

May 04, 2026

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Dear Sir/Madam,

Sub.: Transcript of the Earnings Conference Call held on April 28, 2026 for Q4 & FY26

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 April 21, 2026, regarding Earnings Conference call with Analyst(s)/Investor(s) held on Tuesday, April 28, 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
Company Secretary & Head - Legal
Membership No.: A38895

Encl.: as above

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(An ISO 9001:2015 & 14001:2015 Certified Company) (CIN: L24100MH2009PLC194818)

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Rossari Biotech Limited

Q4 & FY26 Earnings Conference Call Transcript

April 28, 2026

Moderator: Ladies and gentlemen, good day, and welcome to the Rossari Biotech Limited Earnings Conference Call.

I will now hand the conference over to Mr. Mitesh Jain from CDR India for opening remarks. Thank you and over to you, Mitesh.

Mitesh Jain: Thank you, Rutuja. Good evening, everyone, and thank you for joining us on Rossari Biotech Limited's Q4 and FY26 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. Thank you and 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 as we discuss our operational and financial performance for the quarter, and the full year ended March 31, 2026.

We concluded FY26 on a very strong note, with Q4 marking our highest-ever quarterly revenue and EBITDA performance. For the full year, we delivered revenue growth of 15%, which was primarily volume driven. Performance during the year was supported by healthy traction across businesses and steady progress in the

international markets. While the year saw its share of external challenges, including volatility in certain raw materials, markets and disruptions arising from geopolitical developments in the Middle East, the business remained resilient with all our key segments delivering healthy growth during the quarter.

A key area of focus for us continues to be R&D and innovation. We are gradually evolving from a formulation-led approach towards developing broader platform technologies with multi-vertical applicability, enabling more scalable and differentiated solutions across end user segments. During the year, this translated into meaningful progress in product development and application-led innovation with newer products contributing increasingly to the business and sustainable chemistries, including biosurfactants gaining traction.

To further strengthen this capability, we set up a new R&D facility in Navi Mumbai, which brings together our existing R&D operations, including the IIT Mumbai center under one roof. We expect this facility to provide a stronger platform for innovation, product development and application-led research while also improving collaboration and supporting faster scale-up of new technologies in line with our long-term growth priorities.

On the manufacturing front, Unitop commissioned additional ethoxylation capacity at Dahej taking the total installed ethoxylation capacity to 66,000 metric tons per annum. This expansion enhances supply reliability and improves our ability to serve customer requirements more effectively. At the same time, we are reviewing our broader investment plans across businesses in line with evolving business requirements and market conditions.

We are also working to strengthen the operational backbone of the organization. Our SAP S/4HANA implementation is helping create a stronger digital foundation across the business, improving visibility, coordination and decision-making across functions. In parallel, we continue to advance our responsible manufacturing agenda through structured waste management and sustainability led operational practices.

Overall, FY26 has been a year of strong execution, capability building and strategic progress. With a diversified portfolio, strengthened R&D capabilities and expanding capacities, we believe we are well placed to drive the next phase of growth in a more integrated innovation-led and scalable manner.

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

Sunil Chari:

Thank you, Edward sir, and a warm namaste to everyone.

FY26 was a year of steady progress for the Company, and we are pleased to report a strong finish to the year. Our performance during the quarter was broad-based with all 3 business segments delivering healthy double-digit growth. A diversified portfolio and balanced exposure across end markets supported performance during the period despite a dynamic operating environment.

From a segment perspective, HPPC delivered growth of 18% during the quarter, Textiles grew by 20% and AHN recorded a growth of 14%. This performance was supported by continued customer engagement, product development efforts and steady execution. Our focus remains on strengthening customer relationships, expanding the product basket, improving market penetration and building scale in relevant chemistries and applications.

On the export front, we witnessed continued momentum during the year with exports growing by 11% YoY in FY26 supported by deeper engagement with existing customers and expansion into geographies across Latin America, Europe, Southeast Asia and Africa. Our focus on increasing wallet share with key partners and expanding into newer markets continues to strengthen our international binder business and diversify our growth profile.

On the domestic side, demand conditions remain relatively soft during certain periods of the year. Performance in the institutional and B2C businesses also remain subdued. As discussed earlier, we are actively undertaking cost optimization and portfolio rationalization initiatives in this segment.

On the international expansion front, we are making progress on our proposed initiative in the Kingdom of Saudi Arabia. As shared earlier, this remains an important strategic step towards strengthening our long-term manufacturing footprint and enhancing supply side competitiveness. In spite of the recent geopolitical developments, we remain confident of our Kingdom of Saudi Arabia expansion plans.

At the same time, we remain watchful of the external environment. The ongoing conflict in the Middle East has created uncertainty across raw material markets, supply chains and logistics and this may have an impact over the coming quarters. While our Saudi initiative reflects a long-term strategic direction, our immediate focus remains on navigating the current environment through closer customer engagement, calibrated pricing actions and disciplined execution.

Overall, we remain committed to building the business with a clear focus on growth and long-term value creation. The strategic steps we have taken across capacity expansion, portfolio development, customer relationships, exports and international initiatives are steadily strengthening the foundation of the business. We believe these efforts are putting the right building blocks in place to significantly accelerate growth over the next 2 to 3 years. As we move forward, our focus will remain on disciplined execution, strengthening our market position and building a more scalable and resilient platform for future growth.

Thank you once again for your continued support. And 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 and the year ended March 31, 2026.

In Q4 FY26, we delivered a strong performance with revenue from operations at Rs. 684.9 crore registering a growth of 18% YoY. EBITDA for the quarter stood at Rs. 77.3 crore, up 11% YoY with an EBITDA margin of 11.3% compared to 12% in the corresponding period last year. Notably, this quarter marked the company's highest ever quarterly revenue and absolute EBITDA performance.

For the full year FY26, revenue from operations stood at Rs. 2,396.4 crore, reflecting a growth of 15% YoY. EBITDA for the year was at Rs. 286 crore, up 8% YoY, while EBITDA margin stood at 11.9% compared to 12.7% in FY25. The year's performance was supported by healthy growth across business segments even as margins remained influenced by the prevailing cost environment.

Gross margins during the period were relatively lower with the quarter's sales mix having an impact on the overall margin profile. Also, March saw some raw material price increases, some of them were to the tune of 25% to 30%, which impacted the costs. Some of our older orders for the quarter were also honored in the month of March. Some of these cost increases have since been passed on to the customers and some of them are in the process of happening over the month of April and May. That said, higher revenues along with disciplined cost management and operating efficiencies helped contain the impact at the EBITDA level.

Our institutional and B2C businesses continued to operate in a challenging environment during the year, which had an impact on overall profitability. We are taking calibrated steps to optimize costs and improve operational efficiencies in this segment. While growth in these verticals remained muted, losses have continued to moderate through the second half of the year. This is driven by our focus on

improving product mix, enhancing operational efficiency and maintaining cost discipline. Excluding the institutional and the B2C businesses, our core B2B operations delivered an EBITDA margin of 14% for the year, reflecting the underlying strength and stability of our core business.

On the cost front, expenses remained elevated during the year primarily on account of ongoing investments in capacity expansion, new business development and capability building. As these investments scale up and utilization improves, we expect the operating leverage to support margin improvement over the coming years.

The other income during the quarter includes sales of our office space in Mumbai. The net income from these sales is Rs. 19 crore. This is our first step towards liquidating some of our non-core assets. More of these we plan to do during this current year.

Our balance sheet remains strong with healthy liquidity and comfortable leverage levels providing us flexibility to pursue our growth initiatives. We continue to focus on efficient working capital management and improving operational efficiencies across businesses. In this step, we internally have decided to rephase our earlier CAPEX spend, which was announced in April of Rs. 192 crore across Rossari, Unitop and Tristar. The re-evaluation of this said investment plan is being done in light of the evolving business requirements and the market conditions.

As we move into FY27, our focus will remain on improving capacity utilization, driving operating efficiencies and scaling our growth initiatives in a calibrated manner. We also remain focused on enhancing margin profile through better product mix, operating leverage and continued cost control while maintaining a prudent approach to capital allocation and balance sheet strength. That is all from my side.

Thank you, everyone. I would now request Mitesh to open up for question and answers.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Madhur Rathi from Counter Cyclical Investments.

Madhur Rathi: Sir, firstly, if you could tell us that what is the expectation shareholders should be having for FY27 considering the Iran war and increase in raw materials and so on. What kind of growth are we looking at top line and what should be the consolidated operating margins that we are expecting?

Ketan Sablok: Madhur, currently, as you know, the situation is very dynamic, things are changing every day. But for us, I think internally what we see and what we have planned for our growth for the next year, we will continue to do at least minimum similar kind of growth that we have done in this year. Hopefully, if things improve, our growth trajectory will be much better. We will have the new capacities now on stream for the full year and we are expecting the new EO capacities at Reliance to also come in the later part of this year probably by Q3, that is what we have. Currently the way we understand, minimum we should be able to deliver this kind of a growth that we have done in this year and if the situation globally improves, it will only add on to our growth plans.

Madhur Rathi: What about the EBITDA margins?

Ketan Sablok: Currently, the EBITDA margins will remain at these current levels between 12% to 13%. There are certain initiatives which we have planned for this year in terms of getting into some of better margin segments like pharma, etcetera. Some of those will come into play probably by the second half of this year and that should help us improve the margins. But currently, what we would like to put forth is the current margins will be maintained in the next year also.

Madhur Rathi: Understood. Sir, if you could give us some idea about segment-wise margins broadly like HPPC and textile specialty chemical and animal nutrition business. Each of this business, what is the EBITDA margin profile?

Ketan Sablok: This data we do not put forth, and we do not talk about it. But to give you a sense of the margins, at the EBITDA level, these 3 businesses stay at the company level margins. Some of them could be slightly higher 1% or 2% plus/minus, but generally they are at the same level. On the gross margin side, I can give you a feeler that textiles has a decent gross margin. AHN has a higher margin and HPPC, it is a mix of both agro, non-agro and other products, the gross margins are a mixed bag. But the cost profiles in each of these businesses, the fixed cost profiles are slightly varied and at the EBITDA level, they generally come out to be the company level EBITDA.

Madhur Rathi: Okay. Sir, at least if you could give us some sense that which of these 3 divisions enjoys the highest margins and which enjoys the lowest margin. That will be enough for shareholders to at least get a sense that in future if the mix changes, then what should be the impact on the margins that is where I am coming from?

Ketan Sablok: At the gross margin level, I think the smallest business segment of ours AHN enjoys the highest gross margin. But within HPPC, if you ask me, the agro and the oil and gas have better gross margins, and pharma is a segment that we are going to start

expanding from this year. Once that business becomes a reasonable size, it is going to fetch us the highest gross margins across all the segments.

Madhur Rathi: Okay. What about textile is the lowest?

Ketan Sablok: Textile again has a split of specialty and little bit of the commodity chemicals and the specialty textile, margins are very healthy.

Madhur Rathi: Sir, in each of these divisions, who would be our closest competitors?

Sunil Chari: As we have given in the past in Animal Health Nutrition, there are global majors like Kemin, Cargill, Novus, Vetnax which is Pfizer, which has now become Zoetis. Then there are companies from Indian markets like Natural Remedies and Jubilant who are there in the animal nutrition market. In the textile, majorly we have Archroma, who also has a constant portfolio and the BSF portfolio and a leader, but there are other multinationals like Croda, like CHT and Pulcra.

In Home, Personal Care and Performance Chemicals, in different segments, we are different, but the global surfactant majors like BASF, Dow, Lubrizol, Syensqo, Evonik. They are the players who rule the market globally, but there are other companies like SABIC from Saudi Arabia, Petronas who have integrated, but also Chinese companies are there. In the Indian market there is imports coming from all the sources, but also some domestic players like India Glycols, which is also there.

Madhur Rathi: Understood. Sir, in textile chemical there is a listed company, Fineotex Chemical, are they our competitor or it is a different business?

Sunil Chari: No, they also have textile chemicals and other specialty chemicals.

Madhur Rathi: Is it like-to-like product portfolio or is it varied?

Sunil Chari: I cannot comment because I do not know their portfolio.

Madhur Rathi: Okay. Sir, post this CAPEX that is expected to get completed, what will be the peak revenue potential of the company? If you operate at full utilization across our manufacturing facilities, across divisions, then what is the broad top line that we will be able to achieve?

Ketan Sablok: We should do an asset turn of at least between 3-4x at peak utilization.

Madhur Rathi: Understood. Okay sir. Thanks a lot and sir, one last thing, sir. We are trading at less than 10x EBITDA, which is a historical low. Any plans to do a share buyback?

Ketan Sablok: No, we have nothing like that on the cards.

Moderator: The next question is from the line of Rohit Nagraj from 360 ONE Capital.

Rohit Nagraj: Thanks for the opportunity and good to hear the volume growth coming back. Two questions on the business side and a couple of questions on the financial side. First, in terms of sourcing of raw material, how much of our RM basket is crude linked? In terms of sourcing, how are we currently placed both from acrylic acid and EO, which are again crude linked? Lastly, in terms of domestic and international sourcing, how does that also look like? Thank you.

Sunil Chari: Namaste, Rohit ji. This is Sunil Chari here. Currently, our raw material position looks to be stable. Our supply chain teams have been able to maintain all the raw materials. We do not have stock shortages for any raw materials. Ethylene Oxide supply also is very stable, we have no worries on that. Raw material prices have gone up and raw material prices we have been able to pass through in the current marketplace.

Ethylene Oxide is made domestically so we have no imports. As you know, we do not have too much imports of our raw materials so whatever raw materials are there, so phenol is available from various sources including Thailand, Malaysia, India and China and we are not buying anything from the Middle East now. But there is also a lot of material coming from U.S. which does not pass through the Strait of Hormuz.

Then there is similar other raw materials like acetic acid, which is plenty of other sources. We have silicones which are coming from China. Acrylic acid is something which India manufactures and it comes from various sources. Unlike other industries, our dependence on Middle East is not as much as the other countries. Of course prices globally have risen.

Last quarter, last month especially, we had to buy some raw materials at higher prices because we had orders from the customers and that impacted our gross margins. But from this month onwards, we have been able to pass through all our high purchase raw materials into adding margins and getting the final prices. The customers are accepting because everybody can see the global geopolitical situation. Going forward also, I do not foresee any issues on RM sourcing and availability for the range of raw materials which we buy.

Rohit Nagraj: Sure. That is helpful. Second question in terms of just to understand the postponement of CAPEX. It was exactly 1 year back, we had announced we were

supposed to commission it now. Why such a late announcement in terms of postponing it? What has been the main factor for reconsidering it? Thank you.

Ketan Sablok:

Rohit, on the capex front, you would have seen that our earlier capex was delayed, particularly the ethoxylation capacities, which were initially expected to come on stream the year before last. However, as Reliance revised its capacity expansion plans, we also moderated our capex spend. We have now partly capitalized this capacity in Q3, with the balance being capitalized in Q4, in the month of March.

The other CAPEX plan that we had announced in April last year had a mix of products in the amine range, as well as some pilot plants and R&D expansion at the sites. As the earlier capex experienced some delays, we decided not to immediately commence spending on this plan, keeping in mind the current business environment and the overall global situation that is prevailing.

Also, the spend which we had planned for the R&D at sites, we went ahead and we have now set up this new R&D facility at Navi Mumbai. Probably, we plan to meet our R&D needs from here itself. Some of the other smaller products and amines that we had planned, it is not that we have decided not to go ahead with these. We now rephased this entire spend over this year and partly into next year. That is something which we are internally still planning out how we should spend because that total spend was also to the tune of Rs. 190 crore if you add up at all the three sites.

There has been a slight change in our strategy, as well as in response to the business environment, but the spend will happen. These are new products which we are working on. Some of them we will definitely do this year because there is ongoing work on one of the pharma products that will surely come up sometime this year. But some of the other spends, we will probably relook and rephrase. It is just an optimization of our spend in terms of cash flow management and the ratios that we are looking, ROCEs. We would like at least the current capacity to generate some of the returns that we have earmarked, and then probably go ahead and spend on these remaining CAPEX plans. That is what was the thought, and since we felt it was prudent, we decided to communicate this to investors and everyone about this.

Rohit Nagraj:

Just one allied question on that. In terms of CAPEX, what is the number that we are looking this year? And current what is the gross debt, including the long term as well as working capital and given that the CAPEX plan is now mellowed down, we will be looking at pairing of the debt in the next 1 -1.5 years?

Ketan Sablok:

Yes. The CAPEX plan for this year would be I think anything between Rs. 50 crore to Rs. 75 crore, that is the plan. We would not like to spend anything more than that

and even at very peak levels, we would reach Rs. 70 crore - Rs. 75 crore number. And in terms of the debt that we have now, we have ~Rs. 200-odd crore of long-term debt, and the balance is the short-term working capital borrowings.

Some of the other plans that we have in this year. One, of course to use the cash flows to bring down the overall debt levels. And secondly, we also plan to shed some of the non-core assets on our books. One we already did in the last quarter, which was the office space in Mumbai. We have a couple of more office spaces here and some more assets across India that we are currently not utilizing. We will try to get rid of all these non-core assets. And there are also some further plans in terms of trimming our product profile and business segments. Some of them we plan to implement this year. All these, we expect, will help improve our cash flows and prune down the overall debt probably by the end of this year. That is the plan, over this year and probably in another 18 months, we should be able to bring down our debt significantly. The target is to actually get debt free in the next 18 months, but the time will tell. Currently, the plan is to keep bringing down our debt over the next 18 months.

Rohit Nagraj:

Sure. That is helpful. One more last question in terms of current ethoxylation, after the 66,000 tons, what is the utilization level that we are currently working on? And in terms of the ethoxylate product, how has been the response from the customers given that the raw material prices have gone up and consequently the product prices have also gone up? How comfortable are the customers to pay for it or is there any demand side challenge which may emanate if not now or maybe a month, couple of months later? Thank you.

Sunil Chari:

There is no demand side challenge, orders remain robust. The agro season is dependent on El Nino. The El Nino effect can affect the agro season. It is too early to comment, but we had worries last year also, but nothing materialized. Other than that, the global situation we do not see any fall in demand. We see a good pipeline of projects, which our sales teams and business development teams have worked on in the last 12 months, and we should be able to see results from those initiatives.

Rohit Nagraj:

And the utilization level for ethoxylation currently?

Sunil Chari:

Utilization levels for ethoxylation are practically 90% to 100%, whatever maximum we can do. We run 24/7 days, 365 days a year and apart from whatever gets stopped for expansion, we do not have a single downtime in anything. And we have added it to new expansion capacities. We are confident that Reliance will release more EO from December when their partial expansion is done because more is coming up in the next December that is what is the plan. We should see availability of EO, and we have the capacities and we think the market is also there.

Moderator: The next question is from the line of Maitri Shah from Sapphire Capital.

Maitri Shah: I have a couple of questions. Firstly, you mentioned that we are doing around Rs. 50 crore to Rs. 70 crore CAPEX for FY27 and part of it is going for the pharma facility. Any other CAPEX are we adding other than the pharma facility for this year?

Ketan Sablok: Yes. Apart from the pharma facility, we are going to do a couple of small CAPEXES. One of them is probably going to be in the aroma chemical space. These are the 2 that we have at least now concluded we should do it in this year. These two are the big ones, big in the sense that they are within the Rs. 50 crore range.

Maitri Shah: Okay. Secondly, on the pharma side, you mentioned that our margins are the gross margins are the highest among them all. What exactly are we targeting in pharma? Do we currently have a clientele based on it? And how are we kind of expanding the pharma portfolio from now on?

Sunil Chari: See, among all our chemistries, we have surfactant, acrylic, enzymes and silicones, all of these can go into the pharma. Presently, our focus is on the surfactant chemistry, polyethylene glycols, but there are a host of other products. Polyethylene glycol comes in different molecular weight, for example we sell polyethylene glycol in 400, 600, 1,000, 2,000, 3,350, 4,000, 6,000, 10,000, 20,000 and above. All these are areas which can go into the pharma, but there are also other esters which we manufacture which can go into pharma. The focus would also be on coating products, as well as products that can be used to make gels for pharma and personal care, these are products which we are focusing on in pharma.

Maitri Shah: Okay, that is great. Okay. Secondly, on the margins so you have guided for 12% to 13% margin on a consol basis, but we have seen the margins kind of drop quarter-on-quarter this year for FY26, and you did alluded for that kind of like a mix change we had, we also had raw material price increase. What sort of initiatives are we taking on like kind of supporting the EBITDA margins right now? And how confident are we on maintaining this 12%-13% guidance for FY27 and also for the next year, FY28?

Sunil Chari: See, this year, one of our initiatives is to sell some assets and businesses that are not core to our operations, which require a lot of investment to grow, especially the consumer businesses that are pulling down our gross margins and our EBITDA margins. Once these businesses are no longer part of Rossari, our margins should automatically improve.

The second part is that we are now focusing on value-added products, products that have higher margins, while consciously cutting down on low-margin products. This

should also help us to increase our margins. The focus on food, personal care, pharma, cosmetics and also, animal health and nutrition. These are all high-margin areas which we want to focus on. We have the products, we have the approvals, and we see a gradual increase in both the gross and EBITDA margins.

Maitri Shah: Okay. Any sort of metric you can kind of provide us with what sort of value-added sales we have for like FY26, maybe from next quarter onwards so we could kind of track on how we are growing on that number, if that is possible?

Ketan Sablok: We would not be able to share so much of detail, but we will think about this how we can do it, improve on the data that we currently provide in the presentation.

Maitri Shah: Okay. And our core B2B business has close to 14% EBITDA margin. What sort of revenues are they contributing to and how do you see that kind of scaling up? Because once that kind of business grows, we can see on a consol basis a quite higher margin going forward?

Ketan Sablok: Yes. Most of the growth that we have discussed now are all going to happen in our core B2B business. On the consumer side of the business, we are in fact relooking at the entire business and the product profile in that business. There also we are trying to ensure that we only work on products where the margins are stronger, that is what the plan is. But yes, most of this growth that we talked about is all going to happen in our B2B business.

Maitri Shah: Okay. And what percentage of revenue is contributed from this B2B business currently FY26?

Ketan Sablok: From the total, you can subtract about Rs. 250 crore to Rs. 260 crore of B2C business, balance everything is the B2B. Even in the presentation, you can have a look.

Maitri Shah: Okay. And on the revenue side, you mentioned that at least we are going to target 15% growth for FY27 as well. But any new drivers that you expect kind of increasing or reaching up the growth to like the higher side of the double like 20% growth moving forward, if you could mention those?

Ketan Sablok: Yes. As I said, the capacities that we have put up in FY26, we will have this at least for more than half the year, next year assuming the EO availability also comes through by the second half. And then of course the segments that we are looking at are the pharma, the agro and these 2 are going to be the current segments which are going to drive the growth and the new segments of pharma that we are planning to get into. That will also add though may not add a big number, but it will help at

least penetrate the market for the coming years. And thirdly, the oil and gas is another segment that is going to drive growth in the current year. These 3-4 initiatives will help us drive the 15% plus growth that we talked about.

Maitri Shah: That is great. And the cost-cutting kind of initiatives that we mentioned before that we are taking in effect from next year, could you elaborate on that or how the quantitative benefits of that will happen over the next 2 to 3 years, if that is possible to quantify?

Ketan Sablok: Cost cutting in a sense, see, we have already in this year spent a lot of cost in terms of employing talent. If you see our employee cost have gone up significantly in FY26 if you compare with the earlier years. But that was a sort of an investment which we did willingly given our plans for expansions in the next few years. Hopefully, the employee cost expense will not grow at similar levels though we will be taking in some new talent also, but not at the same kind of numbers. And apart from that, as Mr. Chari also said, we will be moving out of lot of our non-core businesses.

We are evaluating, how we should restructure our business segments, some of these consumer-focused business, which really, we are not able to give the kind of time, energy, money that is required for their growth. If we can cash out of these businesses, then I think it will help us streamline our core business and it will also help these businesses to take their own path of growth with whoever comes in. This is something which we do not have anything concrete as of now, but these are some of the things that we are looking at so that we can keep growing in our core business.

Maitri Shah: Yes. And the consumer-focused business, what sort of asset block does pertain to that kind of vertical right now? And is it fungible? Are we going to move it to the B2B side or are we actually going to be selling out a lot of the non-core assets? And if you could quantify what amount of assets we have planned to sell?

Ketan Sablok: Yes, they do not account for too much of our asset block. Most of our asset blocks are for the B2B businesses. These are only add-on blocks that we had, which we carved out of our B2B segment assets to do some of these consumer products. They do not account for too much of our asset block.

Maitri Shah: Any quantification of how much of the value we are going to be selling?

Ketan Sablok: I do not have offhand this number.

Maitri Shah: That makes sense. And the Thailand textile facility, how has been going on? Did we record any revenues in the fourth quarter? And what sort of guidance would you give on the revenues that we can realize in FY27?

Ketan Sablok: Yes. Thailand plant has come on stream in the last quarter towards the end of March. It is a small blending unit that we have set up. It is not a full-scale textile chemical plant. The plan is to do some blending in Thailand to meet the customer requirements of Southeast Asia. And also, the plan is that some of the raw materials for our blending activities we can bring in directly there from China at more competitive rate.

Yes, Thailand is going to now start contributing meaningfully from this year, probably from the quarter 2 onwards we should see meaningful ramp-up in the Thailand facility. We will start off with textile, we will do a little bit of AHN also, that is the plan and then we will see how it ramps up, how the customers react to the products from there. And then probably we will think of adding some more products within our other basket of home and personal care also.

Maitri Shah: Okay. That is great. And just last question, I am so sorry. But the peak revenue that you can kind of gauge from the Thailand plant currently is how much?

Ketan Sablok: Yes. We should do about I think between Rs. 50 crore - Rs. 75 crore at its peak since it is blending so it depends a lot on the product also and what kind of blends we do, but at peak, we can achieve Rs. 50 crore - Rs. 75 crore of revenue.

Maitri Shah: And this will be over and above the 15% growth that you are targeting for FY27?

Ketan Sablok: No, this is all inclusive of that, but we will not reach Rs. 50 crore in this year itself.

Maitri Shah: Yes, that is sure. But the Thailand revenues are inclusive in the 15% growth?

Ketan Sablok: They are all part of this 15%.

Moderator: The next question is from the line of Tanvi Warekar from Anand Rathi Institutional Equities.

Tanvi Warekar: My first question is on the pass-through that we were able to do in March some of it and some of it will be in April and May. Can you outline is there any challenge in any particular segment in pass-through or is it broad?

Sunil Chari: No, there is no challenge. We have been able to pass it through from 1st of April. Pass-through is easy for all the products. We have some resistance in textile industry, but we are controlling the supplies and ensuring that we do at profitable margins everywhere.

Tanvi Warekar: All right. And just one on the capacity related. 15,000 tons in Unitop which was commissioned in Q2 FY26, that capacity was roughly around 10% to 15% utilization in Q3. What is the current utilization that was done in Q4?

Sunil Chari: It is little more, better than Q3. We do not have the exact figures. I do not have the exact figures now, but it is ramping up. Everything is ramping up now.

Tanvi Warekar: The growth that came in from the subsidiary in Q4, that is largely on the higher utilization of that capacity, right?

Sunil Chari: Perfect. Yes.

Tanvi Warekar: And there was a premix plant that was supposed to come up in Q1 FY27. Are we still doing that in the same timeline or is that also delayed?

Ketan Sablok: No. That is already been commissioned.

Tanvi Warekar: Okay. All right.

Ketan Sablok: We see revenues coming from the premix starting this quarter.

Moderator: The next question is from the line of Harsh Mutha from Neo Group.

Harsh Mutha: Sir, I was asking what is the percentage of revenue that we generate from our Top 10 customers?

Ketan Sablok: We would be doing between 12%-13%, not more than that. Our products are very well diversified. The concentration is very less. Our Top 10 customers would be I think between 12%-ish is what I have offhand number.

Sunil Chari: We do not have any customer which is more than 2% of our sales. We now have very good diversification in terms of customers.

Harsh Mutha: What percentage of our customers are repeat customers basically?

Sunil Chari: Practically we have been growing. For example if you see in the last 6 years, we have grown 25% CAGR in sales and we have grown 18% CAGR in profits and that would majorly come from repeat sales, but also getting new customers, but also getting new products in the existing customers. Getting a bigger wallet in every customer is something which we always target.

Moderator: The next question is from the line of Mihir Damania from Fident AMC.

Mihir Damania: Hi. What explains the difference between the standalone and consolidated profit in this quarter? The standalone profit seems to be higher than the consolidated number?

Ketan Sablok: I do not think you should see the numbers separately. It is better to see it at a consolidated level because now the business mix is such that we sell similar products from subsidiaries to certain customers, the same products to certain customers from Rossari. Most of the sales currently is happening out of the Rossari company, because Rossari is the registered supplier for most of the customers in India as well as globally.

Hence while some of the products are manufactured at the subsidiaries, some part of their end blending could happen in Rossari and vice versa. That mix between standalone revenue and consolidated could keep changing quarter-on-quarter. The best way to look at the performance is at the consolidated level.

Mihir Damania: Okay. Got it. Would you like to probably give like a timeline or a rupee value amount of divestment of non-core assets? Just a ballpark range is fine?

Ketan Sablok: No, we would not like to hazard any number. See, this is something which we are still internally working on. At an appropriate time when we have something on hand, we will come back and talk about it.

Mihir Damania: But suffice to say that the divestment will happen in FY27?

Ketan Sablok: No, that also we cannot give you any timeline. The plan is we would like it to happen in 2027, but it could take more than a year, 2 years. But my aim of talking about it is that strategically we are looking at getting out of these non-core businesses. It could take its own time. We should get a proper value for the business. We built this business over the last so many years. We would like to exit it at a good value and exit it to a customer who would be able to grow this business because these businesses have lot of inherent strength to grow.

Mihir Damania: Okay. And just 1 clarification from the promoter. There were some rumours of promoter kind of selling some stake or exiting the entire company on the new shares somewhere in the month of Jan and Feb. Any clarification on this, sir?

Sunil Chari: I think there is nothing of such at all. We are all sitting, working and focusing on growth. Market rumours will come and go. There is nothing on the plan at this moment.

Moderator: The next question is from the line of Madhur Rathi from Counter Cyclical Investments.

- Madhur Rathi:** Thank you for the opportunity once again. It seems that our B2C business is loss-making currently. What kind of working capital requirements have we invested in this business on the Rs. 250 crore - Rs. 260 crore revenue that we have currently?
- Ketan Sablok:** It would have similar kind of working capital, the kind we have in the company. At a net working capital would be close to 90-odd days in this business.
- Madhur Rathi:** Okay. Got it. Sir, it seems like on a revenue potential basis, we could do Rs. 3,500 crore on our current asset base. How should we see the ramp-up maybe over the next 3-4 years? Will it be driven by customer addition or will it be driven by the solution that we are trying to move towards pharma, oil and gas, these solutions? Like although scale-up might take time due to this high margin segment, but whatever incremental revenue will come it will be at a better margin. How should I look at that segment?
- Sunil Chari:** You are talking about growth at a company level or growth in pharma segment?
- Madhur Rathi:** Sir, I am talking about the growth at company level, but what I understood from this call was we are trying to move towards more value-added products going forward. A lot of incremental growth will come from these pharma, oil and gas, these kind of segments. Yes, I am trying to understand on that front?
- Sunil Chari:** Yes. But not only the pharma or oil and gas, there is aroma, personal care, food processing and there is institutional chemicals, cleaning chemicals for health and hygiene. It will be spread across different segments, but also animal health and nutrition could be a good driver for our increased margins. Our focus remains now on getting into a higher orbit for the EBITDA. The teams are being tuned, trained, made to focus that in each business we have to improve our return on capital employed and return on EBITDA margins.
- Madhur Rathi:** Sir, it seems that these businesses will have a higher gestation period v/s our current customer where we are already a qualified vendor. I am trying to understand how should I look from a gestation period perspective for like ramp-up towards optimum utilization of our capacities?
- Ketan Sablok:** The expectation is that that ramp-up will happen over the next 2-3 years. While we will be getting into some of these high value-added segments, our current segments of core agro and textile and AHN will keep seeing their latent growth happening parallelly. Even in Personal Care, the phenoxy business where we are one of the largest globally and with the new capacities coming up, we are getting into newer markets across the globe.

The North American market we are looking at both for the personal care and the agro business. In the Latin America, we are already strong in agro, we are trying to build the business there. Again in textile, we are ramping up our exports business through Bangladesh, the Southeast Asia, Asian countries, through Thailand and also Turkey and Brazil. These are some of the markets within textiles where we expect the export growth to outperform our domestic growth in textile.

Similarly, AHN with this new premix facility coming up, we should see this part of this ramp-up happening this year and a full-scale premix facility capacity enhancement in the next year. All these I think are plans that we have on the table, I think that is what makes us pretty bullish on that at least a minimum 15% growth coming in FY27.

Moderator: The next question is from the line of Rohit Nagraj from 360 ONE Capital.

Rohit Nagraj: Just one clarification on the institutional business. We have been seeding this business, but FY26 performance has been relatively muted with expanding losses. How are we looking at it in terms of scaling up and when do we now expect breakeven happening? Is it going to be FY27 - FY28, any timeline on that?

Sunil Chari: In FY27, we should look at breakeven or even profitability, along with the divestment of some lower-margin businesses or those that contributed to EBITDA losses. We feel that FY27 should be a very good year for the institutional business.

Moderator: Ladies and gentlemen, that was the last question. I now hand the conference over to the management for closing comments.

Edward Menezes: Thank you, everyone. 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 good evening.

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