growth across our business segments.

Innovation remains central to our long-term strategy. The new R&D centre commissioned in the previous quarter is progressively ramping up, bringing our research, product development, and application capabilities together on an integrated platform. The facility is strengthening collaboration across teams, accelerating new product development, and supporting the faster scale-up and commercialization of differentiated technologies across end-user industries.

Within our core HPPC segment, we continue to broaden our presence across higher value applications and strengthen our portfolio of specialty solutions. Our focus remains on expanding in areas such as personal care, pharmaceutical applications, agrochemicals, and performance chemicals, while leveraging our formulation expertise, application capabilities, and expanded manufacturing platform. The improving utilization of our ethoxylation capacities, together with a growing pipeline of new products, provides a strong foundation to scale this business further.

During the quarter, we also strengthened our textile specialty chemicals portfolio through the launch of a dedicated Fibre Chemicals Division, expanding our capabilities across the fibre-to-fibre value chain. Supported by our application-driven R&D platform, deep formulation expertise, and manufacturing capabilities, the division enhances our ability to offer integrated value-added solutions and expand our addressable market within the textile industry.

We remain encouraged by the long-term opportunity in the agrochemical sector, supported by increasing demand for advanced formulations, sustainable agricultural solutions, and productivity-enhancing inputs. With established capabilities across agro-surfactants, emulsifiers, and adjuvants, we are well-positioned to address evolving industry requirements through innovation-led specialty chemical solutions.

As we progress through FY 2027, our priorities remain focused on fully leveraging the capabilities across the past few years, accelerating new product development, and enhancing operational efficiency. Supported by a healthy balance sheet, an integrated manufacturing platform, and an expanding innovation pipeline, we remain confident of delivering sustainable and profitable growth while creating long-term value for all our stakeholders.

With this, I now invite Mr. Sunil Chari to share additional perspectives on our business performance and strategic priorities. Over to you, Chari.

Sunil Chari: Thank you, Edward-ji, and a warm namaste to everyone.

As we approach the sixth anniversary of our listing, it is encouraging to reflect on Rossari's journey from an annual revenue base of around Rs. 600 crore to a business that has reached close to Rs. 700 crore in this quarter. This scale-up has been achieved through one of the most challenging periods in the company's history, encompassing the COVID-19 pandemic, unprecedented supply chain disruptions, raw material volatility, and geopolitical uncertainty. We believe we have navigated these challenges well, even as we continue to invest in capabilities, expand our portfolio, and strengthen the overall business platform.

While the business has achieved significant scale, margins remain below their normalized potential. We have already initiated several measures to address this, including the monetization of our non-core assets, rationalization of lower margin businesses, improvement in product mix, and tighter cost discipline. As these initiatives progress over the next one to two years, alongside optimal utilization across our expanded capacities, we expect a meaningful strengthening in EBITDA performance.

The quarter witnessed strong growth across each of our core business segments, with the HPPC, TSC, and AHN business all growing by around 28% YoY. Notably, the HPPC business crossed Rs. 550 crore quarterly revenue milestone, reflecting the increasing scale and depth of our presence across key applications and end-user industries.

Our international business maintained its positive momentum, with exports growing 21% YoY during the quarter. The performance was supported by increasing wallet share with strategic partners, the addition of new customers, and wider acceptance of our specialty solutions across key overseas markets. We remain focused on deepening our presence in existing geographies while selectively expanding into markets that offer attractive long-term potential.

During the quarter, we further strengthened our presence in Southeast Asia through a greenfield blending plant in Thailand. This facility will enhance our ability to offer customized formulations, respond faster to local market requirements, and improve supply chain efficiency. It also provides a platform to progressively expand our product offerings across the region.

We are also making progress on our proposed initiative in Saudi Arabia. The opportunity is significant, supported by access to globally competitive raw materials and a well-developed petrochemical ecosystem. This remains an important strategic step towards strengthening our long-term strategic footprint, enhancing supply-side competitiveness, and creating a scalable platform to serve regional and global markets. Despite the prevailing geographical uncertainty, our conviction in the long-term potential of this initiative remains intact.

Alongside these initiatives, utilizations across the capabilities and capacities created over the past few years have improved steadily and supported our performance during the quarter. Our priority now is to drive optimal utilization, strengthen the product portfolio, and enhance operational efficiencies. Together with our robust R&D platform and a healthy pipeline of new products and applications, these efforts will enable us to scale our core B2B operations, improve returns from the existing asset base, and reinforce our competitive positioning.

On the domestic front, the institutional and consumer business continued to operate in a relatively subdued environment and weighed on overall profitability during the quarter. As part of our broader strategy to sharpen our focus on the core B2B business, we are evaluating the rationalization of select non-core businesses and assets. These actions are aimed at simplifying the portfolio, redeploying capital and management bandwidth towards higher return opportunities, and improving the overall quality of earnings.

Looking ahead, we remain confident about the opportunities before us. The scale achieved across our core businesses, improving utilization of our expanded capacities, a growing pipeline of new products and applications, and continued progress across international markets provide a strong foundation for the next phase of growth. Our priorities remain centred on disciplined execution, margin improvement, and generating stronger returns for the business platform we have built.

Thank you once again for your continued support. I now invite Ketan-ji to take you through the financial highlights.

Ketan Sablok: Thank you, Mr. Chari, and good evening, everyone. Let me take you through the financial highlights for the quarter ended June 30, 2026. In Q1 FY27, revenue from operations stood at Rs. 697.2 crore, registering a growth of 28% YoY. This marked our highest ever quarterly revenue, supported by healthy growth across the HPPC, Textile Specialty Chemicals, and the Animal Health Businesses.

EBITDA for the quarter stood at Rs. 80.6 crore, representing a growth of 18.7% YoY and making our highest ever quarterly EBITDA. The EBITDA margins stood at 11.6% compared to 12.5% in the corresponding quarter last year. The margin profile continued to reflect the impact of the institutional and consumer business along with the prevailing product mix and cost environment.

Excluding the institutional and consumer businesses, our core B2B operations delivered EBITDA of Rs. 85 crore, registering a growth of 13% YoY, with an EBITDA margin of approximately 14%. This reflected the underlying strength and resilience of our core portfolio. PAT for the quarter stood at Rs. 35.1 crore, representing a growth of 4.5% YoY.

In our institutional and B2C businesses, we are taking calibrated steps to optimize costs and to improve the operational efficiency. While growth in these verticals remained flat YoY, losses have moderated, driven by our focus on improving product mix, enhancing the operational efficiency, and maintaining cost discipline.

As discussed earlier, we are taking steps to simplify the business portfolio and sharpen our focus on the core B2B operations. During the quarter, we completed the sale of our Andheri office as part of our ongoing monetization of non-core and underutilized assets. We will continue to evaluate opportunities to monetize other such assets in a calibrated manner, with the objective of releasing capital, improving balance sheet efficiency, and directing resources towards higher return areas.

Utilization levels across our manufacturing capacities improved during the quarter, contributing to the growth in revenue and EBITDA. Our focus now is on driving these assets towards optimal utilization, improving the product mix, and generating stronger operating leverage from the investments made over the past few years.

Our balance sheet remains healthy, supporting strong liquidity and a comfortable leverage. We continue to focus on improving working-capital efficiency, strengthening our cash generation, and maintaining discipline in capital allocation. These measures, together with the ongoing portfolio rationalization initiatives, are expected to support progressive improvement in profitability and return ratios.

As we progress through FY27, our priorities remain focused on optimizing asset utilization, enhancing operational efficiency, strengthening the cash flows, and delivering sustainable and profitable growth.

Thank you everyone, and I would now request the moderator to open the floor for questions.

Moderator: We will take the first question from the line of Divyansh Jaju from Trinetra Asset Managers.

Divyansh Jaju: My first question was regarding the EBITDA margin, as it has been like from the last 4-5 quarters, it has been not major growth has been there in the margin. In the last quarter, it has been 11.6%. What do you expect specifically with which segment or like in which way it will be growing margin?

Ketan Sablok: Divyansh, if you see the EBITDA margins, we are currently at about 11.6%, close to what we did in the last quarter and slightly lower than our last year's margin. I think now as these capacity utilizations start improving over the next few quarters and years, I think we should be seeing a relative improvement in these margins.

Also, as we talked in the opening remarks, we are working towards optimizing our product portfolio and the product mix. Lot of the low margin businesses we are trying to slowly exit. And also the new areas that we are looking at, which include segments like pharma and aroma and such other areas, will go a long way in improving these EBITDA margins.

I think at least for the next couple of quarters, we should just wait and see how the margins improve because now we also have a lot of pressure in terms of the pricing, the raw material volatility. All these aspects have to be looked at. But on a longer-term basis, I have given you an idea how we are looking at improving the capacity utilization and the margins.

Divyansh Jaju: I am saying that the products which are innovated in the last 2-3 years, how much they are contributing to total revenue?

Ketan Sablok: Yes, so some of the products that we introduced in the last few years like NMMO and MDEA and spray-cooled powders. Some of them have started contributing in this quarter. Also, some of them also had sales in in Q4 of last year. So, I think as we had said that some of these investments that we have done, it will take us close to about 2-3 years for the capacities to start getting fully utilized and the new products to come on stream.

Edward Menezes: I think the biosurfactants, the NMMO, the spray-cooled powders, the fibre finishes that we have introduced, as well as the vitamin premix plant which has become operational, all these have started contributing very handsomely to the top line now.

Moderator: We have the next question from the line of Disha Bhordia from Sapphire Capital.

Disha Bhordia: Firstly sir, on the revenue growth part. I think last call we had guided for around 15% sort of revenue growth in FY27, but in Q1 itself I think we registered a growth of around 28%. Given the fact that now we have the capacities and now the ramp-up of utilization will begin, so how should one look at the overall growth for FY27, sir?

Sunil Chari: Regarding the ramp-up, if you see our sales has grown consistently higher and this is also due to the new capacity and new products which have come in the expansion. Lot of capacities have just become operational in the last quarter end and we should see more ramp-up.

But given also during the volatility and uncertainty in the market, it is very difficult to predict anything today. Nobody can predict what can happen in the war, what is happening to the geopolitical now. The freight prices have gone up, we had contracts which we already signed and the freight prices went up.

And now everything looked okay and then again the war started and the freight prices have again shot up now. And we have taken some with the new freight pricing which came in last month, we had taken the new orders at that price with considering that freight and that has gone up.

But I think on a whole we are looking you know at a good growth this year. It is very difficult to hazard a guess on how much we can do, but we are very confident and very bullish on our prospects. And we are also seeding in new territory. For example, the Thailand plant, it took away lot of time, energy and money to start last year or in the last quarter. And then now, there is also lot of pre-operative expenses coming in from our Saudi Arabian venture which should take a couple of years to mature. But we continue to invest for the future and continue to look at areas to rationalize our return on capital employed and return on equity

Disha Bhordia: Sir, also on the margins, so obviously we are seeing a lot of raw material volatility. How much of these raw material price hikes are we able to pass on to the new? Are we facing any challenges to pass that on?

Sunil Chari: No. To pass on the raw material pricing is no worry at all. Otherwise, you know, you see where the crude has gone from where and where our raw materials have gone. We have been able to pass on, but what happens is up and down, creates lot of uncertainty in the mind of buyers and also the freight become one major component because of the insurance cost and of the vessels and all and the unavailability of vessels. This is causing us some degree of margin loss for us.

Disha Bhordia: But sir, now given the recalibration of this B2C portfolio also we are exiting some low margin. From here on I think we should see margins improving. I think below this we should not see margins.

Sunil Chari: Yes, once it happens you can you will see. Once you see the exit of some businesses which we are working very hard, you will definitely see the margin improvement.

Disha Bhordia: But this 11.6% that we have done in the first quarter that should now be the base, right? We do not see the margins going below this level. Will that be a fair assumption?

Sunil Chari: Yes, we are expecting the same thing also. Has Ketan-ji and Edward joined back?

Edward Menezes: Yes.

Sunil Chari: Yes, okay, good. Now over to you, Ketan-ji and Edward-ji.

Ketan Sablok: Yes, so I think these level of margins you can expect to be the base level.

Disha Bhordia: Just the next thing on the Thailand plant, what has been the contribution in the first quarter? What utilization are we currently at? And what sort of revenue can we see at peak utilization?

Ketan Sablok: The Thailand plant has just gone on stream, end of last quarter, slowly it is getting ramped up. It is a small formulation unit, the basic aim for this plant was to get us closer to our customers in Southeast Asia. We are slowly ramping up this facility. The first quarter revenues from this plant were about Rs. 2 - Rs. 3 crore, but I think this will slowly start ramping up in the subsequent quarters.

Currently it is only working on some of the textile products, but maybe a few quarters down the line we also are aiming at doing some AHN products and some other HPPC molecules also on a longer-term basis.

Sunil Chari: Investment in this plant is just Rs. 10 - Rs. 15 crore. It is not a very big plant. We cannot expect too much out of that plant. It is not big.

Disha Bhordia: And sir, what is the Saudi Arabia, the greenfield facility we are planning? Could you just elaborate a bit more on what sort of CAPEX are we looking at? When will it come online? What products and segments are we looking at?

Sunil Chari: We are still doing a survey and trying to formalize some raw material, feedstock allocations, and some land allocations. This is still work in progress and nothing has been finalized. As soon as we finalize something we will announce to all our investors and to public at large.

Disha Bhordia: Okay, fair. And sir, just on next, on your pharma business, how do you expect the scale-up to be? What sort of contribution are we looking at from this business for this year and the next year going ahead? Because this business has higher margin, right? The increasing contribution will help us improve our margins as well.

Ketan Sablok: Yes, so this business, the pharma business we have started a few products in this quarter, but it is slowly going to start ramping up. But as you know in pharma there, you know, in terms of the compliances it is a little long-drawn process. We have started working on that. We just have a separate team who is working on all the compliance activities, both at the plant and at the customer end. Our target is by the end of Q2 or Q3 we should have most of the compliances done and then we should see a ramp-up of the pharma business.

Disha Bhordia: Second half will be a big?

Ketan Sablok: Yes, and it could be a revenue potential of close to Rs. 30 crore - Rs. 50 crore.

Disha Bhordia: For this year?

Ketan Sablok: Yes.

Disha Bhordia: Okay. And sir, just in terms of our margins going ahead, like in terms of the steady state margin that we are looking at, once we recalibrate the entire B2C business and we monetize the non-core assets and once our utilization is stabilized, what sort of steady state EBITDA margins can we see going ahead, say, 2-3 years down the line?

Ketan Sablok: If you see today, shorn of that, the base business margins are anywhere between 14% and 15%, depending on the year, the quarter, and the product mix. Our aim is that once we recalibrate the whole business mix, the product mix, we should have a steady state, the EBITDA margins at around 15% at least once these steps that we are taking materialize.

Disha Bhordia: In two years down can we see this margin level?

Ketan Sablok: Yes, that is the plan.

Disha Bhordia: And just the last question, and what sort of export revenue do we see for this year and any sort of percentage of export revenue we target?

Ketan Sablok: We do not target any specific number, but if you see, this quarter we have done about Rs. 160 odd crore, so about 23%-24% of our total revenue comes out of the export basket. This percentage has remained the same while the absolute number has gone up. Compared to the Q1 of last year, the export growth is almost 20%-21%. Our target is to keep growing the export business, while the domestic business is also growing, so generally the percentage remains around between 23%-24%-25%.

Moderator: Thank you. Before we take the next question, a reminder to all, you may press star and one to ask a question. We have the next question from the line of Vinith Jain from Siddh Capital. Please go ahead.

Vinith Jain: We were looking to exit the B2C business. And I would like to know, what are the investments we have so far in the B2C business and what kind of debt is that business carrying?

Ketan Sablok: See, the investment in the B2C business, our institutional business, the consumer business, and the private label business, there is no separate investment. These are all core assets, especially in our Silvassa plant, which cater to various other businesses as well. But in terms of debt if you ask me, our total debt would be in this business would be close to about Rs. 50 odd crore.

Vinith Jain: Okay. I am trying to get into an understanding whether if we exit the business, where do we land up as an EBITDA margin and what kind of debt is relieved out of it? That is my question to figure out.

Ketan Sablok: In terms of EBITDA margins if you see it will release at least 2%-3% EBITDA. Shorn of this business we are close to about 14%, in some years we are even 15% of the EBITDA margins. That is the kind of margin improvement that will happen.

Vinith Jain: Yes. Just to be clear, we are looking to exit both the B2C as well as the institutional business, right?

Ketan Sablok: No, Out of that we will exit the B2C business which is now currently part of the entire portfolio but the institutional cleaning products that business we will continue to have. That is the more profitable business within our portfolio because that is the core cleaning chemicals business for us. That will remain while the consumer part of that business will move on.

Vinith Jain: Yes, but even the institutional business is taking a lot of debt for us unlike the core business.

Ketan Sablok: Yes, because it has that consumer business tagged along with it.

Moderator: We will take the next question from the line of Sanjesh Jain from ICICI Securities.

Sanjesh Jain: Couple of questions from my side. For this quarter, what is the pricing growth and what is the volume growth because there is a lot of volatility in the pricing? So, just wanted to understand how much of the growth is coming from the volume in this quarter to understand what is the growth in underlying? That is number one.

Number two, now that your availability is getting struggled, we have added lot of capacity. What are we trying to do, to see that we keep growing consistently in a scenario where assuming that the EO availability will remain challenge for some time, what are the growth lever do we have for it?

Ketan Sablok: Yes, so on the price and the volume growth that you asked. The YoY growth in terms of volume v/s price, the volume has grown by about 10% and the rest of the growth has mostly come out of the higher pricing.

Sanjesh Jain: Got it. And what are the measures we are taking to drive the growth in the absence of EO availability?

Sunil Chari: So, there is lot of new products which we have now implemented which includes the trace minerals, the vitamin premixes, the enzyme premixes in Animal Health and Nutrition. We have also lot of esters, NMMO is now gaining traction and there are also products which are NMM and NFM which have gained traction. Esters especially which is non-EO has gained a lot of volumes and if you see Agro, in spite of the lean Agro season, Agro has part ethoxylate but there is also lot of non-ethoxylate raw materials in an Agro formulation. That has even grown over last year. So, there has been a healthy growth in spite of the markets being very slow this is there.

The pharma, which is the higher value, I think we did more than Rs. 50 crore last year and this year we should do Rs. 70 – Rs. 75 crore in pharma this year. So, these are all driving the new products, but we are also looking at higher when we reacts an EO with a say a lauryl alcohol ethoxylate. When a lauryl alcohol ethoxylate is two mole lauryl alcohol ethoxylate then the EO component is less and the non-EO is more. So, what we try to do is we try to find formulations where there is less EO and higher non-EO component and that is how we have been able to drive the growth and use the capacities.

Sanjesh Jain: That is clear. So, what kind of growth can these bring because EO was an established product, there was decent amount of demand for EO in India. Now that we are moving out of EO and trying to create a new volume there, what kind of growth can we anticipate there?

Sunil Chari: I think we are expecting more EO by the end of this year, hopefully will come before December. We should see a good amount of growth because lot of capacities which we have installed even in areas where there is no EO requirement, that will ramp up in the current financial year. So, we should see a healthy growth, Sanjesh ji, this year.

Sanjesh Jain: One question on the margin ex of the retail, if I look at the institutional margin, last year we did what 16% margin, we are now at 15.8% to 13.6%. Now, is it because there is a delay in the price increase or it is just because we are doing EBITDA per kg same revenue increase is largely because how should we see profitability in a scenario of rising price increase for us?

Sunil Chari: To add here, the EBITDA per kilo would be a better metric. Also, we have had a lot of volatility in buying our raw materials and in freight costs. Freight went down in the last few weeks, and now it has shot up again for the orders we are executing now, which we took in the last 4 weeks. The freight has gone up substantially.

And this is, I think, also due to the non-operative costs as we are growing into newer geographies. We are putting in a lot of effort, for example, in the Saudi Arabian market, where costs go up. These are seeding costs that put pressure on the margins. We should see a gradual ramp-up. Our focus as a company is to achieve EBITDA margins of 15% plus.

Sanjesh Jain: At the consolidated level or for a core level?

Sunil Chari: We only talked about consolidated level, sir.

Sanjesh Jain: Okay, only at the consolidated level. Very clear.

Ketan Sablok: Sanjesh, just to add to what Mr. Chari said that certain raw material prices in this quarter really shot up. For us, planning our RM purchases was also a big challenge. At least, I can say that one raw material, in particular, greatly impacted this quarter in terms of the pricing. In anticipation that the prices would go up further, we did a slightly larger block of purchase, but then the market moved the other way. That also impacted in this quarter.

But I think that was a one-off case, and we are now back to the earlier pricing of that raw material. However, that is the business dynamic you will see happening, especially in the current global geopolitics scenario. That has also impacted this quarter.

Sanjesh Jain: One follow-up question here, this quarter around when we were speaking to lot of chemical companies, the chemical companies which were focused at domestic business did quite well because everybody was looking for a raw material security, there was an inventory gain, the spreads went out on a PPP basis. But if I look at our number, that trend really is not showing up. What have we missed because other companies which are heavily dependent on domestic focus business are doing really well in Q1?

Sunil Chari: Sanjesh-ji, to add here, companies where there is a single raw material or a single product, for example, companies that make soda ash or acetic acid, companies like these that make single molecules, made a good amount of money. But in specialty chemicals, a lot of our raw materials bore the brunt, and we took that hit. For example, the product that Ketan ji is talking about is phenol.

We took a hit of around Rs. 5 crore in the last quarter on phenol alone because shipments from China were promised, and we had contracted them at a certain price. However, the shipments got delayed somewhere and arrived nearly one month later. In the meanwhile, we had to buy from the market to supply to our customers, and those purchases were at very high prices. This caused a lot of issues in the last quarter, but I think, hopefully, we are over that now.

Sanjesh Jain: Got it. How should we see now that EO availability there is an increasing visibility? What is the growth we are looking for FY27 and FY28 from an EBITDA and PAT perspective?

Ketan Sablok: This year Sanjesh, I would still stick to our 15% kind of growth, something we had spoken about even in our last call, even though this this quarter has been a stronger quarter for us. But given the way things are happening globally, it is becoming a little bit difficult for us now to even predict our numbers on a quarterly basis. On an annualized basis, I think we would stick to our earlier estimates that we had shared of around 15% kind of top-line growth.

Sanjesh Jain: But should FY28 be better with the increased availability of EO?

Ketan Sablok: Yes, FY28 should be better, hoping that the availability of EO will come on stream by the end of this calendar year and then we will have a full year next year in FY28 with additional EO.

Sanjesh Jain: One last from the capital deployment. What is the CAPEX we are looking for the India entity and have we started spending anything on the expansion in the KSA or that is on the hold given the West Asia crisis?

Ketan Sablok: No. So, in in India currently we have slowed down on all the CAPEX spends because we are now doing very calibrated spending on new CAPEX. Only certain new products or new molecules that are in R&D, we will go ahead with that, including some of these pharma molecules and aroma chemicals etcetera.

But otherwise, no large spend are intent this year and the next year would be to ensure the spends that we have done, we start utilizing them well in the capacities. And in the KSA front, I think very initial kind of spends have happened. These are more in operational and exploratory pre-operational kind of expenses.

Our intent for KSA still remains the same. Even given the current situation, we are pretty much bullish on our project there and we are talking to lot of partners in terms of suppliers, project consultants, lot of these discussions are happening and also some deep discussions are happening with the ministry there at the KSA and they are very keen that we partner with them and with the raw material suppliers and set up the downstream products ASAP. Our plan for KSA remains the same.

Moderator: We will take the next question from the line of Rohit Nagraj from 360 One Capital.

Rohit Nagraj: Thanks for the opportunity and congrats on good operating performance. First question and again apologies to delve on the KSA front. Once we finalize the investment from that particular point in time in terms of announcing the investment and commercialization of the project starting production, what could be the gestation period that we are looking at? Thank you.

Sunil Chari: Rohit-ji, Namaste. This is Chari speaking. It should take about 1.5 years for us to start the first kilo of production once we make the announcement.

Rohit Nagraj: Right. And here initially we will be targeting only ethoxylates or will there be any other chemistries that also we are simultaneously looking at?

Sunil Chari: No, both EO and non EO products. Wherever we find that starting production offers the benefit of higher margins or higher realizations, we will go there. But it is a project that is a mix of EO and non EO products.

Rohit Nagraj: Right, got that. Second question in terms of the financials. One in terms of the interest cost has certainly increased and has been increasing over last few quarters. What is the kind of debt that we are currently having and average cost of debt given that during this quarter we have spent almost Rs. 11 crore on interest expenses? Thank you.

Ketan Sablok: Yes, Rohit. On the debt profile, this quarter our net debt is about Rs. 248 crore. In March, this was about Rs. 280 crore. We have come down slightly on the net debt position.

As regards interest, the interest cost is higher this quarter because the term loans related to the CAPEX have been capitalized, and some of the interest from the earlier year, last year, and part of the year before that was capitalized.

Now since the CAPEX have come on stream, the project has started delivering. The interest cost is now coming in the P&L. That is also why the interest cost is higher. But I think now going forward the finance cost should be at close to this Rs. 9 crore to Rs. 10 crore kind of a run rate.

Rohit Nagraj: And sir, the office space that we have sold, so where have we recognized and how much has been the money that we have received from the same?

Ketan Sablok: These have been recognized in other income. Last quarter Q4 we sold off our Kanjurmarg office it was close to Rs. 24 crore. And this quarter we have sold our Andheri office, so there we sold it for about Rs. 10.5 crore.

Rohit Nagraj: Okay, but our other income for this quarter has been Rs. 3.2 crore.

Ketan Sablok: Yes, because only the profit element comes here. This office was in Unitop's name, and when we did the consolidation, we revalued all the assets. This was revalued 5 years back at that current market price. Hence you see a lower a profit on that.

Rohit Nagraj: Correct. And just one last clarification on the B2B business. I think last 2 to 3 years we have invested materially in terms of the marketing distribution network. Currently would those investments be continuing or would I mean we have stopped those investments and we will just try to consolidate, earn more revenues from the investments that have been made? Thank you.

Sunil Chari: Here, to answer this question, Rohit ji, we will have to continue to be present in the market. For example, exhibitions, customer visits, and customer interactions will definitely have to continue because we are looking at scaling up Rossari to more than double from here over the next four years. That will continue to happen. We will not stop seeding these initiatives just to show a slightly higher EBITDA margin.

Moderator: We have the next question from the line of Rohan Picha from Dexter Capital.

Rohan Picha: I just wanted to know, we will be having some visibility over the EO supplier, right? Will there be some margin improvement in terms of let us say gross margin whenever we get the supply? Yes, that is my first question?

Sunil Chari: Margin improvement will depend on the EO pricing at that time, but it will also depend on the product mix that we have at that time. Definitely, we would look at improving the gross margin profile, but the EO pricing is controlled and is based on the world EO pricing. And in India we have a sole supplier, so we do not have the opportunity to negotiate on our EO price which we get. But the supplier is very reputed corporate, and they are very fair in pricing, enabling us to remain globally competitive.

Rohan Picha: Got it. No, I was asking this because most of our EO plants are being used for non-EO purposes as well, right? So, will there be some margin improvements based on some product mix or something like that?

Sunil Chari: If you see our EO capacity now is practically 100% utilized except for a small addition in the batch reactors. There is more in the non-batch which is continuous ethoxylation which is the MDEA plant where we had a major investment and that you know ramping up should happen in the next 12 month. So, we should definitely see higher margins there.

Moderator: Thank you very much. Ladies and gentlemen, that was the last question. I now hand the conference back to the management for the closing comments. Thank you and over to you, sir.

Edward Menezes: Thank you. I thank all of you for joining our earnings conference call. I hope we have been able to answer all your questions satisfactorily. Should you need any further clarifications or would like to know more about the company, please feel free to contact our team or CDR India. Thank you once again for taking the time to join us on this call and have a good day.
