

January 23, 2026

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Dear Sir/Madam,

Sub.: Transcript of the Earnings Conference Call held on January 19, 2026 for Q3 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 January 13, 2026, regarding Earnings Conference call with Analyst(s)/Investor(s) held on Monday, January 19, 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
Head - Company Secretary & 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

Q3 FY26 Earnings Conference Call Transcript

January 19, 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, Ryan. Good evening, everyone, and thank you for joining us on Rossari Biotech Limited's Q3 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.

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 Q3 FY 2026 operational and financial performance.

We delivered a healthy 13% year-on-year growth in Q3 FY26 despite a softer domestic demand environment. The opening backdrop remained challenging. However, our diversified business model and strong customer relationships enabled us to sustain our growth momentum. All business segments registered year-on-year growth, supported by healthy volumes and sustained customer engagement.

While profitability in the near term was impacted by ongoing investments in capacity expansion, product development and market-seeding initiatives as well as higher employee-related costs following the implementation of the new labor codes, we remain confident that operating leverage, scale benefits and an improving product mix will support margin improvement over time.

On the manufacturing front, we are pleased to report that the newly commissioned 15,000 MTPA Ethoxylation facility at Unitop is witnessing a steady ramp-up utilization. Availability of Ethylene Oxide continues to be a near-term constraint. However, we are managing supplies prudently and are encouraged by indications that the situation should ease during the course of this calendar year. In the interim, we are leveraging the fungibility of our reactors to progressively scale up non-Ethylene Oxide product lines, ensuring that the new capacity contributes meaningfully to production and throughput. This balanced approach enables us to optimize asset utilization while we prepare for a more favorable Ethylene Oxide supply environment ahead.

In parallel, our phased capacity expansion program across verticals continues to progress well, strengthening our manufacturing capabilities. In addition, the Board has granted in-principle approval for setting up greenfield specialty chemicals manufacturing facility in the Kingdom of Saudi Arabia under Rossari International Limited Company, our wholly owned subsidiary. The proposed project aims to enhance supply chain resilience, improve speed to market and support the company's international growth strategy.

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.

Q3 FY26 was a relatively softer quarter compared to Q2, yet we delivered healthy year-on-year growth, supported by our diversified portfolio. While domestic demand remained muted in certain segments, exports continued to provide support to overall performance through deeper engagement with key customers and expansion in a few geographies.

HPPC segment delivered 11% YoY growth, reflecting stable demand amid a muted business domestic environment. The Textile Specialty Chemicals segment delivered a healthy growth of 18% YoY, while the Animal Health and Nutrition business reported a strong growth of 39% YoY, driven by improved traction across key end-

user markets. This broad-based segmental performance helped support overall growth during the quarter.

On the institutional and B2C front, performance remains subdued in Q3. However, we are making steady progress on cost and portfolio optimization and remain focused on selectively scaling this vertical with a long-term perspective on profitability.

On the export front, our international business continued to contribute meaningfully, growing by 26% in 9M FY26, driven by focus efforts to deepen relationships in key geographies, expand our customer base and increase wallet share with strategic partners. Our growing global footprint and ability to offer customized solutions-led chemistries continue to strengthen our positioning across international markets.

Further to what Edward-ji outlined earlier, we view the Board's in-principle approval to set up greenfield specialty chemicals manufacturing facilities in KSA as an important strategic step for the company. This initiative is aligned with our focus on strengthening supply chain resilience in improving speed-to-market, expand global footprint, enabling flexible and scalable production. KSA also offers strategic proximity to key export markets, for example, Europe and MENA including Africa, and deepening presence in segments like oil and gas, enabling faster delivery and improved customer responsiveness across the region.

Subject to customary evaluation of and receipt of necessary regulatory and statutory approvals, we will move towards implementation of the project, which is intended to be funded through a prudent mix of equity, debt and internal accruals while also exploring available regional incentives. Once commissioned, the facilities are expected to cater to strong regional demand for value-added specialty products and support export opportunities. We believe this platform will play a pivotal role in accelerating our international growth and strengthening Rossari's positioning as a leading global player in specialty chemicals.

To summarize, Q3 FY26 reflects our ability to deliver steady growth in a challenging environment while continuing to invest for the future. With our expanding capacities, strengthening product portfolios and strategic steps to build a more resilient and globally competitive manufacturing platform, we believe we are well positioned to drive sustainable profitable growth going forward. With that, I now request Ketan-ji to take you through the financial highlights for the quarter.

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

Ketan Sablok:

Thank you, Mr. Chari, and good evening, everyone. Let me take you through the financial highlights for the quarter ended December 31, 2025.

In Q3 FY26, consolidated revenues grew by 13% YoY to Rs. 581.7 crore, supported by steady performance across our core businesses and continued contribution from international markets. Consolidated EBITDA for the quarter stood at Rs. 68.9 crore with an EBITDA margin of 11.8%. Profitability during the quarter was impacted by ongoing investment in capacity expansion, new product development, market-seeding initiatives, as well as the impact of implementation of new labour codes.

Excluding the institutional and B2C business, our core B2B operations delivered an EBITDA of Rs. 72 crore with a margin of approximately 14%, which is marginally lower than our normalized margin band of 15%-16%.

Our institutional and B2C businesses continued to operate in a challenging environment during the quarter. While growth of these verticals remaining muted, losses have continued to moderate driven by our focus on improved product mix, enhancing operational efficiency and maintaining cost discipline. We are also closely evaluating our plans for non-profitable products in this portfolio and assessing their contribution to the growth relative to their impact on profitability.

On the capex front, our phased expansion program across Rossari and Unitop continues to progress. These investments are being funded through a mix of internal accruals and debt and are aimed to strengthen manufacturing capabilities, improving supply reliability and supporting the future growth.

With respect to the proposed greenfield specialty chemicals manufacturing facilities in KSA, for almost a year we have been exploring a few geographies for setting up potential specialty chemical manufacturing facility. We now see the possibility to be able to do this in KSA, and hence, the Board has granted us an in-principle approval for this. And now we will be evaluating this further towards setting up a manufacturing facility. The project progress will be subject to all customary evaluations and the necessary statutory and regulatory approvals. We will keep updating the progress to the investors going forward.

Our balance sheet remains strong with healthy liquidity and conservative leverage, providing us sufficient flexibility to pursue our growth initiatives. On working capital, the position improved sequentially in Q3 with better collection during this quarter. While we continue to hold selective strategic inventory for key raw materials, overall, the working capital is moving back towards the normalized levels.

As we look ahead, our priorities remain focused on improving capacity utilization, strengthening our product portfolio and remaining financially disciplined to drive sustainable and profitable growth. With a clear investment road map, we are well placed to execute our growth initiatives in a calibrated manner. With this, I conclude my remarks.

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

Moderator: Thank you. We take the first question from the line of Rehan Saiyyed from Trinetra Asset Managers. Please go ahead.

Rehan Saiyyed: Yes. My first question is on Dahej and Unitop on the capacity addition side. So, with the successful commissioning of 20,000 million tons per annum at Dahej and 15,000 million tons per annum at Unitop and when do you expect operating leverage to fully kick in into the return consolidated EBITDA margins to the 13% level seen in FY25? This is my first question?

Ketan Sablok: Yes. Rehan, I was not very clear, but I think I have got the gist of what you were asking. The part of the Ethoxylation capacity came up in the last quarter. And the balance second phase is expected to come onstream in this quarter, which is Q4. The ramp-up will then happen. The first phase is now slowly getting ramped up.

We would have done utilization of about 10% to-15% during this quarter. And the optimal utilization of both these facilities will take at least 2 years-plus for us to reach the optimal capacity utilization. So that is what the plan is. As the capacity utilizations go up, we will see some of the operating leverage playing out.

Rehan Saiyyed: I just want to wrap up that you are saying that until late end of 2027, we see operating leverage will be the same, right?

Sunil Chari: Yes. The ramp-up of utilization will take, as I said, 2 years, so yes, around 2027. By 2027, we should see these capacities getting fully utilized.

Rehan Saiyyed: You have mentioned targeting MNC customers for cross-selling. Does the move toward an overseas manufacturing setup imply that your current export model from India is getting logistical or cost disadvantage that your lean manufactured in principle at Dahej can no longer mitigate risk?

Ketan Sablok: I think from what I understood, our plans of exploring overseas expansion has not really got to do much with the tariffs, because the tariff thing came out now while we have been working on this almost a year now, on our future strategy and plans. It is

not really linked to the tariff and we have been able to grow our exports pretty well in the last 1.5-2 years.

And I think that is one of the reason what drives us to set up a facility outside because now our export market is pretty strong. We have a good customer network. And I think based on that, we would be able to really service these customers pretty well from a facility which is outside India. So that was the overall thinking.

Moderator: Thank you. We take the next question from the line of Sanjesh Jain from ICICI Securities. Please go ahead.

Sanjesh Jain: Yes, good afternoon, sir. Thanks for the opportunity. I got a few questions. First, on the expansion into the KSA, can you help us understand what kind of investment are we looking there from a setup perspective? Because it is a greenfield, we have to buy the land and put the capexes, build an admin office here. What kind of investment are we looking there?

Ketan Sablok: Yes, as I was saying, after looking at a few geographies over the past few months, we zeroed down on KSA and now the Board has given us an in-principle go ahead to start evaluating this further, and that is what we are going to do now.

We have already formed a company in KSA, as we had disclosed a few quarters back. And this project, as and when it comes up, it will come up under this entity. Now we will all start working on the evaluation process, the project cost, the land availability. We are already speaking currently to a few authorities in KSA in terms of availability of land, raw materials and other things. As these things get more fructified and we have a more clear understanding of the project, I think that would be the right time for us to come back and give a little more details about the project. To go ahead, we have talked to the Board, and the Board told us that in principally we can go ahead and start exploring this opportunity.

And KSA kind of suited us well in terms of supply chain, expanded global footprint, more flexibility, scalable production opportunities. And it also had the close proximity to a lot of our export markets, Europe, Africa, MENA region. Also the fact that we are also now exploring to get a little deeper on the oil and gas side of the business. Yes, that is basically what this KSA initiative is as of now.

Sanjesh Jain: But just to understand what advantage are we looking at that is not offering which India does not offer? Because I have not seen many of the Indian Chemicals Company not going outside of India, if somebody has explored purely either for the technology now or there are some kind of a restriction from India to export. But really

from a chemical manufacturing perspective, at least the larger setup in India has always been in India. Now why does the change of thought as far as Rossari goes? And we do not have a real established export business. We are a new baby in the export market, and we are trying to invest so much ahead of the time without any anchor customer or a very large contract. Now what is giving that confidence or what is driving this all expansion through a KSA?

Ketan Sablok:

The primary advantage that is flowing in KSA is the availability of raw material. We are already speaking to a few suppliers with whom we plan to get into a long-term contract at a specific pricing formulae, which will give us a substantial advantage in terms of both availability and price.

Secondly, in terms of the technology and the product profile, we have just set up a project here in India. And the current plan is that the facility will be on similar lines as what we have done here in India. We already are aware of the technology, the product dynamics.

Thirdly, on the customer front, we have done a complete mapping of the requirements of customers both in the GCC region, in Europe, and in Latin America, in which we are already working from here. But within the GCC region and specifically locally in KSA, we have also talked to a lot of customers. And as this project moves ahead, we have our understanding with at least 2 customers currently for supply of products. Much of these actual agreements and documentation will happen as we envisage the project going forward.

We are currently also not signing up too much because we want to first evaluate the project, the cost, the returns, etc., and then go ahead. But both on the raw material side as well as on the end customer side, we have pretty much a very good level of discussions with both suppliers and potential customers.

Sanjesh Jain:

Got it. My next question is on the profitability. I was just looking at the numbers. Starting 4Q FY23, we are at 3Q FY26, our numbers at the PAT level has been broadly at around Rs. 300 million per quarter. It has barely changed and our ROCE now stands at sub-15%, close to 13%. Now how are we looking at scaling the profitability? Now it has been 3 years. ROCEs are at a level post tax close to WACC. How are we looking these financial metrics changing in next 2 years? And what will drive this?

Ketan Sablok:

I think profitability has been around the same level now for last many quarters. We are strategically now looking at bringing out more of higher margin segments. One is that the B2C segment of ours is really pulling us down. We had certain plans and

strategy to grow that business, but it seems that the things in the B2C vertical are not really playing out the way we were expecting it to do. Yes, we are re-looking at that business all over again to reduce losses. And on a longer-term basis, also, we are assessing this piece of business of ours, and maybe in the next few quarters we may take some decisions on how we really plan to or what we plan to do with this B2C vertical. But apart from that, I think some of these capacity additions which we have done, which partly have come up in the last quarter, some of them will come up in this quarter. We are quite hopeful that the margin profile going forward should start seeing some upside.

The EO challenge, currently, because of the overall subdued market, we are not facing any issues in terms of EO availability. But as the ramp-up starts happening in the next year, there could be a few months where EO could be an issue. We really do not know how it is going to pan out. But the expansion on the side of the supplier is going on stream. We have been told that the additional volumes should come up by Q3 FY27. Hopefully, post that, then there should not be any issues on EO availability. So that is how, at least for the next year or two, we are looking at the India part of the business to grow.

Sanjesh Jain: Ketan-ji, there was one question here. I thought we had a lot of opportunity locally, where Edward sir had said, talked about extensively the new product development we have done, new category development we have done, new vertical development, seeding that we have done in last 3 years. I thought there was a heavy lifting done in India, and I thought that would be more focused on encashing the efforts that have gone in last 3-4 years.

We are stretching the management bandwidth by expanding into KSA and all. Just wanted to understand for next 2 years what remains the priority both on the revenue category growth, investment and on the profitability?

Ketan Sablok: Sanjesh, I think we have been very focused on product development. We have now kind of enhanced our entire R&D capabilities. Last 6 months, we have bought in certain senior people in the R&D function. Some of these product developments that are going on currently, we should see some of these playing out in the near future. And in terms of priority, I think the India business remains the topmost priority for us, and that is the reason why we have done so much of investments in the last one year. And the priority will remain to ensure the capacities get utilized ASAP, and these new product developments that currently are happening, they start showing up in the numbers.

And in terms of the KSA, the KSA team, we are slowly setting up. As I said, it is currently just work in progress. It is now that we will start, now that the Board has given us the approval, we will start a little more deeper on the project side. But that team is going to be completely different. We have already identified 2 senior project professionals who are going to join us once we internally give a greenlight to this project. And both of them will be based out of KSA.

And I do not think the current teams will get stressed. It will be a completely separate team with an overall view from the senior management here and the senior project team here. These are some of the initial planning. I do not think there is priority one and priority two. Priority continues to be the India business and then the KSA business, as and when it pans out, we will have separate people looking at that.

Sanjesh Jain: I thought we had developed a team in Vietnam and Bangladesh to develop the export market.

Ketan Sablok: The team in Vietnam, Bangladesh were primarily focused for the Textile business to start with. The fact that you are seeing the textile numbers showing an improvement has got a lot to do with the Textile export seeing a significant growth in this quarter. We are very much aligned on both these geographies. And also to add to that, we are in the process of doing that small formulation facility in Thailand. So that should also come upstream, maybe by end of Q4 or early Q1. And there also, to start with, we will see textile formulations and textile products manufacturing. And then probably, once that gets set up, we can add other products of AHN and maybe some products of HPPC. All these Vietnam and Southeast Asia initiatives were primarily for textile.

And if you see in 9 months, the entire growth of textile that has happened is all out of exports. Exports have grown almost 30% year-on-year.

Sunil Chari: Sanjesh Ji and Ketan Ji, the Bangladesh team also has been able to ramp up the Animal and Nutrition exports. We have now good exports of AHN to the Bangladesh market and our new trace mineral and the vitamin premix plant which is now ready to start hopefully in this quarter. This will add good volumes to this.

Sanjesh-ji, also want to add here that it was Trump's tariff, which saw this muted growth. But December has been very strong for us. And in fact, we are very bullish now, in these times now, that in spite of all the problems, global specialty chemical industries especially from China, we have continued to grow quarter-on-quarter. Third quarter is normally a little weaker quarter because first and second quarter we have our Agro. We hope to do much better in this quarter. In terms of export and to

add for the Saudi Arabiplans, what we realized in the last couple of years after ramping up for exports is that there are a range of products which have a good potential in surfactants and also non-EO products. And where we saw that there is a potential possibility for us to get raw materials in Saudi Arabia at close to 35% lesser cost than India, and there is something different for raw materials because Saudi Arabia is a hub for the petrochemical industry.

And the products which are competitive compared to China in Saudi Arabia, are the products we are focusing. We are still fine-tuning, and we expect a very healthy IRR and ROCE for the projects and the Board was convinced on this possibility. Sorry, Sanjesh-ji, I interrupted. Please continue.

Sanjesh Jain: No. That was very helpful, Chari Ji. Just one last question on the profitability. We were at 18% odd when we did the IPO. It came down to 14%. Now we are at sub-12%. How should we see this profitability? And this is on the fact that raw material prices have significantly dropped from where we were today. I think per kg basis, it would have deteriorated further. How do we see profitability from here? I think that is very critical from the return ratio perspective.

Ketan Sablok: Sanjesh, at least for the balance part of this year and the next year, until the EO supply situation comes through by Q3, we would hazard that our margins would be in this similar range between 12%-13% unless we take, what I talked about on the B2C business. If something happens on that side, then maybe there could be some improvement.

Otherwise at overall company level, it should be between this 12%-13%, at least for the next year, while we are working on improving the product mix. As I said, some of these products which we are developing now should see the production coming up in next year. But shorn off the B2C, I think we should be in that 15%-odd range.

Sunil Chari: Sanjesh-ji, I want to add here, the new R&D products which are developed, if you see our sales of new products now is 20%-plus. We are planning to sell part of our consumer businesses, we are expecting even about Rs. 150 crore coming into the company for sale of this. We are expecting a good valuation for the same. Consumer businesses require money, investment, some amount of cash burn, investment in marketing promotions, free sampling, which we are not doing now. This would automatically bring our profits back to 15%. The new plants, which are there, for the fermentation, the bio-surfactants, In fact, today, we have news that the best personal care company in the world has approved our bio-surfactants. 2 big multinationals of the world have approved this globally now. We are hoping that we will do, whatever, 300 tons of bio-surfactant next year in the production would all get sold up. We are

expecting a much better percentage of EBITDA in the coming financial year besides growth in terms of amount. This year, what we do, we will see a healthy growth both in percentage and also an amount definitely.

Sanjesh Jain: Got it sir, and congratulations for your successful approval of bio-surfactant. I hope that turns out to be a big churn for us, at least from a margin perspective. Great to see it.

Sunil Chari: Yes, sir, definitely. Thank you, sir.

Moderator: We take the next question from the line of Ranvir Singh from Nuvama Wealth Management.

Ranvir Singh: Basically, I wanted to understand the capacity expansion, what we are talking about. Can you quantify the kind of capacity utilization currently at the new facility at Dahej under Unitop as well as in Rossari also?

Ketan Sablok: The new facility at Unitop has got capitalized in the last quarter. The runs are happening. It will take some time for the plant to stabilize. Currently, if you ask me in this quarter, the utilization would be at a low of between 10%-15%. But as the plant gets stabilized and as the product continuous process starts going through, I think the capacities will slowly see a ramp-up. We expect an optimal utilization happening over the next 2 years.

Ranvir Singh: 10% to 15% capacity utilization, we are talking about 75,000 metric ton capacity, installed capacity. We are talking about that, right?

Ketan Sablok: We are talking about 15,000 tons.

Ranvir Singh: Okay. And by end of FY27, what kind of ramp up, though it may not be very clearly visible, but if you can just some ballpark number what kind of capacity utilization this facility may see by end of FY27?

Ketan Sablok: It can go up to 90% capacity utilization.

Ranvir Singh: And we see in this quarter like that textile business what you had said has seen very strong performance. Going forward, because the last few quarters has been muted and so we see the sudden spurt in demand or we see this is going to sustain over a few quarters now?

Ketan Sablok: Yes. In Textile business much of the growth this quarter, it has happened across both the domestic and the export market. The export is driven by new customers. We have added a lot of new geographies like Turkey, Uzbekistan, Morocco,

Philippines, Indonesia., These are all the new countries where we have started adding customers. We also increased the number of stock points.

In India, of course, the demand is a little soft because some of the end customers, like the large ones like Welspun, Indo Count have got a little impacted because of the tariff situation. But otherwise, we have seen a good offtake in other markets like Surat, Ludhiana and all. This quarter, we saw some of that playing out because last couple of quarters, the domestic was very slow, but maybe some demand came in, so we We were able to see a good ramp-up in the domestic also.

But going forward, I think in Q4, it will be an average growth for us because domestic, unless and until some clarity comes on the tariff side and the end market demand goes up, we do not expect any major increase in sales. Exports should continue to do well. And we are already working in some more markets and some newer products so that should keep doing well. Next year, I think a lot of the textile growth will happen through the export side as our Thailand unit will also become functional. And then we will be able to supply a lot of our newer customers in Southeast Asia, Bangladesh, etcetera, from the Thailand entity.

Ranvir Singh: Okay. And one last question on CAPEX side, although that Greenfield facility at KSA is in general valuation. But apart from this, major CAPEX we believe has already been done or for FY27, if you could guide something about the capex.

Ketan Sablok: Most of the capacity enhancement capexes have been done. For the next 2-3 years, we may have some CAPEX towards new product development, piloting, R&D, etcetera. But capacity enhancement capex are done and the aim would be now for the next 2-3 years to optimally utilize these capacities, bring in newer products and fill up the plants in India.

Ranvir Singh: Okay. How much capex we have capitalized in FY26?

Ketan Sablok: By the end of FY26, we would have capitalized total close to, I think, about Rs. 200 crore. I do not have the exact number, but it will be around that number across the group.

Moderator: Thank you. We take the next question from the line of Atishray Malhan from Abakkus Mutual Fund. Please go ahead.

Atishray Malhan: Hi, good evening to the team. Can you help me bifurcate the revenue growth in Q3 and 9M FY26 between volume and price growth on a consolidated level and if possible, in the three business segments as well?

Ketan Sablok: As I was saying, most of the growth that we have seen on a YoY basis had all come out of the volume growth. Some price increase would have taken, but I think that the increase in one gets knocked off by a decrease in pricing in the other. But on an overall basis, we have seen our volume growth happening close to almost 10%-12%. We can assume that the entire growth is out of volume itself.

Atishray Malhan: Okay. And this would be true for 9 months FY26 as well?

Ketan Sablok: Yes.

Atishray Malhan: Okay. And I think in your earlier comments, you have alluded to the fact that there is some demand softness in the domestic market. Can you just probably go into a bit more detail as to which end user segments are seeing this weakness and some of the reasons as to why?

Ketan Sablok: In the domestic, I think particularly we have been impacted is in the textile division. That is where the end-use segments or the end-use customers have seen a drop in volumes. Also, in HPPC business, in Europe, the sentiments have been very low. There also we have seen on the export side some softness. But overall, we have been able to make up for Europe with other geographies like MENA and the Middle East and Turkey, etcetera.

If you see our months of October and part of November were really very soft for us. The demand was very low, especially in the HPPC. But then again in the month of December we saw the demand picking back and lot of the subdued demand actually came up in December. We are hopeful that going forward, at least in Q4, we should see a better demand outlook compared to what was there in Q3.

And apart from that, I think textile, as I said, domestically, yes, there was softness. We are seeing that for the past almost many quarters. But in this quarter, if you ask me specifically, as I said earlier, we saw a little bit of demand coming back in textile. But we would not assume that that is going to be the story going forward. It was just probably a quarter-specific phenomenon. But we just have to wait and see how that plays out, but we are going to make it up more through our exports.

Atishray Malhan: Okay. And this quarter, you have seen quite good growth in Animal Health business. If you could just elaborate as to where this growth is coming from and how sustainable is it going forward?

Ketan Sablok: Yes. In AHN, we saw good demand this quarter. The second half generally is a better half for AHN when you compare with the earlier half. Also now in AHN, we are

focusing to drive sales through key accounts. Some of that is playing out now. Hopefully, we should see that coming up also going forward.

Again, our export initiative in AHN is also now laid out. We have seen some of it happening in this quarter. There are a lot of countries we are adding. Some of them being Nepal, Bangladesh. We have also done some business in Egypt, Nigeria, Thailand and also a few countries in South America. And we are also working towards registration in a few more countries in Southeast Asia and in the Central European region.

I think these will play out, plus our premix plant will come onstream by the end of this quarter or early Q1. Next year, premix plant should also add into the AHN volumes. I think a lot of the back-end work for the next growth trajectory for AHN has been done in the last 6 months, and we should see some good numbers at least going forward from next year.

Atishray Malhan: Okay. Just one last one from my end. Based on some of the comments you have just made, the sense I am getting is that this quarter and perhaps in the next coming quarters, exports is perhaps something that is going to perform better than domestics. But your long-term focus or long-term growth is still going to be driven primarily by the domestic market. Is that a correct understanding?

Ketan Sablok: If you see the exports trajectory of ours, it has consistently grown quarter-on-quarter. Some of the muted demand of the domestic market has been more than made up by the exports. If you see in these 9 months, export has grown almost 26% v/s last year while domestic has grown only 10%. And today, in these 9 months, the export piece is close to 30% of our turnover, maybe 3-4 years back, this number used to be less than 20%.

Going forward also, we expect the export to keep growing, maybe not at this rate of 26%, but it will see a good rate of growth. Probably the rate of growth will be better than that of the domestic market, unless the domestic sentiment really changes, especially in Textiles and the FMCG business, but otherwise, export will continue to grow.

Moderator: We take the next question from the line of Tanvi Warekhar from Anand Rathi Institutional Equities. Please go ahead.

Tanvi Warekhar: Just two quick questions. What is the export contribution for this quarter? And you had also announced non-EO based CAPEX at Rossari and Unitop in Dahej. Is there any delay in the commissioning of those capexes?

Ketan Sablok: Export contribution in this quarter is 33% of the total turnover. And on a 9-month basis, it is about 30%.

Tanvi Warekhar: Alright sir.

Ketan Sablok: And all our CAPEXES are going as per plan. They are onstream. The balance Ethoxylation capacity should come in onstream in this quarter itself.

Tanvi Warekhar: No. I am saying non-EO based capacities that was announced for Unitop, Tristar and Rossari.

Ketan Sablok: Those will happen in the next year. They are more phased out capexes and more towards product development.

Tanvi Warekhar: Second half? So around second half?

Ketan Sablok: Yes, some of them will come in Q3 and some in Q4.

Tanvi Warekhar: Okay, sir. And just one last one. You had announced that for the Saudi Arabia, there was an investment of roughly \$8 million. And apart from this, will there be any other capex to set up the facility?

Ketan Sablok: No.

Tanvi Warekhar: That is not the capex amount?

Ketan Sablok: No, that is not the CAPEX amount. That \$8 million was just an approval taken for doing any kind of equity infusion for us to do the evaluation process. The capex will be substantially higher than that. That was only an initial approval we have taken to start, as I said, now in-principle approval has come and we will need to start doing a lot of groundwork there.

So, for that, you need some spend which will happen there. That is the reason we have taken an initial approval of equity infusion of \$8 million, that is not for the capex. The detailing of the capex will happen once we have done our assessment, and evaluation exercise. We will come back once we get a formal Board approval on the capex amount.

Moderator: Thank you. Ladies and gentlemen, as there are no further questions from the participants, I now hand the conference over to the management for their 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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