



**Chembond Chemicals Limited**  
*formerly Chembond Chemical Specialties Ltd*

October 29, 2026,

SE/CS/2026-27/29

Listing Department  
**BSE Limited**  
Phiroze Jeejeebhoy Towers  
Dalal Street, Fort, Mumbai – 400 001  
Scrip Code-**544450**

Listing Department  
**National Stock Exchange of India Limited**  
Exchange Plaza, Plot no. C/1, G Block  
Bandra-Kurla Complex, Bandra (W), Mumbai – 400 051  
Scrip Code-**CHEMBONDCH**

**Ref: ISIN: INE0TGX01019**

**Sub: Transcript of the Analyst/ Investors meet (Virtual - Mode) held on October 24, 2026**

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 – Un-Audited Financial Results for the quarter and half year ended September 30, 2026”, held on Saturday, October 24, 2026.

This transcript is also being uploaded on the Company’s website at [www.chembondindia.com](http://www.chembondindia.com).

The video recording of the said Analyst/Investor Meet has already been uploaded on the website of the Company and the same was intimated to the Stock Exchanges earlier. Kindly refer to the following link:  
<https://www.chembondindia.com/wp-content/uploads/2026/10/Investmeet-2410.mp4>

Kindly take the same on record.

Thanking You.

**KIRAN**  
**SUBHASH**  
**MUKADA**  
Kiran Mukadam  
Company Secretary  
Chembond Chemicals Limited  
*formerly Chembond Chemical Specialties Limited*

Digitally signed  
by KIRAN  
SUBHASH  
MUKADAM  
Date: 2026.10.29  
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Encl: a/a

**Chembond Chemicals Limited**  
*formerly Chembond Chemical Specialties Ltd*  
EL-37 Mahape MIDC, Navi Mumbai 400710. INDIA  
T: +91 22 65753000 ● [www.chembondindia.com](http://www.chembondindia.com)  
CIN: L20116MH2023PLC415282

## ANALYST / INVESTOR VIRTUAL MEET TRANSCRIPT

### Q2 & HALF YEAR RESULTS ENDED ON SEPTEMBER 30, 2026

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**Date:** 24 October 2026

**Time :** 3.15 pm to 4.15 pm

**Mode:** Audio Visual through Microsoft Teams

**Speakers:**

- Mr. Nirmal V. Shah – Chairman and Managing Director
- Mrs. Prachi Mahadik - Chief Financial Officer

**Moderator:**

- Mr. Kiran Mukadam, Company Secretary & Compliance Officer

**Kiran Mukadam** Good afternoon, all

**Nirmal Shah** Good afternoon, Kiran

**Kiran Mukadam** Yeah, Nirmal Sir, can we start?

**Nirmal Shah** Yes, please do. Good afternoon, Kiran

**Prachi Mahadik** Good Afternoon, Kiran

**Kiran Mukadam** Good afternoon everyone, on behalf of the company, I would like to welcome you all to Chembond Chemicals Limited first Analyst / Investor Meet (Virtual Meet- Mode) for Q2 and Half year ending FY 27.

Today on this meet, we have with us from the Management, Mr. Nirmal V. Shah – Chairman and Managing Director, myself Kiran Mukadam, Company Secretary and Compliance officer of the Company and Prachi Mahadik – Chief Financial officer of the Company, who will begin the meeting with a brief opening remark, followed by a presentation of the financial results. After the presentation, we will proceed to a question-and-answer session. Participants who wish to ask questions can click on the Q&A icon on the bottom of your screen and post your questions there.

We request all participants to keep their microphones muted during the opening remarks and the presentation to ensure a smooth session.

Please note that certain statements made during this meet may be forward looking in nature. Such forward looking statements are subject to certain risks and uncertainties that could cause the actual results or projections to differ materially from those statements. Chembond Chemicals will not be in any way responsible for any actions taken based on such statements and undertakes no obligation to publicly update these forward-looking statements.

I would like to now hand over the meet to Mr. Nirmal Shah for his opening remarks. Thank you and over to you, sir.

**Nirmal Shah** Hi, very good afternoon, everyone. I'm Nirmal Shah, the Chairman and Managing Director of Chembond Chemicals Limited with me in this room is Mrs. Prachi Mahadik, our Chief Financial Officer, together, we both will try to put some perspective on the quarterly results and half yearly results that were just declared a few minutes ago. Apologies for the slight delay. There were certain technical issues for uploading these numbers on time, due to which this meeting had to be delayed by 15 minutes. We'll walk you through some common stuff which you already might be knowing about what the company does, just for the benefit of people attending this meeting for the first time, and spend much more time on the numbers itself and questions from your side, which we will try to answer to the best possible extent we can. So let's not waste any more time. Let me just keep moving.

So, Chembond, everyone by now would be aware that we had a demerger and the parent organization itself was established in 1975. This is the 51st year.

We have over 950 people. Last year, our consolidated revenues stood at 290 crores and our operations were run from three manufacturing sites. Our head office and the R&D center is situated at Navi Mumbai in Maharashtra.

Our businesses are structured in four buckets. The water technologies business is the largest. Construction chemicals follows that. Distribution is the third largest. And the cleaning and hygiene business is a joint venture with a German company called Calvatis, which formerly used to be a part of guys.

So we'll talk a little more about what we have to offer for in water technologies. We do chemical solutions. We have equipment solutions that complement the chemical solutions. We do wastewater remediation and there's a lot of traction happening in this space and all of these are backed by a very deep technical service team that's monitoring and controlling operations on customer sites on a daily basis. Our chemical programs are offered across cooling water for boiler water treatment, for raw water clarification, effluent treatment and its recovery, foam control, so RO membrane treatment, fin cleaning, and drinking water disinfection.

It's A cross-section of heavy and light industries that we serve. And recent addition to this segment and of a sizable volume is the calls at the data centers that are being set up across the country. Glad to inform that we are supplying to the largest telecom company and also to a lot of independent data centers, some of them international ones, in Maharashtra as well as in other states.

A construction chemicals business is about modification of concrete used in infrastructure. We do sealants. A core area for us is the polysulfide and acrylic sealants. Waterproofing solutions are offered as a post-construction as well as during construction portfolio. And we have a range of powder products for repairing concrete or used grouts in engineering equipment foundations and for tile adhesives.

Customer segments, as you would all guess, would be on all kinds of infrastructure, some industrial, and we work a lot through applicators and distributors to sell our solutions. Cleaning and hygiene business is the JV between Chembond and Calvatis.

We have industrial and institutional segments within this company. It's run as Chembon Culvatis Industrial Hygiene Systems Limited. In the industrial portion, we serve large beverage, food processing, dairy, and brewing industries. And in the institutional applications, it's commercial kitchens, laundries, and housekeeping teams and departments in institutional installations.

In chemical distribution, we import, stock, and sell various specialty chemicals. We structure them for construction chemicals. We have additives in paints and inks. These 2 form the largest component. Some additives in water treatment and then sealants and polyurethane. coatings for an allied industry to construction chemicals. Coming to the H1 executive commentary, I'll let Prachi do a little bit of the talking now, and I will step in again to give you a little more context.

We construction chemicals. We have additives in paints and inks. These 2 form the largest component. Some additives in water treatment and then sealants and polyurethane, coatings for an allied industry to construction chemicals. Coming to the H1 executive commentary, I'll let Prachi do a little bit of the talking now, and I will step in again to give you a little more context. Hi, good afternoon all. So coming to the financial part, this is half year executive commentary. So for half year 2026-27, our consolidated revenue stood at 182.25 crores, higher than last half year by 32%.

And segment wise, you can see water technologies is higher by 28% on account of good order book growth. Construction chemicals, we focused more on sales expansion in few territories invest in Gujarat, Maharashtra, which contributed to 30% increase. Distribution at 86% higher as compared to last half year and cleaning and hygiene 59% or last half year. Coming to EBITDA beta at 22.55 crores, so higher by 2% or last half year and our consolidated profit before tax is at 19.79 crores.

Higher by 2% as compared to last half year. Actually, here, what we have seen in quarter one and now again in quarter two, our material cost have gone up and this material cost have eroded our profitability. So in spite of higher volumes, the profit before tax still remains at same level in absolute numbers and as a percentage to sales, it is down and on account of material cost going down.

Yeah, I'd just like to add here that the costs have been increasing at a pace that's faster than us being able to pass them on to our customers. There is a little bit of delay in customer acceptance because these increases have been happening repeatedly through this last year. six months, ever since this Iran war has broken out. Even today and even yesterday, we've been receiving some inputs on material costs further increasing. It's an extremely volatile situation and something that we haven't experienced in

all these years. It's even more volatile than it was in COVID because COVID, you know, at least material costs did not go through the roof. Here, there is a little bit of fatigue at our end. Our sales teams, by the time they finish one round of price increases,

there's already another one to go back to the customers and seek. And there doesn't seem to be any immediate end insight because all the predictions that we've heard, we've read about articles, indicate that there will be stability soon, but that's not really. being delivered. But we continue to maintain efforts on broad-basing our sales growth. So revenues grew on the back partially due to price increases, but the major component was the volume growth. You'll see later in this presentation a little more about that. Coming to next slide on revenue track. So this is a quarter wise comparison for Chembond Chemicals on a consolidated basis. These are last 10 quarters. So here we have covered financial year 24, 25, financial year 25, 26. and the current two quarters, quarter one, quarter two of financial year, 26-27. So quarter two financial year, current year, it is at 95.8 crores. Over quarter one, revenue has grown by 11%. And if we compare quarter two of last financial year, it has grown by 31%. So, revenue. Has grown on the. Coming to profitability, track of Chembond Chemicals Limited consolidated numbers. These are EBITA and profit before tax numbers, again, quarterly comparison of last 10 quarters. So quarter two of current financial year, our EBITDA is at 8.4 crores and profit before tax is at 7 crores. In quarter one, EBITDA was 14 crores and profit before tax was at 12.8 crores. So if we see this track, From quarter four, our quarter one has gone down and quarter two has further gone down. This has updated by Nirmal, material cost has gone up and profits have eroded in quarter one and quarter two as compared to quarter four and all the earlier quarters. Oh.

This is on half year financial performance. So current year, April to September as compared to last year, April to September. Revenue, we see there is a sales growth of 32%. So we are at 182.25 crores as compared to 138 crores in last half year.

**Prachi Mahadik**

Hi, good afternoon all. So coming to the financial part, this is half year executive commentary. So for half year 2026-27, our consolidated revenue stood at Rs. 182.25 crores, higher than last half year by 32%. and segment wise, you can see water technologies is higher by 28% on account of good order book growth. Construction chemicals, we focused more on sales expansion in few territories invest in Gujarat, Maharashtra, which contributed to 30% increase. Distribution at 86% higher as compared to last half year and cleaning and hygiene 59% or last half year. Coming to EBITDA beta at Rs. 22.55 crores, so higher by 2% or last half year and our consolidated profit before tax is at Rs. 19.79 crores. higher by 2% as compared to last half year.

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**Nirmal Shah**

Yeah, I'd just like to add here that the costs have been increasing at a pace that's faster than us being able to pass them on to our customers. There is a little bit of delay in customer acceptance because these increases have been happening repeatedly through this last six months, ever since this Iran war has broken out. Even today and even yesterday, we've been receiving some inputs on material costs further increasing. It's an extremely volatile situation and something that we haven't experienced in all these years. It's even more volatile than it was in COVID because COVID, you know, at least material costs did not go through the roof. Here, there is a little bit of fatigue at our end. Our sales teams, by the time they finish one round of price increases, there's already another one to go back to the customers and seek and there doesn't seem to be any immediate end insight because all the predictions that we've heard, we've read about articles, indicate that there will be stability soon, but that's not really being delivered. But we continue to maintain efforts on broad-basing our sales growth. So revenues grew on the back partially due to price increases, but the major component was the volume growth. You'll see later in this presentation a little more about that.

**Prachi Mahadik**

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This is on half year financial performance. So current year, April to September as compared to last year, April to September. Revenue, we see there is a sales growth of 32%. So we are at Rs. 182.25 crores as compared to Rs. 138 crores in last half year.

Operating EBITDA for current half year is at Rs. 22.55 crores, which is 12% of sales. And last half year, it was Rs. 22.20 crores, which was 16% of sales. Profit before tax, we are at Rs. 19.79 crores, which is 11% of sales.

And last half year, we were Rs. 19.39 crores, which is 14% of sales. Absolute numbers, it has remained same, but as a percentage to sales, it has gone down.

Coming to sales volume, this is quantity in metric ton. Here we have divided our sales volume into water treatment chemicals, construction chemicals, and trading and industrial hygiene.

So water treatment chemicals, our volume in this half year is at 13,343 metric ton whereas last half year it was 9,268 metric ton. So volume has gone up in water treatment.

Construction chemical, if we see the volume actually has gone down, but sales have gone up on account of price increase. So from 1988 metric ton, we are now at 1330 metric ton. Trading and industrial hygiene, the volume has gone up from 690 metric ton to 1367 metric ton.

**Nirmal Shah** Yeah, I'd like to add a little context to construction chemicals. Our product portfolio also underwent a change. We had a higher sales contribution from a sealants business as opposed to the admixtures last year. And that is also one of the reasons. So all this reduction of about 550 tons is not due to reduced or increased prices. It's also due to a change in the product mix sold and so at a group level, we talk of revenue, about 82% of our revenues come from water, 8% from construction chemicals, 9% this year from distribution, and 1% from industrial hygiene, pretty much in line with what it was, but we are increasing the share of some of the other businesses and the cost of water treatment.

**Prachi Mahadik** Coming to expense summary, again, half year to half year comparison. This is as a percentage to sales. So material cost for current half year is at 56% of sales, whereas last half year it was 46% of sales. So material cost has drastically gone up.

Employee benefit is at 20% of sales and now it is 17, so it has gone down. Other expenses as a percentage to sales are 15%, whereas last half year it was 18%. So we see here the major cause is material cost, which has gone up from 46% in last half year to 56% in current half year of financial year 26-27.

Coming to our employee strength, this we have compared as on 31st of March 2026 as compared to 13th September 2026. The composition here we have divided it into sales, technical services, plant operations, support and R&D. So as on 31st March, the total strength was 920 and now it has gone up to 940. And the division is technical services were at 674 numbers and now they have gone up to 694. Our sales force 91 and now it is at 97. Plant operations stable around 65 employees. Support staff from 71 to 66 and R&D from 18 to 19. So this is the employee strength what we have overall Chembond.

That's it on financial presentation. Nirmal, you want to add something?

**Nirmal Shah** No, so I think without spending more time on this, I'd like to open up the session for questions.  
Yeah, Kiran.

**Kiran Mukadam** Mr. Nasir. Hello?

**Zaki Nasser** Yes, can you hear me?

**Kiran Mukadam** Yeah, listen.

**Nirmal Shah** Yes

**Zaki Nasser** Yeah, good afternoon, Nirmal Ji. And I think, as you mentioned, that we have we have been undergoing cost pressure. Our EBITDA margins this quarter have fallen, I think, to around 8, 8.5%.

How do you foresee these going ahead, sir? At least what would the aspirational EBITDA margins be? Do you think by the end of this year or early next year we could get back to that 15, 15 and a half percent?

**Nirmal Shah**

Yes, Mr. Nasir, what we are finding is that there have been multiple issues. One is the first round of increases that happened in the Q1, which was driven by a lot of the solvents. Q2 has been driven by key components that are being imported from China due to fluctuation in currency as well as the availability and the material cost. So all three factors came in together. Q3 has been, as of now, the same as Q2 with supply chains not easing yet, freight rates also being higher, and availability continuing to be a challenge.

There's a little fluctuation also in domestic markets. Some materials are suddenly going through the roof due to unplanned shutdowns by a couple of the manufacturers and an import, an export country has also not been able to ship out that material because of a shutdown in their country. So these are some time-specific issues that we feel should ease out in some time. But unfortunately, we've become so cautious that it's becoming very difficult for us to put any kind of, provide any visibility to how soon we can normalize. We take solace in the fact that the volume growth, our teams are putting in all the effort and just the whole fatigue aspect is one thing that we will definitely overcome.

But the silver lining is that once these prices start normalizing, usually we found that there's a couple quarters of tailwind, so we would not need to reduce prices. A lot of the new businesses that we've acquired in these last couple months are at the higher prices.

So they will continue to deliver those margins, higher margins. And when costs come down, those margins can improve. So I think double-headed challenge, one was earlier we were able to maintain a 10% top line. We made a lot of changes. We started adding, you know, focus on growing the business and the volumes. And now we've come across the situation should normalize hopefully by the end of this financial year. but can't put, can't give you any assurance.

**Zaki Nasser**

Yeah, Sir, we have we have seen a good, so we have seen a good growth in the top line, so, and and generally Q2 H2 is better than H1. Do you at least see that trend? Sustain going forward, sir.

**Nirmal Shah**

Very much, very, very much so. So the order book is very strong. There's also all the continuing orders go well into the next financial year. So there is no doubt that this momentum will continue for the remainder of this year. And Q4, which has historically been a high quarter, high sales and profit quarter should also be nothing different this year.

**Zaki Nassar**

Sir, what is the biggest threat to business as you see it? See, because we are a very customized kind of specialty chemical company. So do you think there is any risk from the source manufacturers in terms of setting their own products in the company or no, I mean, there's a moat enough in our business.

- Nirmal Shah** I am unfortunately not able to fully understand or comprehend your question, but if I got it right, you want to know whether there is customer stickiness? Is that the question or? Yeah, yeah, yeah. So yes, of course, customer stickiness is definitely there. Our customer attrition rates are extremely low. and new business keeps growing. In fact, even some of the customers that we do lose or we do let go experience poor treatment performance from our competitors and do want us to get back. And that is the case in two or three of the accounts that we had lost last year.  
which we are back into at better prices and higher margins.
- Zaki Nassar** Yes, yes, sir, So some light on the AI data center clients of yours, sir. How is that segment panning out and what kind of demand do you foresee going ahead on that?
- Nirmal Shah** So we, the top telecom company, all their data centers are being treated by Chemborn's water treatment. There's also NTT, Yota, and a couple others, Control-S, large data centers. Each of these is taking up our automated solutions. So they have an online monitoring and feed control system. Remote monitoring is what they seek. So that's one component. And the other is the makeup chemicals that they need, which is not significantly large, but the sheer numbers of these in a concentrated locality provides an opportunity which pays for itself by, you know, better monitoring teams and routine customer visits.
- Zaki Nassar** And sir, before I come back to the queue,  
The taxation, so we have ended up paying, I think, 35% in the half year. So why is that?
- Nirmal Shah** I mean.  
Taxation, yeah, I'll just let Prachi talk about why our tracks, but I believe it would be a lot related to the capital gains on redemption of investments and on some of it would be. So, Prachi, can you pull that out and throw some light?  
We can come back to this in a few moments.
- Zaki Nasser** That will be fine, sir. Thank you.
- Nirmal Shah** Yes, thank you very much.
- Kiran Mukadam** Thank you, Mr. Ritesh.
- Ritesh Poladia** Yeah, thanks for the opportunity. Am I audible?
- Kiran Mukadam** Hello?  
Yeah.  
Yeah, yes, sir, please.
- Nirmal Shah** Yes, sir. Yes, sir.

**Ritesh Poladia**

Yeah, yeah, thank you, Nirmal Bhai. Good afternoon. Sir, just wanted to know this margin erosion is across the segments, or is it more into the distribution because it grew its growth is quite high at eighty-six percent? That's number one.

Second, in construction, you said that there is a product mix change. If you can give some more insights into it.

Why sealants are more and admixtures are less? Is there a change of strategy or something on that? It will be helpful for us.

Third on employee base, can you give us an idea of what is this technical service employee base?

It's quite unique for the means to us and also 18, 19% employees to sales ratio is also quite high for the comparable companies in the chemical segment. So how are you different and what we can envisage this?

In years ahead, thank you, sir.

**Nirmal Shah**

Awesome. Thank you very much, Ritesh, for posing these questions. I'll take them not necessarily in the order you asked. Chemical segment is divided, is very, very versatile. You would have polymers, you would have refining products, you would have clothing, you would have so many different segments within chemicals.

We cater to a specialty chemical segment, and within specialty chemicals, our business is highly customized and customer-centric. Our teams are deployed at customer sites, monitoring and treating their water treatment, water systems day in and day out.

Large sites demand a larger team because the business value and the complexity is significant. Our teams are qualified. They are chemists or chemical engineers. They need to know what chemical processes are and our customer base includes refineries, steel mills, power plants, to petrochemical complexes, and to the small ones like institutional hotels and hospitals.

So with the larger segments, we need to have our teams deployed. Within that large site, there are multiple applications. One could be in raw water treatment. That's the fresh water that is taken into the factory premises. Then we treat the cooling, the process water application.

So we would treat boilers, we would treat RO membranes, we would treat cooling towers. And then there's the wastewater that's generated that needs to be treated before it is discharged into public domain again. So for that, also, we have to have around the clock monitoring, feed control, and make sure that the discharge meets the regulatory norms. So for all of these, there are certain requirements that the customer puts up front.

Our bids and prices incorporate the cost of manpower and technical support. that needs to be provided. As you would understand, water is not stagnant. It is a dynamic in quality. Seasonal changes as well as source changes, as well as certain leakages from within the factories can disturb the water balance and the quality.

which needs immediate course correction in terms of the treatment we provide. So that's why we need people in the field. I think our employee cost as a percent to sales used to be even higher in the past periods has come down because it's a higher top line this quarter for sure.

And it's been like this for...ever since we've started this business, because this is something we thrive on. I think one of your questions was also on the product mix in construction chemicals. Yes, there were certain orders that we had for admixtures.

Those projects came to an end, so there was no more future supplies to those projects and that sales was replaced by a proactive action by the team to build up customers for regular moving those were the sealants. Sealants we have over the years gained a good reputation for performance.

And it's the preferred benchmark in the industry in polysulfide sealants that a chem bond sealant is considered to be T1. So that's what's getting back some customers on sealants. And we are also aggressively pushing. We also repurposed one of our lines in the plant in Gujarat. to make additional quantities of sealants. So we're able to churn out more volumes for that. Was there any other segment question that I missed? If I have.

**Ritesh Poladia** Third one was on margin. Is margin erosion across the segments or is it more in the distribution side?

**Nirmal Shah** Yes. No, it's across the segment, not so much in distribution because as a total percent, distribution is still about 8 or 9% of the total. So water is the major concern. And we were just doing a quick calculation that had margins even remained at Q1 levels, our profit would have been higher by about Rs. 20 crores. So that's the erosion in numbers just because of these raw material prices that have shot up.  
Yeah.

**Ritesh Poladia** If I can add a couple of more questions. So you mean to say you have a product business also and there is a service element to it because you need to have technical staff into it. Sir, if you can give some idea what percentage of revenue is scattered by this technical staff

**Nirmal Shah** That's right, that's right, that's right, yes.

**Ritesh Poladia** And  
**Nirmal Shah** 80% of our business revenues come from businesses that need manpower dependencies and are driven by technical solutions. And about 15 to 16% is purely driven by product sales and the remainder is a hybrid where the basket is sold. So some products and some technical selling.

**Ritesh Poladia** So if your people are to this refinery or to their water treatment plants, can we say that you have some mode to that extent that the client will not run away from you?  
Just for pricing purpose.

**Nirmal Shah** Yeah, that's true. Yes, very much so. And that's what I mentioned. Our customer attrition rates are very, very low. And even in instances where we have lost, where the customer has, customer is not running away from us, they are throwing us out. They've actually invited us back and...agreed to pay a premium to solve their issues created by a competitor.

**Ritesh Poladia** Only one last question: any revenue concentration if you, if you can give like top 10 customer revenue concentration or something?

**Nirmal Shah** No, actually, that's something that's a little too specific, and you know it's something that we really wouldn't want to be in, you know, discussing in this forum.

**Ritesh Poladia** Thank you very much, sir. It's very helpful for us.

**Nirmal Shah** Yeah, thanks. Thank you.  
Yes, I think the next question is from Siddharthaji. Yes.

**Kiran Mukadam** Mr. Siddhartha.

**Siddharth Neelkanth** Oh, thank you for the opportunity. Am I audible?

**Nirmal Shah** Yes

**Siddharth Neelkanth** Good afternoon, Nirmal. In the previous calls, you had mentioned about these new age industries like solar panels, copper plants, and data centers. So approximately what percentage of our water revenue comes from these new age industries?

**Nirmal Shah** Roughly about 7 to 8% so far.

**Siddharth Neelkanth** Okay, and do you see this concentration growing in the next three years?

**Nirmal Shah** Yes, if this industry continues to execute all the projects that are in the pipeline, we expect it to hit about 12 to 15 percent.

**Siddharth Neelkanth** Okay, and just a last question. So these customers, are they on tenders or are they on contracts?

**Nirmal Shah** In the initial phase, they come with the technology suppliers contract. However, with the performance that we deliver, they end up becoming bid contracts. And in the bidding, there is usually a premium that they are willing to pay for somebody who has already delivered. who has already delivered.

**Siddharth Neelkanth** Okay, so you can negotiate better prices with them.

**Nirmal Shah** Correct. Better prices, not necessarily, but yes, they would want to continue to work with us.

**Siddharth Neelkanth** Okay.  
Okay, thank you.

**Nirmal Shah** Yes, sir. Thanks.

**Kiran Mukadam** Umesh to Jinaal.  
Hello?

**Jinaal sheth** Good afternoon. Yeah, hi. Am I audible?

**Kiran Mukadam** Yeah, yes, sir, please.

**Jinaal sheth** Yes, good afternoon, Nirmal. Just, I mean, heard your comments on the margin side and obviously that since that was a big hit. I just wanted to understand since your commentary has been very positive on sales on growth ahead, what is driving this positivity? If you may kind of, if you can break it down.

**Nirmal Shah** Yes, hi, Jinaal. Most of the segments that we cater to, not only most, all the segments have seen volume growth. Whether it's across the board, there's not one industry that is slowing or which has slowed down. refining, pet chem, chemical manufacturing, agrochemicals, fertilizer, power, steel, cement. Every segment, Janal has experienced growth.

**Jinaal sheth** This is interesting, Nirmal, because, I mean, when we are tracking some of these industries, I mean, obviously, it's a mixed bag what we hear. So I'm simply trying to understand, has there been a change lately that is helping us with this strong growth? I mean, something on the regulatory front, I don't know. I'm just kind of trying to understand.  
Because, I mean, in the last few years back and in the last couple of years, I mean, there's a clear bump up in the pace of growth that we are at, right? So I'm just trying to understand what has changed. Is it, obviously, I know last time you did mention about newer products that have been introduced as well that's helping, and then you did answer the previous one. Where you know the new age, so I'm just, I mean, what is that that change that has led to the strong growth?

**Nirmal Shah** Yes, primarily it is an expansion of the volumes being produced by these industries. Second is their effort on water conservation and recovery. They are trying to reuse as much water as they can and, as a result of which, they continue to need better designed treatment programs. There's also certain amount of regulatory change and the move in public sector from elemental chlorine to using other oxidative treatments. But that impact in our performance has been not even 4 to 5%, so that uptick is not driven primarily by regulatory. You know, regulations, basically, uh, mandates.

**Jinaal sheth** Okay, your commentary for this year is strong, but you see the opportunity, right? I'm not, I'm not trying to hold you to a guidance or something. I'm just trying to say, yeah, so you, yeah, you can resolve your, yeah.

**Nirmal Shah** No, we expect off Couse industry, because I look at as over all within certain positive indicator on the country and its export that are happening, the free trade agreement are only going to make easier to Indian company to export, the more and more products are getting into manufacturing domain within India which did not existing the few years ago, this momentum is going continue, I don't think see stopping within year or two this are long term commitment shares by countries.

- Jinaal sheth** That's fantastic. And lastly, Nirmal, how are you seeing the competitive landscape? Can you change it there or it's the same or?
- Nirmal Shah** Ohh.  
No, it's pretty much the same. There's been, of course, a little bit of change in one of our competitors who's been taken over by another process chemical manufacturing company. And I think that transition phase will last for a few more quarters and we expect that, and I continue to maintain that that should be a positive for us because it's a larger, better organized company
- Jinaal sheth** Perfect. Thanks a lot, Nirmal, and good luck to you and the team.
- Nirmal Shah** Thank you, thank you very much.
- Kiran Mukadam** Mr. Madhuri.
- Madhur Rathi** Sir, thank you for the opportunity. So firstly, if you could help us understand that how should I look at our margin going forward, because you mentioned that we have been able to pass on some raw material cost increases to our customer. And if you can help us understand how's the execution cycle of these projects and when can we expect the increased margin or the realization improvement that you have taken with customers to reflect in our margins.
- Nirmal Shah** Yeah, so Madhurji, ours is a continuing business. It's not like an equipment supply that will end with one project. So 90% of our water business is driven by the chemicals, which are like a consumable and most of the contracts are either annual or biannual, so two year contracts. They come up for renewal. Public sector contracts are fixed price, very difficult for us to revise those prices.
- within the contract period, unless we terminate the contract ourselves. Private sector, they are much more reasonable. They will listen, they'll talk, evaluate, and pass on at least a portion of the increase that we would seek.
- New bids and new tenders, new proposals are constantly being submitted. Those are submitted at prices that would factor in the current material costs. And again, those would also result if it is a positive result in orders that would be for one or two years. So this kind of a cycle will continue. So it's a continuing business. It's not a one-off.
- Pipeline, when I say pipeline for equipment, I think our book would be about 15 to 20 crore as of now for this financial year and on chemical sales is everything else is a continuous business. Overall, maybe 25, 30 percent of our total sales in water comes from PSU, which are fixed price contracts.
- I hope I've been able to answer your questions, most of all.

- Madhur Rathi** Yes, so, so, so, yes, so, so would it be fair to assume that over the maybe one next one or two quarters our margin might be on the there could be some pressure due to if the raw material prices don't decrease in proportion to the extent where the price lag happens with our customers? Is that a fair understanding?
- Nirmal Shah** Yeah, so as long as everything else is constant in the current situation, if the Iran war diffuses completely and crude and all the logistics lines come back to pre-war levels, we expect that in one or two quarters we should be able to see all the effects of the, you know, cost increases be overcome.
- Madhur Rathi** Got it. So, so I would, so if I look at your gross margins, they've not considering these two quarters, but FY26 versus FY24 level, they've improved. So how should we look at our gross margins going forward, considering we are moving into these new age industries where our product might be much more critical as well as The quantum or the business with our customers, like refinery, is growing. So can we expect this to move to 40, like 50?
- Nirmal Shah** No, so see, there is nothing like more critical and less critical. Water is a critical element for any industry. And if not treated well, it can cause several production related issues and downtime and higher costs for the customer. So whether it's a data center or a refinery or a power plant, water is equally valuable and important to be treated well. So from that perspective, there is nothing, you know, that needs to be more weightage to water treatment. And new age industries, when I say that, I'm saying that industries that did not exist in India, they've started to come up.
- Madhur Rathi** So, so what kind?
- Nirmal Shah** And as a result of which, the market itself is expanding. These industries did not exist in India until two, three, four years ago. And now we see that they are becoming a sizable component of industrial manufacturing. So that's what I mean by new Age Industries.
- Madhur Rathi** Got it. So, so what metrics should we look at? So, considering, so what metrics should we look at for the margin improvement for Chembond as a business together? Would it be more driven by the chemistry that we provide or would it be more driven by as manufacturing, whatever purchases that we are buying out from outside.
- Nirmal Shah** Madhuri, I don't think I can throw anything more than what we've already been talking last 30, 40 minutes. There's not much more to add to help you understand this margin improvement will come when costs will reduce. Everything else is in its position, in its place. So it's not that our CapEx has driven in interest costs up, nor has employee costs shot up through the roof. So all those are still where they were. It's only the material costs that have hit us. And as soon as those prices cool off and the effect of price increases sets in, Our margin improvements will be seen.
- Madhur Rathi** Got it. So just one final question from my end. So can I ask one final question?
- Nirmal Shah** Got it. Thank you. Yeah.  
Yeah, sure.
- Madhur Rathi** So, so just one, sir, how would be our competitive intensity versus a EPC or a water treatment solution provider? So, what is the competitive advantage or right to win that Chembond has versus these integrated peers who are building the plant as well as providing these chemicals? together as a service to their end customers, whoever that might be.
- Nirmal Shah** I think the relationships that we have and the credentials that we carry still make us a preferred choice because all the other EPC companies that are not into chemicals do not want to award their chemicals business to our competitors who are doing everything themselves.

So from that standpoint, we are a preferred vendor to those companies. And we have a couple partnerships, or I would say informal or formal partnerships in place with these large equipment companies where we are their preferred partner supplier.

Thank you. Yes, Mr. Lala Ramji.

**Lala Ram**  
**Nirmal Shah**  
**Lala Ram**

Hello, could you make an audible?

Yes, sir. Yes, very much so. Thank you..

Good evening, and the management team. I have three questions. The first one is, you made a remark that your profits would have been high about Rs. 20 crores if prices in quarter two would have been similar to quarter one.

Uh, were you referring to the EBITDA or PBT for the first half?

In that remark.

**Lala Ram**  
**Nirmal Shah**  
**Lala Ram**  
**Nirmal Shah**  
**Lala Ram**

The gross profits.

That's right.

for the entire half year, correct?

Q2, Q2 at Q1, yes, or for six months it would have been that month.

I have 20 crores. Okay, got it. Also, the second question is, if I look at your order two versus quarter one, the foreign gross margins is not very dramatic. It is just a 1% drop from 42.7 to 43.7 to 42.7.

So the bigger pain actually has come from other expenses, which has gone from 11 crores to 16 and a half. So can you throw some more light on what exactly has happened there?

**Prachi Mahadik**

So our revenue mix has got technical service as one of the revenue. Here we employ our labors. So there are few customers from wherein we have got technical service orders. So labor cost has increased in other expenses. And also to some extent, freight cost and traveling cost has increased. So this has contributed to increase in our other expenses.

**Lala Ram**

Yes.

Okay, got it. Third question is, if I look at your employee base, majority of them are into technical services. So does that mean all of them are at the customer site?

**Prachi Mahadik**  
**Lala Ram**

Yes.

Okay, so what is the scope of?

Cost optimization in this line item with say remote monitoring than any other developments in technology.

**Prachi Mahadik**

So these costs are like when we receive order, the employee call, the labor and the employee call number is specified in our order and that is the service what we have to provide. So that is what we are currently following. So I don't see any optimization in terms of number. So that would still remain the same.

**Lala Ram**

Got it. One final question is in the previous calls you have mentioned about the vision of thousand crores. Can you talk what we have done in the last few months with respect to this vision? Maybe new categories, new segments, new geographies, whatever you can share..

**Nirmal Shah**

I think a lot of it is across the board. And I think the revenue growth itself would be an indicator that some of those are obviously delivering the goods. We had aimed that in three years, we'd be at that number. So one was an organic growth, and that's something that we are pushing. Second was to grow the smaller business within the company operation. And that's also what we're trying to achieve in the distribution, in the cleaning and hygiene, as well as in the construction chemical space. So both of these are something that we can do within our company. And the third is looking at inorganic opportunities. So every now and then we keep receiving.

**Lala Ram**

Yeah.

**Nirmal Shah** Aspirational value.

**Lala Ram** The questions would, you know, be like to do.  
And specifically, product, or you know, whatever you can share in terms of framework.

**Nirmal Shah** No, I mean, it needs to be synergistic. It needs to be an area in which we have some credible presence and strength. And it needs to be of a size that we can digest and manage to operate without creating constraints for the continuing business. Pretty simple and logical from that perspective. We don't want to get into something unconnected, something fancy, and something unsustainable.

**Lala Ram** Got it.  
Okay, one file was a second fiction.

**Nirmal Shah** I think I'm now running into finals a lot, so yeah, let's hear that. Yeah, go ahead

**Lala Ram** Yeah, sure. So I think we have done a very good job with cash flow in the first half. So want to understand if we are looking to use that to say by doing buyback or increasing different payout or anything of that sort. Given.

**Nirmal Shah** Yeah, we would surely be looking at it because if there's not an immediate need for this cash, then we'd like to return it to all our shareholders.

**Lala Ram** Got it. Thank you so much and wish you all the best

**Nirmal Shah** Thank you very much.  
Yes, sir, Zaki.

**Kiran Mukadam** Mr. Nasser.

**Zaki Nasser** Yeah, sir. So, Nirmal, you mentioned 1000 crore aspiration three years down the line. So, what capacities have are we already sitting on for this aspirational number, sir? And what, if required, what CapEx would?  
Further be required.

**Nirmal Shah** Yes, I think this is something I answer every quarter or every time we interact with all of you. So our products are formulations and capacity is not a constraint. We have large enough plants and that are small incremental expansions are yielding magnified capacity expansions. So addition of a warehouse section would increase the material handling capacity multi-fold. Adding 2 reactors would increase, you know, capacity multi-fold. It is not linear or constrained by the, you know, the processing cycle is short.  
And so, so, and the businesses that we are into, addition of capacity is not a multi-year project. It may at most take two months to expand. The plants are made and designed in a way that it is modular expansion. whether it's on inside the shop floor or an additional block or building to be made, they can be expanded without disturbing the running operations of the plant.  
So from that perspective, that's the least of our concerns. Our concerns are, you know, typically towards profitability management and cash flow management. On cash flow management, we've done, I think, a credible enough job.  
On profitability management, we've tried, but due to some reasons beyond our control, we have not been able to deliver to our own expectations, and I'm sure your expectations too.

**Zaki Nasser** Thank you, sir. Best wishes for the balance of day.

**Nirmal Shah** Yes, yes, yes, sir. Thank you. Thank you very much.  
All right, I think there are...  
Mm.  
Mr. Lalaram, do you still have a follow-up question or it's raised from the previous question itself?

**Lala Ram** Yeah, it's raised from previous question.

**Nirmal Shah** Okay, okay. So great. I think we've reached the end of our time anyways. And if there are no more questions, Kiran, can we conclude this meeting?

**Kiran Mukadam** Yeah, yes, sir, please.

**Nirmal Shah** OK, thank you. Thank you everyone. Thank you. Thank you all and wish you all a happy Diwali. Yes, I wish everyone a happy Diwali festival ahead.

**Kiran Mukadam** Yeah, thank you all. Please. Thank you for participating.

**Nirmal Shah** Yeah. Thank you.

**Nirmal Shah** Thank You