

February 03, 2026

To,  
The Corporate Relations Department,  
**BSE LIMITED,**  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort  
Mumbai- 400 001

**Scrip Code: 543349**

Dear Sir/Madam,

To,  
The Listing Department  
**National Stock Exchange of India Limited,**  
Exchange Plaza, 5<sup>th</sup> Floor, Plot no. C-1,  
G-Block, Bandra Kurla Complex,  
Mumbai -400051

**NSE Symbol: ACUTAAS**

**Subject: Transcript of Earnings Call for Q3 FY26 financial results held on January 28, 2026**

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 we hereby enclose the transcript of the Earnings conference call held on January 28, 2026 post announcement of financial results for the third quarter and nine months ended on December 31, 2025.

The same will also be available at the website of Company at [www.acutaas.com](http://www.acutaas.com).

This is for your information and records.

Yours faithfully,

For, **ACUTAAS CHEMICALS LIMITED**

**CS Ekta Kumari Srivastava**  
**Company Secretary & Compliance Officer**



Encl: As Above



**“Acutaas Chemicals Limited  
Q3 FY26 Earnings Conference Call”  
January 28, 2026**

**MANAGEMENT: MR. NARESH PATEL – CHAIRMAN AND MANAGING  
DIRECTOR – ACUTAAS CHEMICALS LIMITED**

**MR. ABHISHEK PATEL – VICE PRESIDENT – STRATEGY  
– ACUTAAS CHEMICALS LIMITED**

**MR. BHAVIN SHAH – CHIEF FINANCIAL OFFICER –  
ACUTAAS CHEMICALS LIMITED**

**MODERATOR: MR. KRISHAN PARWANI – JM FINANCIAL**

**Moderator:** Ladies and gentlemen, good day and welcome to the Acutaas Chemicals Limited Q3 FY26 Earnings Conference Call hosted by JM Financial Institutional Securities Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Krishan Parwani from JM Financial. Thank you, and over to you, sir.

**Krishan Parwani:** Yes. Good evening, everyone and thank you for joining us on Acutaas Chemicals Q3 FY '26 Earnings Conference Call. Today, we have with us Acutaas Chemicals management represented by Mr. Naresh Patel, Chairman and Managing Director; Mr. Abhishek Patel, Vice President, Strategy; and Mr. Bhavin Shah, Chief Financial Officer. I would now like to invite Mr. Bhavin Shah to initiate the proceedings. Over to you, sir. Thank you.

**Bhavin Shah:** Thank you, Krishan. Good evening, everyone. We are pleased to welcome you all to our earnings conference call to discuss Q3 FY '26 financials. Please note that a copy of our disclosure is available on the Investors section of our website as well as on the stock exchanges. Please do note that anything said on this call, which reflects our outlook towards the future or which could be construed as forward-looking statement must be viewed in conjunction with the risks that the company faces.

The conference call is being recorded, and the transcript along with the audio of the same will be made available on the website of the company and exchanges. Please also note that the audio of the conference call is the copyright material of Acutaas Chemicals and cannot be copied, rebroadcasted or attributed in press or media without specific and written consent of the company.

Now I would like to hand over the floor to our Chairman and Managing Director, Mr. Naresh Patel, for his opening statement. Over to you, sir.

**Naresh Patel:** Thank you, Bhavin. Good evening, everyone. I hope you are all doing well. Wishing you and your family a very happy and prosperous New Year.

I will provide an overview of the strategic initiatives we are undertaking before handing over to Abhishek for detailed business updates. As you know, Acutaas is evolving into a diversified chemicals company with multiple business verticals. Allow me to walk you through each of them.

Starting with our core business of pharmaceutical intermediates, our focus remains on sustaining the robust growth engine that we have built over the years. Additionally, we are actively pursuing CMO and CDMO opportunities to accelerate growth in this segment. We have developed a strong pipeline with four products already validated, and we expect some of these opportunities to begin contributing to our top line from FY '27 onwards.

Moving on to battery chemicals business. I'm delighted to share that we inaugurated a new block at our Jhagadia facility dedicated exclusively to battery chemicals on 19 January 2026. While Q4 will primarily be a quarter of trial production, testing, validation and the commencement of the commercial operations, we expect this business to ramp up significantly from Q1 FY '27.

Our third important vertical is semiconductor chemicals, where we are in the early stage of seeding business both in BFC and Indichem - Our South Korean joint venture to new customers in South Korea, Japan and Taiwan. We are witnessing encouraging traction from clients in both businesses. At BFC, engagement with our Japanese customer has been very promising, in other than Heraeus products. At Indichem, we have already initiated discussions with various clients regarding our product offerings.

Overall, I believe that FY 2028, these three business verticals will operate as independent self-sustaining growth engines, each contributing meaningfully to our overall top line.

Coming to our quarterly performance, I'm pleased to report that we continue our strong growth trajectory. Revenue from operations came in just shy of INR400 crores this quarter, which was accompanied by our highest-ever margins, leading to our profit after tax for the quarter crossing the milestone of INR100 crores mark. I will let Bhavin discuss financials in detail later.

To conclude, based on the strength of our current order book, we are revising our revenue guidance upwards from 25% to around 30% growth for FY '26.

With that, I would like to hand over to our Vice President of Strategy, Abhishek Patel, who will walk you through the detailed business update. Over to you, Abhishek.

**Abhishek Patel:**

Thank you, Naresh bhai. Good evening, everyone. Let me take this opportunity to share further insight into our business performance for the quarter. Starting with Advanced Pharmaceutical Intermediates segment. This segment delivered a robust performance with revenue of INR351.1 crores in Q3 FY '26, reflecting a strong year-on-year growth of 47.0%.

The growth was primarily driven by our CDMO business, complemented by steady contribution from our core Advanced Pharmaceutical Intermediates segment. Moving on to the Specialty Chemicals segment. Revenue for this segment stood at INR42.1 crores during this quarter, registering a strong year-on-year growth of 16.5%. Our commodity chemical sub-segment recorded consistent growth driven by high volume stable pricing, which was supported by a recovery in BFC business.

Now turning to the capital expenditure. Capex for 9-month period stood at INR143 crores, primarily directed towards Jhagadia site for battery chemical project and pilot plant project at Sachin site. Let me provide some additional updates on our key projects.

Regarding electrolyte additive capex at Jhagadia, as Naresh bhai mentioned, first phase of electrolyte block is inaugurated on 19 January 2026. The second phase of capex is currently ongoing and is expected to be completed within next 6 months. Pilot plant capex is slightly delayed due to delay in equipment arrival.

It is now expected to be completed by Q1 FY '27. Due to spill over of second phase of battery chemical capex as well as the pilot plant capex, total capex for the FY '26 is expected to be around INR220 crores versus INR250 crores, which we guided in our previous call. Apart from this, another major cash outlay during the year will be our investment in South Korea joint venture, Indichem. Till now, we have invested close to INR130 crores in this joint venture. The total investment we announced for this joint venture was around INR200 crores. We have sufficient cash on hand as well as strong cash flow generation to fund this cash outlay.

Now coming back to the business update. Starting with Pharmaceutical Intermediates segment. For ex-CDMO business, we have a couple of new products that have already started ramping up, and we believe they will continue to drive the growth. For some of our top products, we have been able to deliver high single growth.

Now you might look at the numbers and observe that this business is not growing as strongly as it used to. This is because we have carefully taken strategic decision to review our product portfolio and let go low-margin products. That's why you see now quality growth is coming. Coming to CDMO business, as Naresh bhai mentioned, four products which have been validated in the current financial year should start contributing to the top line from FY '27. Additionally, we are expected to complete sampling and validation batches for some more products in coming quarters. This shows our CDMO pipeline continued to grow strongly, which will take us swiftly to our CDMO guidance of INR1,000 crores by FY '28.

On battery chemical side, we already have order in hand with a good revenue visibility for FY '27 for VC and FEC. As mentioned in earlier calls, we have added two more products to this business, and these products are expected to start contributing to top line from mid-FY '27. On semiconductor business side, Naresh bhai covered most of the important update in his remarks. The only thing I would like to add is the capex for the Indichem JV is progressing as per the plan.

Finally, on a note of corporate excellence, we are proud to share that our Founder and CMD, Mr. Naresh Patel, has been recognized amongst the IDFC FIRST Private and Hurun India's Top 200 Self-made Entrepreneurs for the Millennia 2025. This prestigious ranking celebrates the visionary behind the most valuable companies founded in India since 2000.

Our stakeholders, this recognition is powerful validation of the entrepreneurial grit and the leadership that has shaped our company's trajectory. As we continue to redefine our place in India's economic future, we remain committed to the same spirit of innovation and value creation that is awarded honors.

To conclude, as Naresh bhai guided, we expect revenue from operations to grow by 30% in FY '26. We also upgraded our EBITDA margin guidance from 28% to 30%, to 32% to 35% range for our full year.

With that, I will now hand over our floor to Chief Financial Officer, Bhavin Shah, who will walk you through the financial update. Over to you, Bhavin bhai.

**Bhavin Shah:** Thank you, Abhishek bhai. I would like to briefly highlight the key performance metrics for the quarter and 9 months of FY '26 before we open the floor for questions.

Let me start with the quarterly performance. Revenue from operations for the quarter reached INR393.2 crores, representing 43% growth Y-o-Y. Gross profit for the quarter was INR224 crores, reflecting a 76.1% increase compared to the same period last year.

The gross margin expanded by 1,073 basis points Y-o-Y to 57%. Gross margin was driven by improved product mix. EBITDA for the quarter was INR150.7 crores, which represents more than two-fold increase compared to the EBITDA of the same period last year. EBITDA margin were at 38.3%, up 1,335 basis points Y-o-Y. EBITDA margin was driven by expansion in gross margin as well as operating leverage.

PAT for the quarter was INR106.2 crores, up 133.7% Y-o-Y. PAT margin for the quarter was 27%, which show an expansion of 1,049 basis points Y-o-Y.

Moving on the 9-month FY '26 performance. Revenue from operations for the 9 months of the year reached INR906.6 crores, representing 29.8% increase year-over-year. EBITDA for the 9 months '26 was INR296.9 crores, which was 2x compared to the same period last year. PAT for 9 months FY '26 was at INR222.1 crores, which more than doubled compared to the same period last year.

Moving on to the balance sheet items. Net cash and cash equivalents were at INR129.5 crores as on 31st December, 2025. Our working capital for the quarter was 111 days. This is mainly on account of higher debtor days, whereas inventory and creditors remained stable. With that, I request the moderator to open the floor for questions. Thank you.

**Moderator:** Thank you. We will now begin the question and answer session. The first question comes from the line of Rikin Shah with Boring AMC.

**Rikin Shah:** Congratulations on a blockbuster performance. First, I wanted to ask the overall direction of the semiconductor chemicals, both the verticals. So in the last call, we have mentioned about some new product launches and trial batches for Baba. And also, if you can shed in, the same question, but shed some light on the -- would you say, the guidance of the facility in Korea, coming up?

**Abhishek Patel:** On Baba Fine Chem business side, as we discussed last time also, as our endeavor is to promote our products ex of Heraeus business, which we were not marketing earlier at the time of acquisition that we have started marketing in a newer geography, and that has shown a very good result.

And you can see the Baba Fine Chem business has started turning around in terms of revenue. I think the last quarter was more of a kind of bottom point for us from where we have started positively from this quarter onwards. And going forward, we are expecting some more traction coming in business. It will be a slow process, but we are already on that good part of growth.

So it's an encouraging result for us. For Indichem side, the capex has started almost 4 months back, and it is progressing well as per the plan. We have already invested INR130 crores towards the capex. And hopefully, by end of this calendar, we should be able to complete the capex and start the business.

**Rikin Shah:** Got it, sir. All right. So -- okay. Sir, last quarter also, we had mentioned in non-CDMO business, and you've also mentioned again, a change in the product mix. Also, you've mentioned there is some conversion to flow technology. So my question is that some of the legacy molecules, they could have been transferred to flow tech much, much earlier. So what has essentially changed? And why has this increased this much right now? Just trying to reason with what is happening?

**Abhishek Patel:** So when we talk about the changing to the flow chemistry and all those things, that is not related to the CDMO business. CDMO business is a completely with close connection with the customer. We cannot right away change to any of those...

**Rikin Shah:** Right, sir. I mean, the non-CDMO products only, sir?

**Abhishek Patel:** Yes, sorry. For ex-CDMO business, this is a very standard process for us to look at every product on a monthly and a quarterly basis. If there is any threat related to margin or any cost pressure, we do the cost improvement, margin improvement measure for this. So this is how we keep on upgrading our product, working on our cost on a regular basis. And those are the permanent kind of things which get -- which is the margin improvement.

More of a margin improvement for this quarter is again for the -- because of the product mix only. If you look at the gross or material margin level, it is an improvement of 1.2%, which is where you see the product mix shifting. And rest of the margin is coming from the operational efficiency.

**Rikin Shah:** Got it, sir. Sir, what utilization would we be in Ankleshwar? And along the same line, sir, what is the plan for incremental pharma intermediate capex post-Ankleshwar is at peak capacity utilization?

**Abhishek Patel:** At Ankleshwar plant, the utilization has been 40% for the quarter. And slowly -- because see, once the plant gets ready, which was completed last quarter only, so it's a time for products to get validated from the newer site. And slowly, we will start ramping up from that side. So newer products which are coming into the basket from our product portfolio and R&D line.

That now we have started shifting -- we are doing with the Ankleshwar site as well as some of the existing product, which we are just slowly transferring to the newer site. In terms of capex for this site, it is still premature to announce anything. But as we mentioned, this largely covers our growth requirement till FY '28. So before 1.5 years, we may come up with some capex plan based on the market condition and future growth requirement.

**Rikin Shah:** Got it, sir. So you've been 40% for Block 3 or for the entire site?

- Abhishek Patel:** For entire site, covering now all blocks, are available -- for availability of all block whatever time it was.
- Rikin Shah:** Got it. So -- and you have mentioned three new CDMO manufacture projects in H1 FY '26. And you had also guided that they will ramp up in H2 FY '26. So how has been the movement of these new CDMO projects, ex of our core CDMO molecules?
- Abhishek Patel:** Ex of first CDMO of which we are talking about, we have validated in total -- four number of projects have already been validated. These are already commercial products, but meaningful revenue we are expecting from next financial year onwards. Meanwhile, there are many other products which are going for validation on a continuous basis expected from -- in this quarter also.
- Rikin Shah:** Got it, sir. And just the last question from my side. In terms of sustainability of margins, gross margins, what would be your outlook for that for at least if you can't say for a few years, then maybe for FY '27?
- Abhishek Patel:** Actually, we are not guiding for any of a margin, but we can discuss at a relevant time for FY '27.
- Rikin Shah:** All right, sir. Thank you so much. Good luck.
- Moderator:** Thank you. The next question comes from the line of Sudarshan Padmanabhan with ASK. Please go ahead.
- Sudarshan Padmanabhan:** Yes. Thank you for taking my question. Actually, taking forward from the previous participant, I mean, now two things. One is we know that the oncology product itself is doing well. If we go by Orion's commentary this year and also there is a lot of product life cycle extension happening. So if I look at 3 years when you're talking about the INR1,000 crores target, how is the contribution from non-oncology products going to be? So if you can give some color on the dependency of oncology and how are the other products in the pipeline?
- Abhishek Patel:** So as we mentioned, we have already validated four more products. And during my commentary, I mentioned, this gives us the confidence that we'll be able to cross INR1,000 crore mark for the CDMO business by FY '28. So apart from that already going oncology product, we have a very good pipeline of CDMO products in our product basket. In fact, that has been very encouraging seeing the kind of growth we are seeing for all those product development happening at our end.
- Sudarshan Padmanabhan:** Sure. And sir, then coming to the electrolyte business that is on the battery chemical side. Now we are looking at vinyl carbonate and fluoroethylene carbonate, a couple of products. But if I take 2, 3 years down the line, are we looking to expand this basket? I mean, what is the strategy here in terms of growing the booking of product?
- Abhishek Patel:** Yes, of course. This has been two pioneer or stepping stone kind of product for us through which we get into this business. But as we discussed last quarter also, we have already commercialized two more products in this space. Capex Phase 2 has already been announced, which is already



under implementation and expected to get completed by Q1 FY '27. And there are additional further more products which are already under development and for which business development is also going on, you can find our list of products at our website also.

**Sudarshan Padmanabhan:** And this will largely be towards the OEMs, right? I mean the battery cell OEM partner?

**Abhishek Patel:** Yes.

**Sudarshan Padmanabhan:** Okay. Sure. Thanks a lot, sir. I will join back in the queue. All the best for the future.

**Moderator:** Thank you. The next question comes from the line of Krishan Parwani with JM Financial.

**Krishan Parwani:** Congratulations once again on very strong results. Just a couple of questions from my side. First, have you signed or are looking to sign any new CDMO contract for the four products that have been validated you mentioned?

**Abhishek Patel:** Yes, of course. Those are with the originators and relevant contract will be signed at a relevant time.

**Krishan Parwani:** Okay. And would you be, let's say, I know you will not be giving out the names of the products, but would you be, let's say, signing the contract or no?

**Abhishek Patel:** Sorry, I didn't get you.

**Krishan Parwani:** I'm saying, as and when you sign the contract, would you be announcing the...

**Abhishek Patel:** We will update as and when some material update is to be provided as per the regulatory requirement.

**Krishan Parwani:** Sure, sure, sir. And just one clarification. On Indichem investment, you said INR150 crores will be in FY'26. So basically INR370 crores cash outflow in FY '26, correct? INR220 crores, the capex and INR150 crores investment?

**Abhishek Patel:** We have invested INR140 crores by this year. With the combination of capex electrolyte, it should be INR220 crores. And Indichem investment is INR130 crores for the full year.

**Krishan Parwani:** Okay. So basically, INR350 crores to INR370 crores cash outflow in FY'26, correct?

**Abhishek Patel:** Yes. And next round of capex that can -- next round of investment for Indichem, part may come in this quarter also.

**Krishan Parwani:** Okay. And did you mention the battery chemicals incremental capex for the two new products that you have added? What would be...

**Abhishek Patel:** That is what the second phase is.

**Krishan Parwani:** Okay. Okay. And revenue contribution you said will begin in the mid of FY '27 from these two new products?

- Abhishek Patel:** Yes.
- Krishan Parwani:** Okay. And VC/FECs already begin, I think Naresh bhai mentioned from 17th January, also?
- Abhishek Patel:** No, let me clarify on this. On the 19th of January, plant inauguration was done. Then now we are in the process of for validation, trial batches and then commercialization will happen probably by end of this quarter.
- Krishan Parwani:** Understood. So basically, 1Q FY '27 is we can assume the contribution from VC and FEC?
- Abhishek Patel:** Yes. Yes, you rightly said, as you would know that we have already orders in place. So by quarter end, we should be able to hopefully start commercial supply.
- Krishan Parwani:** Perfect. And last bit, so which cost overheads, let's say, that contribute to reduction in other expenses this quarter? Because other expenses declined quite a lot in this quarter. So just wanted to understand the reason there. I mean it's only a INR3 crores reduction?
- Bhavin Shah:** So Krishan, it was largely on account of savings on energy cost, then there are a few consumable and repair items. And we have improved many of our internal processes. And -- so those all things has helped us to reduce on other overheads for this quarter.
- Krishan Parwani:** Understood. And the energy savings is from the solar plant that we had installed, correct?
- Bhavin Shah:** Largely from that.
- Moderator:** The next question comes from the line of Abhijit Akela with Kotak Securities.
- Abhijit Akela:** First, on the battery chemicals piece, if you could please just remind me what the new capacity addition is from the two new products coming up by 1H, I guess? And what is the capex that's being invested into those?
- Abhishek Patel:** So actually, we have not given any -- announced any capacity number for this capex. The capex plan is INR40 crores.
- Abhijit Akela:** Okay. Got it. And with regard to Baba, given that the business has started to turn around, is there a revenue sort of guidance that we could look at for FY '26 as a whole?
- Abhishek Patel:** So as of now, we have not given any guidance on this. Obviously, this is a season for budget also, we may give the guidance at relevant time.
- Abhijit Akela:** All right. And just one last one from my side. With regard to the product concentration, it does seem like maybe the top CDMO product is driving a lot of the growth for the company over the last year or so. We have a lot of other growth projects coming up in the next year to 2 years. So if we look out maybe 3 to 5 years, what sort of product concentration would you expect to see from the top product just over that time frame? I mean, how significantly can we de-risk ourselves from that concentration risk?

**Abhishek Patel:** So as we already discussed, we are working and as we mentioned, four products are already validated and there are many more products in pipeline for CDMO business apart from the traditional business. And then another growth engine of electrolyte and semiconductor is coming up. So obviously, the idea is to derisk product concentration going forward. But I will not be able to give you any guidance on the product mix in next 3 years' time. But on the generic side also, the products like apixaban, rivaroxaban are already progressing well. So those are also kind of engine for -- apart from this, the CDMO space.

**Moderator:** The next question comes from the line of Pratik with Union Mutual Funds.

**Pratik:** Many congratulations, Abhishek bhai, Naresh bhai, for great set of numbers. A couple of questions from my side. On your onco CDMO, how is the outlook looking in terms of new indication, new geography additions? What sort of outlook are you envisaging based on your interaction with the customers for your onco CDMO?

**Abhishek Patel:** See, for this business, as you know, this is a CDMO business, we are completely driven by the whatever projection has been given by our end customer. So obviously, as you read in the market and related to product and market expansion, but we are giving the INR1,000 crore guidance based on whatever the customer expectation is there for till FY '28.

**Pratik:** Got it. And in terms of this recent EU FTA, will we benefit in any ways?

**Abhishek Patel:** So let's say, for EU FTA deal, obviously, it will be a welcome deal not only for us, it's for the whole industry. So we may also be the beneficiary of whole as an industry cycle.

**Pratik:** Are any of our products under tariffs?

**Abhishek Patel:** So we are supplying on a product on a CIF basis, and it's a customer's requirement to get it custom clear at their end. But for us, it has not been any time matter of concern earlier also.

**Moderator:** The next question comes from the line of Rohit Nagraj with 360 One Capital.

**Rohit Nagraj:** Congrats on very strong set of numbers. Sir, first question on CDMO front. So during the first 9 months, how many total commercial products that we are servicing on the CDMO? And what could be the mix between pharma and agro? And an allied question to that, when we see FY '28, INR1,000 crores, what is the kind of mix that we are looking at from pharma and agro?

**Abhishek Patel:** No. When we talk about INR1,000 crores revenue, it is for the CDMO business only. So it's not -- when we talk about -- it's not about split between pharma and agro.

**Naresh Patel:** There is no agro business in CDMO. All the CDMO is only from pharma. Rest, Abhishek will give the answer.

**Abhishek Patel:** Okay. So all CDMO business is to pharma only, no agro business is there. And in terms of product mix or that we are not guiding or that we have not disclosed anywhere because of the confidentiality nature of the CDMO contracts.

- Rohit Nagraj:** Sure, sure. I'll just rephrase the question. How many molecules are currently being commercialized? And when we'll reach, say, INR1,000 crores, what is the number of molecules that will be commercialized and those will be serviced?
- Abhishek Patel:** As on date, we have already five commercialized product, as we mentioned. And going forward, obviously, the number will be higher. It is difficult to say the number of products which will be contributing till at the end of FY '28.
- Rohit Nagraj:** Sure. That's clear. Second, on the Indichem venture, when do we expect the commercialization of the facility and probably the first year of operation and any visibility in terms of how the revenues are likely to be scaled up? And what kind of arrangement in terms of product offtake that we are currently looking at?
- Abhishek Patel:** For Indichem project, as I mentioned, our plant -- capex should completed by this calendar year, year 2026 and next year -- calendar year onwards, we should see revenue coming up in this business. In terms of number or the size or a scale of this business, largely, you can expect that for the semiconductor business, the asset turn will be in the range of 1 to 1 and with a high EBITDA margin as compared to pharma business.
- Rohit Nagraj:** Sure. Just one clarification. For the first 9 months, what could be the CDMO contribution in our total revenues?
- Abhishek Patel:** I'm afraid I will not be able to give you this specific number.
- Moderator:** The next question comes from the line of Jason Soans with IDBI Capital.
- Jason Soans:** Really congratulations on a very strong set of numbers. Sir, first question, just wanted to understand -- I mean, of course, I understand that the CDMO piece is doing really well. But around two quarters back, you did give some color on how the CDMO piece is doing and the non-CDMO piece is doing. So CDMO, yes, doing very well. Just wanted some color on the non-CDMO business as well. How is it shaping up?
- Abhishek Patel:** Non-CDMO as I mentioned during my commentary also, the non-CDMO Pharma Intermediates business is also growing in a higher single-digit number. You may feel like it's a lower number. But as I mentioned, now we are more focusing towards the quality growth as compared to the commodity intermediate products.
- In terms of growth for this business, as I mentioned, some of the generic products, a couple of generic products are already doing well in this financial year and last quarter also and some of the new products are expected to join in this business for coming quarter also. So these are the products which are driving growth for us in non-CDMO business also, but because the pharma CDMO business is growing exponentially, it has become the more highlighting point for all of us.

- Jason Soans:** Yes. Sure, sir. Sure. And sir, just -- I mean, you usually do give the EBITDA margins for the segment. So sir, just for the API business and for the Specialty Chemicals, what are the segmental EBITDA margins, sir, for this quarter?
- Bhavin Shah:** For the quarter, EBITDA margin for Pharma business is around 41% and Specialty is around 12%.
- Jason Soans:** Okay. And sir, related to that, just wanted to understand, I know additives hasn't started yet, but it will start, it will soon start. So just wanted to understand, initially, what kind of margin are you baking in for this additives business? And so first start and then at optimum utilization, is a 20% margin safe to basically incorporate at an optimum utilization scale?
- Abhishek Patel:** See, we have not guided any margin expectation for this business as of now. But what I can share is the margin profile will be below the traditional Pharma Intermediates business and above the existing paraben, the commodity chemical business. Obviously, at the beginning, the margin will be lower because of the operability or the scale of the business, but it will get better. But as you know, we have a good contract in hand, so the scale-up should be much faster to get the operational -- operating efficiencies.
- Jason Soans:** Sure, sure. Sure, sir. And sir, just to clarify, just if to -- the capex for the electrolyte additives was INR177 crores when you mentioned it. Now you're adding INR40 crores more to it. Is the understanding right?
- Abhishek Patel:** Yes.
- Jason Soans:** That's right. Okay. That's good. So INR177 crores and INR40 crores, you'll be adding more. And again, another clarification, which I had is you said that the capex is INR220 crores for '26. So INR220 crores plus your INR130 crores going to Indichem, that kind of totally becomes INR350 crores. Is that also understanding should be right, correct?
- Abhishek Patel:** No. So for full year -- so for INR220 crores in full will not get completed by March '26. But when it gets completed, total -- for electrolyte, total capex will be INR220 crores. And for -- at the full company level, the total capex will be INR220 crores, including all the segments.
- Jason Soans:** Okay. So even including the Indichem investment, it will be INR220 crores?
- Abhishek Patel:** I'm talking about capex. So it will be by end of the year, capex towards electrolyte will be in the range of INR170 crores for this financial year, INR20 crores maybe towards the pilot plant and remaining will be maintenance, some portion of the solar capex, totalling to INR220 crores.
- Jason Soans:** Okay. And INR130 crores is over and above this. Indichem is separate from this, that's what you are saying.
- Abhishek Patel:** Indichem investment is over and above this. Your understanding is correct. INR220 crores plus INR130 crores. Overall it will be around INR350 crores.

- Jason Soans:** Yes. Sure, sure. And sir, just lastly, I wanted to understand, sir, I understand the BFC and Indichem are basically focused on the semiconductor space. Just sir, if you could give us some understanding on -- some color on how complex, high margin will these products be? Probably you are saying '28 -- by '28, you'll see meaningful revenue from these set of businesses as well. So if you could give us some color on how complex, how margin -- high margin these products can be or what potential these products can contribute?
- Abhishek Patel:** So what I can share to you is you already know about the margin profile of BFC because it's already our existing business. You can refer our financial also. And on top of that, I can add that at Indichem in South Korea, we are going for further value addition in this space. So these are what I can share to you on this.
- Moderator:** The next question comes from the line of Sajal Kapoor with Antifragile Thinking.
- Sajal Kapoor:** Fantastic work Acutaas team, moving -- not just looking at this quarter, I mean, moving gross margins from 40%, 45% to upwards of 55% now in just about 2 years is a clear testament to your focus on efficiency and smart execution. So well done on that. Coming to my questions, 3 years from now, what would convince us that Acutaas successfully transition from a diversified specialty chemicals company to a sort of scientifically differentiated electronics-grade chemicals platform? And what would failure look like 3 years out?
- Abhishek Patel:** So as our Chairman, Naresh bhai already mentioned during his speech, for him, in next 3 years, he expect all his three verticals standing -- not only standing on its own feet, they would be contributing meaningfully and generating a good amount of profit in all those segments. This is what we would like to see in the next 3 years' time.
- Sajal Kapoor:** Yes. So in terms of some of the critical capabilities, I mean, be it talent, purity control, customer trust or capital, what out of these will be the hardest to scale? And how are you positioning yourself just to protect the downside?
- Naresh Patel:** Okay. Sajal ji, when we started this journey, we design -- when we design the plant and everything, all the time lines and requirement of the project is designed. And accordingly, we are having successfully installation of the plant as well as parallelly recruitment of the people, talent and also technology implementation, everything is as per the program and time line, we are doing that.
- So we don't see any hurdle in this kind of technical people available. Secondly thing is that whatever the processes are there, that is in-house design. So we have a strong knowledge about our processes. And wherever we don't know the strongness, then we do a JV like an Indichem, where we are doing an operation, but the knowledge is coming from our partner. So this is how we solve our problem or any issues which is coming in that. So I hope this will help you to understand.
- Sajal Kapoor:** Yes, it does. Yes. And lastly, beyond absolute R&D headcount, which I think is currently about 130-odd scientists. So beyond the absolute headcount, how has our effective scientific throughput changed over the last sort of 12 to 18 months? I mean, be it -- I mean, you can

measure it in terms of projects per scientist, time to qualification or successful tech transfers to manufacturing.

So I'm just trying to understand the rate of change that has happened in the organization above and beyond the R&D headcount, which we keep publishing over the last 12 to 18 months because a lot of material change has happened on the gross margin, as I said. And I've seen many chemical companies struggle with the gross margin, 40%, 35% in that range. Clearly, we have broken out. So something must have happened beyond the absolute numbers, right? I mean, so if you can just give us some sort of a qualitative understanding.

**Naresh Patel:**

As when I started this journey in public, we always say that we are a company with a chemistry-driven company, R&D-driven company. So our core strength is our R&D. And our team, core people are very well knowledgeable about the chemistry, what chemistry we do. We are very expertise in that. We have more than 680 molecules developed in our R&D.

So that will help us to understand the chemistry. USP of incremental margin is not only R&D, but every -- all the sectors, there are several parameters which is contributing to make the margin improvement, which is not only including the process improvement, but also energy, technology, operational efficiency, these all -- utility. Everything is combinedly work on that and that's how we had improved our margin.

Also the product mix lay off some products which are almost old age and no margins remain in that. So these are all things which is cumulatively effort done by the team. And accordingly, we improved our margin. So from R&D point of view, our run rate of developing around 50-odd molecules annually and which is we are doing very well. So -- and sooner or later, we go for the expansion of our R&D also as and when we require, we will announce that as well.

**Sajal Kapoor:**

Right. Because I was coming to that. So currently, we are at 130, 140, you expect that number to bump up over the next 12 months or so, right?

**Naresh Patel:**

Yes.

**Moderator:**

The next question comes from the line of Bharat Shah, an Individual Investor. Please go ahead.

**Bharat Shah:**

Naresh bhai, I didn't have any question, but I just wanted to congratulate you and the team from a small firm with patchy businesses to specialty and multiple products, plus much more on the unveil from kind of commodity businesses in API and intermediate to specialty and developing CDMO, semiconductor and battery chemical specialties, I think the firm has come a fantastic way and all of that in a relatively short period of time. So heartily congratulations to you and the team. This is a dramatic performance.

**Naresh Patel:**

Thank you, Bharat bhai, all blessings of you and all investors. Thank you. Please keep us vigilant and more vigilant to work on projects, that encourage us to perform more and more better way. Thank you, Bharat bhai for keep trusting us.

- Bharat Shah:** No. And I've also seen that interaction with your team members is never about numbers, but about the business. And how well, for example, Abhishek, invariably deals with all business-related issues and how things are progressing. It is very heartening. Otherwise, many of these discussions end up being very mundane, but this has been a refreshing exchange of views while talking to your team.
- Abhishek Patel:** Thank you. Thank you, Bharat bhai.
- Naresh Patel:** Thank you, Bharat bhai, for admiring my team. I'm really happy to hear this kind of acknowledgment from a very veteran person like you from industry.
- Moderator:** The next question comes from the line of Vignesh Iyer with Sequent Investments.
- Vignesh Iyer:** Congratulations on excellent set of numbers. Sir, my first question is on the working capital part of it. I wanted to understand what was our working capital days in quarter 3 net working capital. If you could give us a split of the inventory receivable and payable, if possible?
- Abhishek Patel:** So it is 111 days, debtors stand at 100 days, inventory at 55 days and payable is at 44 days.
- Vignesh Iyer:** Okay. I mean so what is the standard -- I mean, I think the inventory days are a bit higher than usual. Any specific reason for that? Will we see that the days go down in quarter 4?
- Abhishek Patel:** So traditionally, we said that 110 days are the standard for many quarters. And what we try to always see that we should reduce and come it down to 100 days. But 110 days is a very standard period and comfortable for looking at our business. 55 days of inventory, I believe that is a good benchmark in the industry also.
- So 55 days is a comfortable standard for working with our kind of business, In fact, there is -- obviously, there will be many scope for improvement for inventory or working capital days. And we are working and we -- in fact, if you see, we have not only gone beyond our growth for the revenue.
- We have always kept our eyes on the balance sheet item and the cash flow. And if you see in last 3 years also, we have always sequentially improved our working capital days. Obviously, there will be a room for the improvement of inventory days or debtor days any time, but we have always been a good cash flow generating company, if you see last 3 years' performance.
- Moderator:** The next question comes from the line of Vivek Gautam with GS Investments.
- Vivek Gautam:** Congratulations on a consistently good set of numbers. Sir, my question is about the opportunity size for our different segments. And number two is about the Chinese competition threat in any of the segments, sir?
- Abhishek Patel:** For Chinese competition, see, we are into the business of chemical and intermediate. So we cannot ignore the Chinese competition. And we have been dealing with all those competition for almost more than a decade. What I can say is that we are very good at a chemistry. That is our strength.



And we do multiple chemistry for any of the product at a large scale, which is a key or USP for us as against any Chinese competition. And that's the reason you can see that for majority of our top products, we are the leader, covering more than 70%, 80% of the market share. So it's nothing or something which we are dealing day in, day out.

In terms of market opportunities, let's say, for some of the products like anticancer, which is already going well, you can refer some of the presentation of our customer and end customers, which can give you the insight about these things. And in terms of this product like electrolyte additive space, where VC and FEC, we have a very humble capacity of 2,000 metric ton in terms of as against whatever -- as against the total VC and FEC market in terms.

So as of now, we are very small as against the opportunity size available, both for the VC/FEC electrolyte additive product as well as the semiconductor space where we have only just started in this business. So 2,000 metric ton for VC and 2,000 for FEC, it's a very small size as of now as against the full opportunity size.

**Vivek Gautam:** And sir, lastly, how much of the exposure we are having for the U.S. market? And any impact of tariff and other things?

**Abhishek Patel:** We have a very small amount of direct export to the U.S. market. Largely, it is from our subsidiary called Baba Fine Chem only. So we do not have much of the impact for U.S. tariff.

**Moderator:** The next question comes from the line of Akshay with AK Investment.

**Akshay:** Congratulations on very strong set of numbers. Sir, all my questions have been answered. But my only question is that after FY '26, can we grow sustainably by 25% to 30% year-on-year till next 4 to 5 years for consolidated business?

**Abhishek Patel:** Sir, we have been growing for more than 25%, not for last 2, 3 years, we have grown more than 25% for more than decades. And that is what we have already guided the market that for next 3 years also, we would be growing more than 25% at a revenue level.

**Akshay:** Yes. That's right and very promising. All the best for the future. Thank you so much.

**Moderator:** Thank you. The next question comes from the line of Jason Soans with IDBI Capital.

**Jason Soans:** Just a small question I had. I mean, you have a 2,000 ton capacity of VC and FEC both, right? Now I just wanted to know you also have contracted...

**Abhishek Patel:** 4,000...

**Jason Soans:** Yes. 4000 in total, yes. So sir, with the contract in place, any capacity utilization you are looking at going ahead? I mean, how much would that -- with the contract in place, how much of that capacity of the 4,000 it would take?

**Abhishek Patel:** So because of the confidentiality of the agreement, we will not be able to share the utilization. Otherwise, people will figure out the contract details. So we are not disclosing it. But as I

mentioned, we have good visibility in terms of contracts for FY '27 and going forward also. And we are expecting fast scaling up of this business.

**Jason Soans:** Okay. And sir, just also with all that happening in China with the anti-evolution and things and with lithium prices, electrolyte prices and additive prices also going up with lithium carbonate and all, do you think -- I mean, whatever you're seeing that bodes very positively for the additives business going ahead?

**Abhishek Patel:** So additive business, as I mentioned, we have already signed contract in place, which is more of a fixed pricing contract with variability if is there in terms of key raw material as well as the as well as the currency pricing. So we believe in long-term supply or long-term relationship with the customers. And obviously, we earn our margin based on those already signed contracts.

**Jason Soans:** Okay. So this contract is in place probably for future contracts, it would be beneficial, correct?

**Abhishek Patel:** So as I mentioned, we believe not on the short-term gaining of this market movement, we more driven by the long-term supply contract.

**Moderator:** The next question comes from the line of Chandra Rampuria with Arya Finvest.

**Chandra Rampuria:** Hello, can you hear me, please?

**Abhishek Patel:** Yes.

**Moderator:** Yes, sir. Please go ahead.

**Chandra Rampuria:** Yes. Naresh bhai, superb results and very well done. And I have been following your growth for some time now and really impressed. Short while ago, you mentioned in the context of the anticancer CDMO that the projections are from the customer are in place till '28. So just wanted to get the clarification. Is it the projections are there till '28 or is the contract till '28?

**Naresh Patel:** We never said that we have up to '28, we have some projection or something like that. We always said that we have a long-term supply contract for the anticancer.

**Chandra Rampuria:** Because short while ago, you mentioned about the revenue guidance till '28 and that is based on customer projections. So that's why there's this clarity?

**Naresh Patel:** No. So for '28, we announced INR1,000 crores CDMO business. So that CDMO business is not only belongs to anticancer. This is the cumulative of several other CDMO as well. And that will be -- we will be complete by 2028. We reached this milestone. This is what I said. But that milestone, INR1,000 crores is not belongs to the CDMO of anticancer, but this is a bundle of several CDMO business. I hope this will clarify your doubt.

**Chandra Rampuria:** Sure. That's helpful. Thank you.

**Moderator:** Thank you. Ladies and gentlemen, due to time constraints, this was the last question for today. I now hand the conference over to the management for closing comments.

**Naresh Patel:** Thank you to the JM Financial team for hosting our conference call. We appreciate everyone's patience and hope we have addressed most of your queries. If we missed any of your questions, please reach out to our Investor Relations team, and we will get back to you promptly. Once again, thank you very much and have a good evening.

**Moderator:** Thank you. On behalf of JM Financial, that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you.

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This document has been edited for readability purposes.