November 26, 2025

SE/CS/2025-26/25

Listing Department	Listing Department
BSE Limited	**National Stock Exchange of India Limited**
Phiroze Jeejeebhoy Towers	Exchange Plaza, Plot no. C/1, G Block
Dalal Street, Fort, Mumbai – 400 001	Bandra-Kurla Complex, Bandra (W), Mumbai – 400 051
Scrip Code-**544450**	Scrip Code-**CHEMBONDCH**

Ref: ISIN: INE0TGX01019

Sub: Transcript of the Analyst/ Investors meet ((Virtual - Mode) held on November 21, 2025

Dear Sir/Madam,

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, we enclosed the transcript of the "Analyst/ Investor Meet - Unaudited Financial Results for the Second quarter and Half year ended September 30, 2025", held on Friday, November 21, 2025.

This transcript is also being uploaded on the Company's website at www.chembondindia.com.

Please note that, further to our letter bearing no. SE/CS/2025-26/24 dated November 21, 2025 we hereby providing the revised link to access the audio/video recording of said Analyst/ Investor Meet is: https://www.chembondindia.com/wp-content/uploads/2025/11/AudioVideo-Recording-of-AnalystInvestor-meet-Q2-H1-2025-2026.mp4

Kindly take the same on record.

Thanking You.

KIRAN SUBHASH MUKADAM

Digitally signed by KIRAN SUBHASH MUKADAM Date: 2025.11.26 10:08:29 +05'30'

Kiran Mukadam
Company Secretary
Chembond Chemicals Limited
formerly Chembond Chemical Specialties Limited

Encl: a/a

Quicker ∞ Stronger ∞ Innovative

CHEMBOND CHEMICALS LIMITED
TRANSCRIPT OF 1st ANALYST / INVESTOR CONFERENCE CALL
Q2 & HALF YEAR RESULTS ENDED ON SEPTEMBER 30, 2025

Speakers:

- Mr. Nirmal V. Shah – Chairman and Managing Director
- Mr. Vinod Deshpande - Executive Director, Chembond Water Technologies Limited (Material Subsidiary)
- Mrs. Prachi Mahadik - Chief Financial Officer

Moderator:

- Mr. Kiran Mukadam, Company Secretary & Compliance Officer

Kiran Mukadam Good afternoon, everyone. Nirmal Sir, can we start?

Nirmal Shah Yes, we can

Kiran Mukadam OK. Thank you. Good afternoon, everyone on behalf of Company, I would like to welcome you all Chembond Chemicals first Investor/ Analyst meet for quarter second and H1 F26. This meet is scheduled at 3:30 pm and will conclude at 4:30 pm.

Today on this meet we have with us from the management, Mr Nirmal Vinod Shah, Chairman and Managing Director, Mr Vinod Deshpande, Executive Director of Camborne Water Technologies Limited. Which is material subsidiary of Chembond Chemicals Limited and Prachi Mahadik, Chief Financial Officer of the company, and myself, Kiran Mukadam, Company Secretary and Compliance Officer of the company.

We will begin the meeting with a brief opening remark of Nirmal, Sir, followed by presentation on Financial Results. After the presentation, we will proceed to question answer session.

Participant who wish to ask the question through audio and video can do so by presenting the raise hand icon on the bottom of your screen and wait for your turn to speak and participant who wish to ask question via chat, can click on the question answer icon on the bottom of your screen and post your questions there.

We request you to participate to keep their microphone muted during the opening remark and the presentation to ensure smooth and uninterpreted session.

Please note that certain statement made during the meet may be forward-looking in nature. Such forward-looking statement are subject to certain risks and uncertainties that could cause the actual result or projection to differ material from those statement. Chembond Chemicals will not be in any way responsible for any action taken on such statement and undertakes no obligation to publicly update this forward-looking statement.

I would like to now hand over the meet to Mr Nirmal Shah for his opening remark. Thank you. Over to you Sir.

Nirmal Shah Yes, Hi, good afternoon, everyone. I'm very glad to be here. Part of this first investor call being hosted by our company and many of you being shareholders, your company too without really spending too much time on you know my introduction and everything. I think we would like to spend as much time to walk you through the Financials as well as give you an overview of what Chembond does and then leave some more time for Q&A.

So without really getting into too much detail, can we start our presentation, Prachi?

Prachi Mahadik Good afternoon, all. I hope I'm audible.

Nirmal Shah Yes you are.

Prachi Mahadik Thank you, Sir. So myself, Mrs Prachi Mahadik. Good afternoon all to all investors. Management of Chembond, Kiran and everyone present over here. I'm the Chief financial officer of this company and I'm. I'll be now presenting the key highlights of this company which would include the overall performance, including a comparison with previous quarter and corresponding period of previous year. So I request Kiran to share this presentation. So this being our first Investor meet, I would like to give you a brief introduction on Chembond Chemicals. So starting with a snapshot slide on Chembond chemicals, so brief introduction. Chembond Chemicals was founded by Dr. Vinod Shah and we completed 50 years in this year. In 2025, our employee's strength in Chembond on Pan India basis is 950 employees on payroll and last year that is Financial year 24-25, our consolidated total revenues to that 290 crores. Last year we completed the demerger of our construction chemicals and water treatment business chemicals from Chembond Chemicals limited that was the earlier name, which is now Chembond Material Technologies Limited. Chembond Chemicals Limited is listed on both Stock Exchange, National Stock Exchange and Bombay Stock Exchange and we have our head office in Navi Mumbai, Maharashtra. We have three plants. That is our manufacturing locations, and they are at Gujarat, Himachal Pradesh and Tamil Nadu. Moving to next slide.

Our Board of Directors, these are our Board of directors for Chembond Chemicals Limited. They include renown names from various industries. We have from chemical industry, marketing industry, finance and legal. So these are our Board of directors. Coming to our core values, we in Chembond strongly believe in these following core values. So customer centric that is where customer focus. So customer first is the main core value to start with and then it is grow as we grow. We are setting higher standards for our products for the services which we render to our customers and customer satisfaction is of prior and utmost importance is the culture what we follow here, followed by partner driven mission harness the power of innovation and supplier of choice. So the objective is to become the supplier of choice for our customers. So these are our core values coming to our segment. Our business in Chembond Chemicals Limited is divided into these four segments. Water technologies, construction, chemicals, cleaning and hygiene and distribution water technologies constitutes the major business, followed by construction then distribution and then cleaning and hygiene. So now we move forward to each segment what we have and starting with water technologies, which is constituting to around 85 to 87% of our total business in Chembond. So you're in water technologies. We are into chemical solutions. We are into wastewater remediation. We also provide equipment solutions and we provide technical services that is online monitoring and we have a dedicated team providing these services at our customer side. For the water treatment chemicals, what we supply to our customers. These are our chemical programmes, so cooling water treatment, boiler water treatment, raw water clarification and effluent treatment, phone control. So these are our chemical programmes. What we do in water treatment chemical business.

Coming to next slide, these are the industries what we serve in water technologies. So these are the various industries where in the supply our customers are based from these industrial segment so coming to financial performance for water business unit and talking about revenue here in this slide, we are comparing half year, so half year current Financial year that is April to September 2026 as compared to half year April to September 2025, So in half year 2025 we were at 116.9 crores as against 120 crores in current half year. So here we are up by 2.65% in terms of revenue. This is on account of strong order booking what we have received in current Financial year also we have a healthy enquiry pipeline which is ongoing. We are seeing stability in our supply chain and equipment and system deliveries are also on schedule. So we hope H2 would be we also be growing at a steady rate.

The next comes our construction chemicals industries. So in construction chemicals industry, we are into the following products starting with admixtures, which is for concrete modification which is used in Road projects and infrastructure projects. Then we have sealants, we have waterproofing, we have repair products, we have curing agents, grouts and tilling adhesives and the customer segments, what we have in construction chemicals are roads, industrials and consultants, applicators on a majority followed by others like metros, bridges, dams and builders where we provide our material, admixture and sealants are provided in this category of customer segments.

Construction chemicals as a business unit, revenue performance over last five years and current half year, that is financial year 25-26. So here if we see there is a steady growth from 2022 financial year onwards till date. So if we see from Rs. 21.4 crores in Financial year 2023 we have moved word to Rs. 24.00 crores which is around 12% growth and from Rs. 24.00 crores we are at Rs. 28.8 Crores, that is Rs. 29.00 crores which is around 20% growth over financial year 2024, this half year financial year 2026, we closed at Rs. 11.2 crores and we hope that the second-half that is H2 would be performed still more better. So this first half year that is quarter one and quarter two. The sales are mostly affected by a monsoon. Prolonged monsoon had affected our sales but the trend is now on the growing side. So we hope it's to would be much better than each one.

Coming to our next segment that is cleaning and hygiene. So we are in cleaning and hygiene solutions. We are having a joint venture with Chembond calvatis which is a German based company and here in cleaning and hygiene our products are in cleaning and hygiene, our products and systems are for industrial applications and institutional applications. For industrial applications, we are into beverage, full processing, dairy and brewing industries and in institutional applications we are in kitchens, laundry and housekeeping departments. In terms of revenue, cleaning and hygiene is on a smaller scale, but yes, we are expanding in this area too. So these are the customer segments. What we have in cleaning and hygiene. So mainly it is food processing, dairy and beverage followed by kitchen, laundry and housekeeping.

The next business unit, what we have is chemical distribution, in chemical distribution we import stock and that is specialty chemicals is what we import and we sell here in domestic markets. So these are these products are identities which are mainly used for water treatment chemicals for construction chemicals and also polyethylene for primer sealants and coatings. So these are the products what we import and sell here in domestic market from this Chembond Chemical distribution division. So these were the business units what we operate in Chembond Chemicals Limited. and coming to now, the financial information that is consolidated information on all these business units taken together, we'll first have a look at quarterly Financials and then we'll move on to half year Financials. The Second quarter 25-26, our total consolidated revenue was at Rs. 73.04 crores. It was down as compared to Second quarter 24-25 by 3% so this down was account of construction chemicals distribution and cleaning hygiene, showing a downward trend. However, water technologies grew at 4%, but construction chemicals yes because of monsoon sales could not pick up which would not be the case now starting from September, October is the trend. What we are seeing. For Second quarter 25-26, I've consolidated EBITDA was at Rs.11.08 crores, which was up by 14% as compared to Second quarter of last financial year. EBITDA increased on account of good, good gross margins what we had and improved cost optimization.

Our consolidated PBT for second quarter 25-26 was at Rs. 9.62 crores, again up by 6% as compared to last quarter. So improved margins were on account of lower raw material cost and new product technologies which we brought in and our outlook remains positive across all business units. That is construction, chemical distribution and cleaning and hygiene. This is a track record of revenue on quarter-on-quarter basis. So starting from quarter four of Financial year 23-24 and moving till Second quarter 25-26 and we have highlighted quarter two quarter two comparison that is quarter two of current financial year versus quarter two of last financial year. So we see there is a growth. So there is a fall from Rs. 75 to Rs. 73.04 crores. So marginally, the revenue is down, but we hope this would improve in quarter three and quarter 4. Coming to the profitability of consolidated Financials quarter wise. So from quarter four 23- 24 again to quarter two 25-26, the trend is as shown in the bar diagram and if we compare current quarter two financial year 25-26 with quarter two of last financial year, we see a improvement. So our EBITDA for quarter two 25-26 at Rs. 11.1 crores as against Rs. 9.7 crores and PBT at Rs. 9.6 crores as against Rs. 9.1 crores. So improvement over last year same quarter. Quarter two financial year 25-26, some few key financial data points. So here we are comparing our current quarter July to September as against quarter one that is April to June of Financial year 25-26 and the change in terms of percentages over both the quarters.

So starting with operating income for quarter two at Rs. 73 crores as again Rs. 65.4 crores in quarter one, you see the change is around 11.7% in operating income are operating EBITDA at Rs. 10.7 crores as against Rs. 8.4 crores in last quarter one. So EBITDA has improved by 26.3%. In terms of EBITA margin our margin for quarter two at 14.6% as against 12.9%, so it has improved by 169 basis points. Our profit after tax at Rs. 7.2 crores as again Rs. 6.3 crores, an increase of 14.7% and profit after tax margin in terms of revenue is at 9.8% as compared to 9.6%, so 26. basis point improvement so quarter on quarter comparison we see there is a growth in terms of operating income. There is an improvement in a beta also there is an improvement in profit after tax. Coming to half year summary for Chembond Chemicals Limited on a consolidated basis. So our half year consolidated revenue stood at Rs. 138.40 crores. It was lowered by 1% as compared to last half year. So this marginal decrease was on account of construction chemicals and distribution segment distribution business unit going down. So Construction chemical was down by 6% and distribution by 30%, but yes, we expect in Q3 and Q4 these segments would go up. Water the technologies was higher at 5% as compared to the budget, what we have and cleaning and hygiene was also up by 3%. Our half year EBITA stood at Rs. 21.89 crores, which was higher by 15% as compared to last half year and our PBT stood at Rs. 19.42 crores, again higher by 13% as compared to last half year. So higher in EBITDA and PBT is mainly on account of improved margins because of lower raw material cost and the product technologies which were introduced in this half year and the revenue outlook remains positive for all our business units.

This is the revenue comparison of the business units. What we have half year comparison that is half year financial year 2024 as compared to half year Financial year 2025. So segment wise, water technologies is the highest contributing to 87% in last half year it was 84%. So the share has increased from 84 to 87%. Cleaning and hygiene remains same at 1%. Distribution share has come down from 8% to 6% and construction chemical share has come down by 1%. It was 8% in half year 2024 and now it is 7% in half year 2025. But we expect these businesses to grow and H2 would be higher share for these segments.

This is half year cost and expenses. So again a comparison of current half year versus half year of last Financial year are cost of goods sold for last year was at 56%, which came down to 54%. Our employee cost has increased from 21% to 23% and other expenses remain same at 23%. Key Financial highlights for half year, so half year, April to September 26 as compared to half year April to September 25 and the percentage change in both the half years. Operating income is flat or marginally down by point 7%. EBITDA for current half year at Rs. 19.10 crores as against Rs. 15.30 crores. EBITDA has increased by 25.3%. Profit before tax at Rs. 19.4 crores as again Rs. 17.1 crores profit before tax has increased by 13.2% and profit after tax at Rs. 13.5 crores as against Rs.

12.3 crores. So there is a increase in profit after tax by 9.8%. So key financial highlights on consolidated Financials year on year comparison. So last slide was on half year comparison. Here we have compared Financial year 23-24 as compared to 24-25 and the current half year, which we have just now printed. So from financial year 24 to 25, you see there is a revenue growth from Rs. 283 crores to Rs. 292 crores and current half year. We are at Rs. 138 crores. Operating EBITDA for financial year 24, we were at Rs. 42 crores. It remains same at Rs. 41.9 crores for current financial year and this half year we are at Rs. 19 crores, profit after tax from Rs. 30 crores we have increased to Rs. 30.9 crores and now it is at Rs. 13.5 crores for this half year. And if we have to compare it as a percentage to revenue, our EBITDA for half year financial year 26 is 13.8% of revenue. Whereas profit after tax is 9.7% of revenue. So our water business unit, we have a strong order book as I've mentioned in my earlier slide, also in construction chemicals CSR quarter one and quarter two were slow and it was because of the prolonged monsoon. But however we are seeing the activities taking up. So from September onwards we are seeing a growth in construction chemical business, our material cost, our gross profit margins are stable.

We completed our demerger/merger activities in this financial year in last financial year. So all the post demerger compliances where are on track now and all the records are being updated at various units and also at income tax and revenue departments, our EBITDA improvement is expected now in this half year with an increase in revenue is what we foresee for Water Business Unit and especially Construction Chemicals Units. So that is all from myself. Thank you all.

Nirmal Shah Thank you, Prachi, for walking us through the Financials. Appreciate the patience with which you've done that. We'll open the floor for questions.

Prachi Mahadik Thank you, Sir.

Nirmal Shah Yes, Kiran, you can queue up

Kiran Mukadam Yeah. Yes, Sir. Thank you all. We'll now begin with the question and answer. We request you participant to keep their question concise and complete them within two minutes to follow the timeline.

Nirmal Shah Yes, Mr. Madhur Rathi

Madhur Rathi Yes, hi. Thank you for the opportunity. I wanted to understand our revenue is stagnant in the Rs. 280 crore to Rs. 290 crore range for the past two years and even though each one seems to be quite flattish versus what we have done historically.
So what are the reasons in scaling up our business and when we say that we have a very strong order book in the water treatment chemical segment, but we have grown only 4% in each one. So if you could just help us understand.
What kind of growth can we expect from this segment and on a business as a whole going forward?

Nirmal Shah Yes, thank you. So we have with us Vinod Deshpande who heads this business and runs it. Vinod, can you please take this question?

Vinod Deshpande Yeah. Thank you. Thank you, Nirmal. Yeah, Mr. Madhur, your observation is very valid. One of the reasons for flattish growth in the first half of the year, we have something called summer chemicals which go to some of our customers and go to those go into volumes.
So this year, unfortunately, because of the prolonged monsoon, the summer chemicals

could not be sold. So that's the gap that is found wanting there. As far as the order booking is concerned in the water business unit we have almost 100 plus cr. of new order book which is apart from the regular business. So that's this order book more or less would be invoiced 50% of them in 3rd, 3rd and fourth quarter.
I hope that answers your question, Mr Madhur.

Madhur Rathi Yes. Yes, Sir. And regarding the flattish revenue for the past two years, So what are the constraints and scaling of our business because we haven't even do surpass the Rs. 300 crore revenue levels. So on that front.

Vinod Deshpande So on a consolidated level, yes, we have other businesses also which contribute to the consolidated turnover of the company. We have had more or less of flattish even in water business the past two years. I don't know really whether it was because of the industrial slowdown. Some of the plants that we were treating did not really continue working, especially like IOCLS, which caused some of the business drop for us in the last year and even during the first half of this year. So that is one of the reasons that I can immediately see. Second is that there has been a sluggish growth in the end on the industrial front in which we operate some of the projects have been delayed quite a lot and we could not invoice those projects which are getting.

Wise to slowly this year, especially in the equipment business. So these are a couple of reasons that we see about the sluggish growth in the last few years.

Kiran Mukadam OK, thank you, Mr Varun, please.

Madhur Rathi Right, I had a fall. I'll. I'll get back in queue.

Varun Pinto Hello. Hi. Am I audible?

Kiran Mukadam Yeah. Yes.

Varun Pinto Hi Sir. Sir. In our water business. You know we have these different verticals which is the chemical solutions, equipment solution, water, obvious water remediation and services. Could you sort of give us a breakup of like where the majority of our business comes from, is it from the EPC side or is it from the chemical side?
Hello.

Kiran Mukadam Yeah.
Vinod Deshpande Yeah. Could you could you please repeat your question? I couldn't get it.

Varun Pinto So, Sir, in our wastewater, in our water treatment business, in our water technologies business, we have these different verticals, right? We have the chemicals business and then we have the equipment solution, which I believe is it an EPC type of business.

Vinod Deshpande It's not exactly EPC type of business in the or equipment's division. We do applications like dosing systems and products at generation majorly and some of the side stream filtrations unit that we build. Basically we get aligned with the EPC contractors like paharpur, Hammond, L&T. They have the major chunk of the EPC business, and we supply something like philters or dosing systems through them to the customers.

Varun Pinto Understood. So so it is a product type of business, right? Not EPC business?

Vinod Deshpande No, it's not EPC.

Varun Pinto OK. And Sir, how much of our water solution business actually comes from the chemical side of the business?

Vinod Deshpande 90% of our water treatment business come from the chemical side of the business.

Varun Pinto Understood. Understood. Also, Sir, now when we look at you're saying that we have a healthy order book. Sir, could you sort of quantify that, what kind of order book are we currently looking at?

Vinod Deshpande Yeah, I already said that. We have almost Rs. 100 plus CR order book which includes chemical as well as equipment's almost Rs. 85 to Rs. 90 CR is in the chemical's domain and Rs. 10 Cr. to Rs. 12 Cr. is in the equipment's domain.

Varun Pinto Understood, Sir. And Sir, how much time will it take for us to supply this order book?

Vinod Deshpande So basically these are bulk orders in chemicals and they are one year order, but these orders have been closed in the second quarter, some of them in the first quarter, but many in the second and a few have been closed just in the last couple of weeks. So they run through the year. So that's how we look at almost invoicing almost around 40 to 50% of this order in within this financial year. As far as equipment goes, equipment, equipment projects are subject to the baggage of the project itself, sometimes it they. Extend as much as two to three years as well because of the customer and delays.

Varun Pinto Understood, Sir. So, but most of this order book, this hundred crore order book that we're saying this is outstanding, right? This is not something that has been executed already, right?

Vinod Deshpande No, no, no.

Varun Pinto So this hundred crores that is outstanding, we expect all of that to come in this year only. That is the second-half only.

Vinod Deshpande Let.
Let me correct myself. Part of it has been already invoiced, but it's a very small part of this order book.

Varun Pinto Hmm.
Yes, Sir. And the so basically let's say it is about 95 projects or so, all of that we expect to come this year only in second-half.

Vinod Deshpande Yeah.
No, no. I already explained to you almost 40% of that total will be order book would be invoiced this year, 40 to 50%, so almost Rs. 100 CR. What we have we expect to book from this new order book that most Rs. 40 to 45 CR.

Varun Pinto OK.
Understood. Understood. Thank you, Sir.

Kiran Mukadam OK. Thank you, Varun, Mr Ritesh

Ritesh Poladia Yeah. Am I audible?

Kiran Mukadam Yeah. Yes, please.

Ritesh Poladia Yeah. So again, to continue on the water business only is this bio remediation business or is it now more of a synthetic chemicals?

Vinod Deshpande Nirmal, would you like to take that?

Nirmal Shah Yes, Ritesh, thank you for your question. So I'll I think there's a little bit of a confusion. So I'll just give a little context. So the water technologies business operates on 4 fronts. One of them is supplying chemical solutions. So cooling water treatment, boiler water treatment, products for treating RO membranes, fluoculence and coagulants to treat raw water and wastewater. So it's these kind of chemicals solutions, the second leg on which we're moving up is on the systems and the equipment's business. So these are we are in the small to mid size systems range which are RO plants, DM plants, MB softeners and things like that. And in the equipment's we have customized solutions which are chlorine dioxide which is an oxidant and a bio side in water treatment. So that's a space that we've started scaling up and there are dosing systems and equipment scales which are used in any chemical or fertilizer or power plant to feed various chemicals into the water. So this is the equipment leg of our water technologies business.

In bioremediation, we're looking and working with the live microbial cultures and some enzyme formulations which are used for, you know, remediating wastewater and also for some of the other institutional type of applications.

And the fourth leg is our monitoring and services. So we have an online monitoring system that is plugged into a customer's Water loop, and it constantly monitors and feeds data into a cloud and it gets analyzed as well as if the customer so desires, it also controls their chemical feed rates. So depending on the variations in the water quality, it would, you know, adjust the flow of the chemical used to treat the water. So these are the four main areas of water technologies for us. Of these, the chemicals business has traditionally been the largest. In fact, it used to be 100% of our business about 10-12 years ago and now is down to about 80 odd percent. The rest coming from the other three domains.

Now within the chemicals business is usually it's a Evergreen type of business where we have annual contracts or multi year contracts that run 30 to 35% of the business is on tenders and bids. So it's to PS US and some very large corporates who would, you know, prefer to bid out every two to three years in white bids and then do a comparative bidding process. Most of it is retention type of business because, the you know, customer spends very small amount on water treatment, but if it's spent not too well and there are problems in the water loop, it can cause huge downtimes and profitability loss for them. So they don't want to tweak and play and work with the you know unknowns.

So that's where the attrition rates are very low for us in this business. So the chemical business, usually we would see year on year, you know renewals happening, it's a consistent line and the tender business which is route to bids, those become subject to our competitors how desperate they are to grab certain pieces of business. So sometimes we can retain them, but if the margins dip too much then you know we cannot match those rates and as a result we lose some business. So that's why we see that this business though we see the potential seems to be very large addressable market for us is in the chemical specialty chemicals. We don't do resins, we don't do some basic chemicals so it's a little smaller piece of that and within that every year there's at least about 30 odd percent of our top line, which comes up for you know, competitive bidding year after year. So the growth rates to maintain those and even if we do retain in competitive bidding it.

Generally, is an attrition on margins, which we make up with new business addition and with new product technologies with better margins for us. So this is how the water business is structured. Would you like to know anything more specific on this?

Ritesh Poladia Sir, it's a very good explanation. Could you also explain your equipment business? Because I think it's a bit new for us also, is there any manufacturing capabilities or is it a pass through business and what is the scope of your engagement in this equipment business and is this equipment leads to the more consumables from our side? What is the overall plan if you can elaborate on that?

Nirmal Shah Great. Yes, I get your point. So our equipment, yes, a lot of it. Our strength lies in design engineering. It lies in assessing the requirements adequately and being able to, you know, fulfil the customer requirements. So being approved with all the key large industrial organizations, we automatically get an opportunity to bid a lot of the bids are put through EPC contractors and we are also registered with all of those. So say a paharpur or Hammond those kind of larger companies, or BHEL, when they bid to set up plans for their customers, they already have us enlisted as a window for those kind of systems. So the enquiries come in and lot of times, it's all of them who are bidding for the same project.

And then once it's, you know they are successful, then we start working closely with them on the detailed engineering, most of the components are bought out. So we you know outsource a lot of those vessel fabrication, piping etc. But we get them. To our plant, we assemble them, we test them, we subject them to all kinds of quality assurance processes and then once offered to the customer for final inspection, we dispatch them out. So these are dosing systems. So it would have a dosing storage tank. It would have a dilution, tanks they would have agitation. It would have mixing and then it would have feeding so dozing that chemical into the water stream. The other line is the generators. So the chlorine dioxide generator is a very sensitive piece of equipment and we have to be very careful because it's a highly, you know, it's a explosive type of chemical. So we have to be extremely careful with its design and all kinds of safety interlocks have to be in place, so again in that we have some of the references for amongst the largest plants that have been supplied in the country. So that makes us eligible to, you know, get into all segments. Your third question was related to whether this can also lead to some follow on sales.

For us, absolutely it does, because if we've supplied this piece of equipment and it's a new plant that has started up, we also get a first fill from our side. So even the chemicals that are used are usually, you know, supplied by us. So in that duration we get a good opportunity to understand the customer systems and are able to be better prepared for the following. You know bids that come out. So that's how things are structured.

Ritesh Poladia So what's the typical order size of this equipment business?

Nirmal Shah Yeah, it it ranges, Mr Poladia. It ranges. So we don't distinguish between amount of effort that goes in that might vary, but all of it is addressable.

Kiran Mukadam OK. Thank you, Mr Vedant Shah.

Nirmal Shah Yeah, there's a question Surbhi you have unable to raise your hand, can you please close your question?

Vedant Shah Yeah.
Hello. Hello.

Nirmal Shah Yes, Surbhi, yes.

Vedant Shah Yeah. Yeah. No, this. Yeah, this is Vedant Shah. This is Vedant Shah. I thought we were asked to ask some questions.

Surbhi Audible.

Nirmal Shah Oh, OK, OK, OK, go ahead.

Vedant Shah Sure. Yeah, sure. So in so in most cases, when you know companies merge and you know demerge etc., the idea is always probably to focus on to better focus on few segments for higher growth. I'm presuming that we've gone through this exercise of a, you know, demerger and separate listing, etc., from a perspective of, you know, getting more growth and getting more focus on the businesses coming to the main, you know, water, water technologies, again, exciting area requirements across industries, it seems to be there, you know, just a simple question. What will it take for you to really become 1000 crores? You know, turnover company in this, what are the stumbling blocks? Are we really addressing them? Is there a desire to grow to that extent? So on and so forth. So if you could just throw some light on that.

Nirmal Shah What a wonderful question Vedant and yes, to be absolutely honest, we are. We went through this whole rigmarole and hassle of this demerger because it's not an easy process and unless we were very, you know, aspirational and in it. 100% we would not have gone through the pain and the cost. So yes, to have a direct answer to your question, yes, we definitely are in this fall growth. Second, what it would take to get to say like 1000 crores, yes, it it's not so easy because we would have.

To do a multiple, you know of things we would have to look at inorganic ways to grow. We would have to look at diversifications. We would have to of course be able to have phenomenally lower cost year after year so that we can still beat the lowest competitors.

So and of and grow into our construction chemicals and the cleaning and hygiene, which are very small businesses and the construction business, we were slow because we wanted to be very, very tight on the bottom line and the credit, you know quality.
I I think the industry itself has consolidated the type of contractors and construction companies now you know we have many good large sized, well organised, better paying contractors thanks to the explosion in the NHAI activity as well as the metro activity and so that that market we see now as a point of you know we need to start getting back into the sales momentum in that business. So we're going to be focusing on that.

In distribution, though it may seem you know a trading type of business, there are many industry specific constraints that came up because commoditization of certain products that we were doing for few years. We have taken a we've pivoted into a totally new basket and are adding more unique products into our basket. So that sales for one year we expect it to be a little depressed, but it'll come back very heavily in the years to come.

Internally, we're looking at about four years odd to hit 1000 crore milestone, how well it gets achieved. Of course, there are a lot of external factors, but we hope to be on course to get there.

Vedant Shah It's. Understood. So thousand crores in four years from a consolidated perspective, which is still a very, very healthy growth rates. I just one or two follow up questions you know within the water technology which is almost 80-85% plus revenues of ours. Besides, you know, besides competition, you know what? You know, how do we differentiate? Where are we versus competition where we have an advantage over the others is it, is it the complexity of the chemical that we make as a specialty one? Is it our experience? Is it because it's it? The space is huge, the opportunity is huge and you know.

Nirmal Shah Yes, it is. I I it is very much in the way we apply our products and the relationships and the knowledge that we bring into a customer. We've been in this business for over 45 years and that's something that every customer values because there's not a single situation.

That you know, somewhere down the line we had earlier on in our, you know, product life cycle or service life cycle not encountered. So that's that's a new thing even in the water space there are a lot of new industries that are coming up into India, the electronic manufacturing semiconductor.
As the solar panels so. So we're happy to say that you know, we're supplying to amongst the top two lines for making solar panels in India. So we've been there the latest the copper plants, those also are with us. So so there's a lot of activity in that, a lot of data centers.

So we've also started doing business with the data centers, so we're keeping pace with the developments, but competition is doing its work too and there are many small startups, people who leave larger companies can do small, small things on their own and they end up spoiling the market because they break pricing, they don't deliver service at that level, but then the customer's expectation is that everybody should supply them at this price. So those are the, I mean in any business those situations are there, but our job is to look beyond those and keep delivering a healthy bottom and top line to all our stakeholders, so we'll keep doing that. I think there's only about 7-8 minutes and a lot of people yet to ask questions. Can we move on to the next question please?

Vedant Shah Aye.
Sure. Thank you, Sir.

Kiran Mukadam Yeah. Yes, Mrs. Surbhi, please.

Surbhi Yeah. Hi. Thank you for taking my question. How do you see the growth in the water business from a next to your perspective? Could you just elaborate a bit on that?

Nirmal Shah Yeah, Vinod!

Vinod Deshpande Yeah. See, the water treatment speciality chemicals business. If you look at the entire market within India is almost around Rs. 9500 crores. That is $1 billion. And the recent study and research shows that this would grow at the CAJR of 5.2% for the next five years, but the area in which we operate, the domain in which we operate in cooling water treatment and all the space is around Rs. 1500 to Rs. 1600 CR right now and this would grow at a pace of around 7 to 8%. The major growth in water treatment chemicals is happening in water treatment polyelectrolytes like focalins and coagulants, along with arrow chemicals are followed by corroded inhibitors and for anti-sealants.

So we see a steady growth of seven to 8% in the market, but we would probably grow at a rate of 10 to 15% year on year.

Surbhi Understood. And Sir, if I'm not wrong, correct me if I'm wrong here. Margins have been in low teens. Is there a scope for margins to improve from here on?

Vinod Deshpande We are striving to improve our margins on a continuous basis, but as Nirmal already explained to you, there are so many small players now in the market. People who moved away from multinationals or even Indian bigger companies starting their own startups. They continuously keep on breaking the price in the market, so we need to keep on competing with them also. So the margins pressure is always there, but at the same time we have been quite successful in maintaining our margins or improving them slightly as you already seen in the presentation, but what she made on the financials, so our top line was stagnant, but our margins have improved. So we keep on doing our thing to keep the margins in the respectable number.

Surbhi Understood. And just a follow up here on what percentage of our water business comes from the tenders? And also again just slightly, but on the margins, what do you think it would be the sustainable range in this business?

Vinod Deshpande No, I think Nirmal already answered this question on the percentage of business that comes from the tender business, almost around 35% of our business comes from the tender business, margins yes, we are working in the range of 8 to 10% and we would continue to try and improve those margins.

Surbhi Understood. And just one last one in the construction chemical space, what is our right to win? And do you think that there is any synergy with our water business?

Vinod Deshpande Nirmal. Could you take this?

Nirmal Shah Yep, Prachi. Yeah. So our CFO Prachi also doubles down as heading the construction chemicals business she has headed the improvement in the bottom line as well as holding a tight fist on the credit. So I'd have her, you know, I share her views.

Prachi Mahadik Hello.
Yeah, thank you. Nirmal, can you come back with your question please?

Surbhi Yeah. So since our construction chemicals business is a small part of our business, I wanted to understand what's our right to win and do we have any synergies with the water business from a focus perspective on this particular segment?

Prachi Mahadik So yes, right to win. We were earlier focused mostly on the creditworthiness of customers and the maintaining margins, so currently the focus would still remain the same. But now construction chemical industry is dominated by both organised and unorganised players. Organised players are growing and unorganised players are also there. Their presence is felt but we are we are concentrating more on high performance, admixtures and sealants, so these are the two products and also tilling products is what we are seeing good. The demand would grow in these product sectors, so this is the main area wherein we are trying to pitch our self and we would see a increase in sales for our construction chemical division in coming half year and coming years to go. So that is the strategy what we have adopted for construction chemicals and about synergies with water treatment. Yes, there are few customers who are into both the segments like water treatment and chemical construction chemicals. So yes, the same customers can be. Hello, am I lost. Hello.

Surbhi Yeah, yeah. You're audible. You're audible.

Prachi Mahadik Yeah. Yeah. So the customers are same for in few of the cases they are same for water treatment and construction chemicals. So we would try to align those customers and try to increase our customer base for construction chemical industry as well.

Surbhi Understood. Thank you so much for taking my questions.

Prachi Mahadik Yeah

Kiran Mukadam Yeah, last participant, Mr. Samarth, Hello, Mr. Samarth

Samarth Singh Yeah. Yeah. Thank you for the opportunity. And my first question is on our wage costs, which are about 20% of revenues. I believe you mentioned there's a certain service aspect to our business. Could you just help explain that, please?

Nirmal Shah Yes, I'll be happy to take that question. So our business is more of application of our products. It's not just about supplying the product. So we do have very large sites on which we have to deploy our team members to monitor the treatment to also give extra value added services like water analysis and you know feed control as well as reporting. So these at one of the largest sites that we do, we have more than 40 people on site doing round the clock monitoring. So things like this as a result, we have a very large, you know, requirement for people. That's one of the reasons and of course more recently for a growing business and a complex business. We also need capable management bandwidth and team members who understand this and come with experience, so those also are, you know, not usually very cheap. However we've not, you know, we've been in this range for a long time, so it's not something that we've been out of the orbit on that you know percentage to sales basis?

Samarth Singh And this is the deployment of individuals at the plants for your customers is that for the contractual business or that happens for the tender business as well?

Nirmal Shah Hmm.
For all, because the bid would say that you know that we need to have round the clock monitoring. And so sometimes the bid specify what type of people and how many we need. We also have some O&M contracts, so which also means that we have to deploy people to just operate and maintain water systems. So it's usually specked in by the customer for bids and in private segment business, yeah, it's you know we optimise those to the best possible extent.

Samarth Singh And you mentioned O&M, so I think in the past we mentioned that as a a growth opportunity where a customers are looking to outsource the whole O&M for the plants. So any updates on that? Have we have you seen growth on that and are we is does that come under chemicals or does that come under the other two segments that we?

Nirmal Shah Hmm.
Yeah.
Yeah, it's within the water BU. And I think in the last about the year that we've started focusing on a year and a half ago, we started pushing this in this period we've added at least six sites where we offer Comprehensive O&M services.

Samarth Singh And the margins for the business would be similar to the the water BU margins.

Nirmal Shah	It wouldn't be like the product supply margins, but it does give us some, you know, allied advantages because we're able to understand. So sometimes it's also to, you know, understand the water system that we would enter and then continue to gain insights and offer a more optimised treatment solution to the custom builds, builds relationships also.
Samarth Singh	OK. Got you. And you've given us, you know, the main industry to focus on, but is there a a split you can give in terms of just for the water BU for you know, between fertiliser, cement, etc.?
Nirmal Shah	We can put that together and be better prepared for next time, but I would think that it about 65 or percent or 60 to 65% of the fertiliser, water treatment business is with us. But we'll have to really break it up into as a percent of overall market size where we stand for all segments.
Samarth Singh	No, no, no. I'm I. I meant in terms of our revenue sort of the Rs. 250 crores of revenue we have in the water pier, what percentage is from the fertiliser space, what how much is from cement etc.?
Nirmal Shah	OK. No. So we divide them into 4 core areas. One is chemicals and fertiliser, there is Petrochem and refining. The third is steel and metals and the 4th is all other business. So these are the four segments. So currently I would say that. Almost about 30 odd percent would come in from the fertiliser space, 50 odd from the pet Cam and refining and chemical, so that zone and the rest from the metals and about 8 to 10% from other industries.
Samarth Singh	Got you. So last question from my side. You know conservative conservatively the cash flow from operations that we expect for the year and and use of that cash.
Nirmal Shah	OK. Thank you.
Kiran Mukadam	OK, Nirmal, Sir. Time is constrained. So anything I request you to please conclude the with closing remark.
Nirmal Shah	OK. Yes. Yeah, I think we've tried our best to get started with an investor and community interaction. It does. I mean, before this call, we weren't sure how it would go. So hope now we get a hang of for what kind of questions there are, and it'll help us, you know, better prepare for the next meeting. We intend to have these twice in a year. So this is for the half year and we intend to also have one later on, towards the year financial year end. So yeah, with this, thank you all for taking time out and joining this call and to my colleagues, thank you very much for preparing and trying your best to answer the queries.
Kiran Mukadam	Thank you. Thank you all.
Nirmal Shah	Thank you. Thank you very much.
Vinod Deshpande	Thank you. Thank you everyone for joining. Thank you, Nirmal. Thank you, Prachi.