



May 15, 2026

The Manager (CRD) The BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai- 400001	The Manager – Listing Department National Stock Exchange of India Ltd Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (East) Mumbai - 400 051
Scrip Code: 530117	Symbol: PRIVISCL

Dear Sir / Madam,

Ref: Letter dated May 12, 2026, providing Audio link of the Analyst / Investors Meet

Sub: Transcript of Analyst/ Investors Meet held on Tuesday, May 12, 2026

In addition to Audio Link shared via letter dated May 12, 2026, please also find enclosed the transcript of the Analysts/Investors Call on the Audited Standalone and Consolidated Financial Results of Privi Speciality Chemicals Limited for the quarter and year ended March 31, 2026, held on May 12, 2026

You are requested to kindly take the same on record.

Thanking you.

Yours Sincerely,
For **Privi Speciality Chemicals Limited**

Ashwini Saumil Shah
Company Secretary

Encl: As above



PRIVI SPECIALITY CHEMICALS LIMITED

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PRIVI SPECIALITY CHEMICALS LIMITED

“Privi Speciality Chemicals Limited
Q4 and FY26 Earnings Conference Call”
May 12, 2026



PRIVI SPECIALITY CHEMICALS LIMITED



ADFACTORS PR

Reputation & Critical Issues Advisory



**MANAGEMENT: MR. MAHESH BABANI – CHAIRMAN AND MANAGING
DIRECTOR
MR. R.S. RAJAN – PRESIDENT
MR. NARAYAN S. IYER – CHIEF FINANCIAL OFFICER
Ms. ASHWINI SHAH – COMPANY SECRETARY AND
COMPLIANCE OFFICER
MR. SANJEEV PATIL – EXECUTIVE VICE PRESIDENT,
STRATEGY AND BIOTECHNOLOGY**



Moderator: Ladies and gentlemen, good day, and welcome to the Privi Speciality Chemicals Limited Q4 and FY26 Earnings Conference Call. 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.

From the management, we have with us Mr. Mahesh Babani, Chairman and Managing Director; Mr. R.S. Rajan, President; Mr. Narayan S. Iyer, Chief Financial Officer; Ms. Ashwini Shah, Company Secretary and Compliance Officer and Mr. Sanjeev Patil, Executive Vice President, Strategy and Biotechnology.

Before we begin the conference call, I would like to mention that some of the statements made during the course of today's call may contain forward-looking statements about the company, which are based on the beliefs, opinions and expectations of the company as on the date of this call. These statements are not the guarantees of future performance and involve risks and uncertainties that are difficult to predict.

I now hand the conference over to Mr. Mahesh Babani, Chairman and Managing Director of Privi Speciality Chemicals. Thank you, and over to you, sir.

Mahesh Babani: Good evening to everyone and thank you for joining us today. I would take this opportunity to take you beyond our strong FY '26 performance. I would like to inform you about Privi's position today and strength of the foundation that we've built for the future.

Over the past year, we have strategically transformed Privi into a more resilient, diversified and forward-looking speciality aroma chemicals platform. Today, our company is far better positioned than ever before, supported by our robust diversified portfolio, deep customer relationships, strong R&D and innovation and notable global footprint that allow us to navigate external uncertainty and with confidence.

With that, I hand over my team, Rajan, Narayan and Sanjeev and Ashwini to answer all the investor questions. Thank you. Sanjeev

Sanjeev Patil: Thank you. This is Sanjeev here. Good evening to all. I believe that you all have had a chance to go through our financial results and investor presentation. I will briefly take you through the operational performance for the quarter ended March 26 and the entire year as well.

The industry tailwinds remain firmly intact. Demand for fragrance and flavor ingredients continue to grow, driven by rising consumption for premium products and increasing focus on wellness and personal care.

In addition, global supply chain are undergoing a structural shift with customers increasingly looking for reliable, high-quality and compliant partners, a space where your company, Privi, is strongly positioned.

Operationally, the quarter reflects steady execution across all key priorities. We continue to see consistent traction across our core aroma chemicals portfolio, supported by steady demand from



global customers. At the same time, our efforts towards increasing contribution from downstream and value-added products are progressing well, and this is gradually reflected in the overall mix.

From a manufacturing standpoint, plant utilizations remained healthy across major product lines. Our teams continued to focus on operational excellence through process optimization, yield improvement, energy efficiency initiatives and debottlenecking programs across the plants. These initiatives have helped us improve throughput while maintaining strong cost discipline.

On capex front, we are on track to complete the first phase of our capex expansion by 30 June, 2026. Total installed capacity will increase to 54,000 metric tons per annum after this phase of expansion. We are now entering a calibrated ramp-up phase and expect these additional capacities to be commissioned progressively over the coming quarters in line with strong demand visibility across key products.

In parallel, Phase 2 of our multi-speciality aroma chemicals project is progressing as planned. These investments position us well to drive the next leg of growth with phase and meaningful contribution to both revenues and profitability ahead.

The joint venture with PRIGIV. In quarter 4, PRIGIV turned a corner and reported profits for the first time. Further, additional capex of INR50 crore is being implemented based on the equity infusion by Privi and Givaudan in the ratio of 51% and 49%.

Going forward, the joint venture will gain further traction on growth and robust profitability. Overall, our focus remains on driving volume growth in core products, improving product mix through higher share of value-added products and maintaining cost discipline and operational efficiency.

As we enter the next phase of growth, we remain focused on disciplined execution, strengthening our product mix and driving operational excellence. We believe this approach will allow us to deliver consistent profitable growth while continuing to create long-term value for all our stakeholders.

With that, I hand over to our CFO, Mr. Narayan S. Iyer, for the financial details of the company.

Narayan S. Iyer

Good evening to all, and thank you, Sanjeev, and a warm welcome to all of you. We are pleased to report strong financial performance for the FY 26 delivered in a dynamic and evolving macro environment. Our performance reflects strong execution, disciplined cost management and the continued strength of our diversified product portfolio.

Our performance for the quarter and the FY 26 highlights our ability to protect profitability across cycles and reinforces our confidence in the structural strength of our operations and the organization.

Let me give you a glimpse on the key highlights for FY 26. We have reported strong growth despite subdued market. A 22% revenue growth on a year-on-year basis was what we have



achieved during FY 26. We have delivered 25% plus margins consistently across all quarters and for the FY 26 on the EBITDA numbers.

And we expect to sustain a 20% plus EBITDA margins going forward, which is driven by operational efficiencies, improved product mix and increased capacities, which is coming over in the next few quarters. Our JV with PRIGIV is also shaping up very well, and we expect meaningful contribution in the coming years. The good news is that PRIGIV has earned profits in Q4 on its own, and we expect to maintain and improve on the same going forward.

Additionally, during the year, we continued to make progress on the proposed merger of Privi Speciality Chemicals Limited, Privi Fine Sciences Private Limited and Privi Biotechnologies Private Limited with the parent company. This consolidation is aimed at simplifying the group structure, enhancing operational synergies, improving scalability and creating a more integrated platform for future growth.

We are also pleased to share that the company has recently received an observation letter with no objection from both the stock exchanges, namely BSE and NSE, marking an important milestone in the merger process. We shall now go ahead filing with the NCLT, the scheme, and we expect the approval final coming from NCLT during the FY27.

Coming now to the financial key highlights. I will touch base on the Q4 FY26 results first and then go to the year at large. During the Q4 FY26, the total income achieved by the company was INR725.70 crore with a growth of 15.29% on a year-on-year basis.

EBITDA achieved during the same period was INR184.41 crore, registering a growth of 25.09% on the previous year. EBITDA margins achieved was 25.41% for the quarter, and we expect the company to maintain such similar margins going forward. Profit after tax for the quarter was a strong INR95.66 crore as against INR63.57 crore achieved during Q4 FY25.

Coming to the annual numbers for the FY 26. The overall income achieved by our company was INR2,582.92 crore as against INR2,121.84 crore achieved last year, indicating a growth of 21.73%. EBITDA achieved during the year was INR665.45 crore as against INR474.15 crore in the previous year, indicating an increase of 40.35%.

EBITDA margins achieved was 25.76% for FY 26 as against previous year's 22.35%. Profit after tax for the period was INR327.54 crore as against INR187 crore in the previous year, indicating an astounding increase of 75.16%. During the year, the total volume of sales achieved was about 42,389 metric tons, which indicates an increase of 6.5% over previous year's volumes achieved.

My dear friends and shareholders, the overall growth of our company was driven primarily by volume growth, price increase and an improved product mix. This growth was supported by sustained demand across key end user industries and an increasing traction in our speciality and value-added product segments.

While input costs remained relatively stable during the year, we continued to focus on operational efficiencies, cost optimization initiatives and improved capacity utilization, which supported the margins. We have been able to bring down the manufacturing and other



administrative expenses, which has enabled to improve the EBITDA margins further during the year.

Now coming to the balance sheet numbers. As a company, we continue to maintain a very prudent capital structure. I'm happy to inform that due to the excellent management and constant monitoring and focus, we have been able to bring down our overall working capital cycle to 117 days during FY 26.

Our net debt as of March '26 stood at INR876 crore. This is, of course, net of cash and surplus money deployed in mutual funds with a net debt to an EBITDA ratio of 1.33x, reflecting our focus on maintaining financial flexibility while supporting growth investments. Our net debt to equity ratio was a very healthy 0.62x, reflecting good generation of profits.

As you may have noticed, we continue to improve our ROE and ROCE, which during the year, we achieved a number of 22.05% and 22.42%, respectively, thereby reaffirming our visionary Chairman's vision that going forward the company's ROE and ROCE is poised to be in excess of 20%.

During the year, we generated healthy operating cash flows of INR550 crore, maintaining a comfortable liquidity position. Our capital allocation, our focus remains on investing in high-return growth opportunities, particularly in expanding our speciality chemicals portfolio, enhancing the backward integration and improving operational efficiencies.

In line with our commitment to shareholder returns, the Board has recommended a dividend of INR10 per share for FY 26 with a dividend payout of 100% of the face value of the share which reflects our confidence in the business outlook and cash flow generation going forward.

Looking ahead, we remain confident in our ability to deliver sustainable growth. Our strong balance sheet, robust cash flows and disciplined capital allocation strategy position us well to capitalize on emerging opportunities while navigating external uncertainties.

With the planned capacity expansion of existing products and the introduction of new speciality products, we have established a clear road map and are on track to achieve the vision, the foundation of which was laid by our visionary Chairman, Mr. Mahesh Babani, of the INR5,000 crore of revenue and INR1,000 crore plus in the EBITDA numbers over the next 3 to 4 years, which represents a growth of about 2x.

With this, I would like to conclude the presentation as of now and open the floor for questions and answers. Thank you. Over to you, moderator.

Moderator:

Thank you very much. We will now begin the question and answer session. The first question is from the line of Sumant Kumar from Motilal Oswal.

Sumant Kumar:

My question is regarding the gross margin. We have seen a significant dip in gross margin sequentially. Any specific reason for that?



- Sanjeev Patil:** Yes. So, Sumant, as you know, our business is so structured that 70% of our revenues come from export and most of that are through contracts. So, in the fourth quarter, and if you see historically also, that's why there is an overlap of sometimes the raw material contract getting into the fourth quarter. That is the first quarter for the calendar year.
- And because of this overlap, sometimes you have this kind of situation. But as we always say that you should judge Privi on an annualized basis. And this trend you will find in the last few years also, if you look at the last few years also, you'll find a similar trend because the way the prices move for the annual contracts for both raw material and finished goods, such an overlap and distortion can happen, but that's only part of the thing. And you should look Privi always on annualized basis.
- Sumant Kumar:** Regarding capex, in Q3 FY26, you have given all the timeline of capex. So that capex plan intact or any changes?
- Sanjeev Patil:** It is intact.
- Mahesh Babani:** It is intact. We are confident of showing a growth of 20% in the coming year. And we are hopeful we'll also be able to maintain similar EBITDA margins.
- Moderator:** The next question is from the line of Rohit Sinha from Sunidhi Securities.
- Rohit Sinha:** First question, sir, on the guidance side, as we are looking at a 20% growth and 24% margin. So, although we have got the approval of the amalgamation of our Privi Fine Science and other business, so does we take into account this number also on this 20% growth or it would be purely from the existing business only?
- Narayan S. Iyer** Rohit, thank you. The numbers are appreciated. The 20% growth that Mr. Mahesh Babani talked about is on the standalone basis as it is today. And as and when the scheme of merger happens, then of course, we'll be consolidating it.
- Rohit Sinha:** Got it. Got it. Secondly, just wanted to know how we should see the engagement with the MNCs during this tough time? And how the spot customers behave during this time? And how we are looking at going forward in the coming quarters?
- Sanjeev Patil:** So spot customers, these are all very dedicated questions. These calls are recorded. So we won't be able to share, but we have a very healthy relationship and very transparent relationship with our customers. And they are also able to see that the changes which are happening. I mean these are changes which are once in a lifetime kind of impact that is there. So because of our transparency and trust, we are able to pass on and it is accepted from our customers.
- Mahesh Babani:** And I don't see any reason that we will not be able to pass on the price increase. We are confident that we'll be able to pass on the price increase. Because you see, I would just tell you, I'm not saying I'm the most competitive, but I am definitely in the league and people do have confidence by paying 1% or 2% higher, Privi is a better supplier.



So, we have that confidence that people will pay up and we do have customer relationships so strong that when we sell a basket, we make sure that the customer has a happy ending and good smile on his face.

So, somewhere we have extra margins, we do give something cheaper, as a basket, we are keeping our customers happy. That's our strength. We have 75 products, 15 more in the pipeline, 10 more under development, 100 products from one doorstep is a great strength to have.

Rohit Sinha: Great, sir. And on the PRIGIV side, as we have invested another INR50 crore for the capex, so is it towards more towards the revenue improvement or it would be on the margin improvement? I mean, anything on the backward integration kind of angle?

Mahesh Babani: There is no backward integration here. The thing is we are bringing in new additional products and additional revenues. So in fact, this year, we expect almost INR130 crore of sales instead of INR55 crore last year. And we hope we are working in a bigger direction to see at least in the next 3 to 4 years, we should be at least INR300 crores of Revenue and with decent margins, obviously.

Rohit Sinha: Great, sir. One last question from my side. As our working capital days now stands at around 117 days, do we see any increase in this number due to the current situation, or it will more or less remain in the similar level?

Mahesh Babani: Even if it increases, it won't be more than 3% to 4% because when you increase prices people make late payment. Even if it increases, it won't increase more than 5% or something like that. We are confident we'll be able to manage this situation. And we always want to see a happy customer. A smile on his face keeps our day and keeps our balance sheet very alive.

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

Rohit Nagraj: Congrats on a very strong set of numbers. Sir, first question is on the raw material sourcing side. So, if you could give us a flavor as to how are we protected in terms of inventories, the current sourcing situation? And on the entire aggregate raw material basket, what is the kind of cost inflation that we have observed over the last couple of months?

Sanjeev Patil: Sure. So, there are 2 categories of raw material we can say. One is the renewable raw material for which we have annual contracts. And based on those annual contracts, typically, we hold about 1, 1.5 to 2 months of inventory. And then there is always inventory in transit because most of these are shipped from Europe or from U.S. So, you have another 1 month of inventory there. So, we are covered for almost a quarter for regular raw material, which are contracted. And these other raw materials, we are covered for about 3 months in stock and another 2 to 3 months in pipeline. So that's the way we plan our raw materials.

And for non-pinene-based products, whenever we get into annual contracts, they are typically 6 monthly contracts. So, we keep and maintain visibility for those many months. So that's the way we function. And that's how we try and mitigate the risk of the volatile situation what we are facing right now.



- Mahesh Babani:** So, we position our contracts as per the raw materials in hand. We don't take too many contracts if we reduce our market share with some contracted customers, if we see contracts are overburdened. So we maintain a fine balance. We keep our eyes on the ball to maintain the fine balance between customer relationship and sales.
- Rohit Nagraj:** Sure, sir. Got that. Sir, second question in terms of the FY 26 top line growth of 22%, if you could give us a broader understanding how much was driven through volumes, pricing and the product mix, that will be helpful?
- Narayan S. Iyer** Rohit, as indicated, it is about 6.5% on account of volume growth and the balance is on account of the product mix and about 8% odd increase in the prices, in fact.
- Rohit Nagraj:** Sure. And just to clarify, was there any material benefit from the forex gains during last year?
- Narayan S. Iyer** Definitely, because we are a net exporter per se. So, there is some amount of forex gain that has happened in FY 26. I think we have reported is close to about INR14 crore or so, which falls under other income.
- Moderator:** The next question is from the line of Ramaravind from iThought PMS.
- Ramaravind:** So, the question I had was specifically on the new products that we are going to be coming about, which is ethyl maltol, maltol and cyclopentanone. So I wanted to know if the Phase 2 and Phase 3 of capex is taken into consideration specifically for these products or is the Phase 2 and Phase 3 going to be for the existing products? That will be my first question?
- Sanjeev Patil:** Okay. Shall I answer the first question, then we'll come to the second question. Yes, we are working and these projects are already underway. So as you will know, typical projects of this size do take 12 months to 15 months for implementation. So, we are at very advanced stage in terms of detailed engineering, structural design, equipment design, procurement for some equipment has started. Other equipments, we are still in that phase of detailed design. So all the 3 projects are in full swing.
- Ramaravind:** Right. So sir, could you give any timeline as to when these products might be commercialized?
- Sanjeev Patil:** Yes. So we are targeting to do by the end of first quarter of next financial year. So by June of next financial year, we are targeting to complete these projects, mechanical completion as we call it, so that we can start taking the trials. And typically, in a month's time after those trials, we are in the business of commercial production.
- Ramaravind:** Right. And just to follow-up on cyclopentanone specifically, like do we have to wait for certain approval periods for this molecule from some of the clients who we are going to be selling it to? So will we have any approval period for this?
- Sanjeev Patil:** Yes. So as we always have been saying that when we develop a product, we do it in the lab and then in the pilot and all lab samples are approved. So customers are aware of this product, and they have seen our samples, approved those. So we are doing that homework simultaneously.



- Ramaravind:** Okay, sir. And so the second question was to do with furfural. So where do we see the timeline of this furfural backward integration? Like could you give some timeline? And will this fall in the capex plan of Phase 2 and Phase 3 or is that completely separate?
- Sanjeev Patil:** So we will first establish the finished goods and then we'll go for backward integration. So in the meanwhile, we are trying to get into contracts for buying furfural from outside agencies. If you want me to talk about the timeline for furfural, it will be post, I would say, 2 years. So it's only after 2 years that we will get into that particular act.
- Ramaravind:** Okay, sir. So any time around FY '28-'29, we can expect furfural, is it?
- Sanjeev Patil:** Yes, yes. You can expect that project to be there. Yes, correct. That's correct.
- Ramaravind:** All right, sir. And lastly, just one thing on the biotech side, which is there have been mentions of biomass conversion, right? So biowaste into value-added products. Could you just talk a bit more on this?
- Sanjeev Patil:** Yes. This is a very complex technology. So we continue to work on that. And right now we are working on setting up a demonstration plant, which has a capacity which is significant. So that demonstration plant is being put up with a capex of around INR70 crore to INR75 odd crore, which will then do this thing on a few tons per day basis so that we have products coming out of that plant.
- And all the 3 products will happen simultaneously. Energy conservation will happen and a lot of data will be available. So that demonstration plant project is also underway right now. We are at a stage at which we are doing the basic engineering. We are in the process of doing the detailed engineering work for that.
- Ramaravind:** So this is separate from the ethyl maltol and maltol projects, is it? The biowaste products?
- Sanjeev Patil:** Yes, it is completely separate. That's correct.
- Ramaravind:** Yes. And just on a final note, what could be the end capacity figure like, let's say, after all these 3 phases of capex is done?
- Sanjeev Patil:** I'll let Narayan answer.
- Narayan S. Iyer** Yes. After all the first 3 phases of capex expansion, as also mentioned in our investor presentation, Privi will have on its own about 72,000 metric tons of capacities.
- Ramaravind:** Right. And the timeline for this, sir?
- Sanjeev Patil:** It is somewhere around 2028 June optimistically, maybe September 2028, more realistically, I'd say that.
- Moderator:** The next question is from the line of Rohan Mehta from Ficom Family Office.



Rohan Mehta: Congratulations on a good set of numbers. So the 2025 annual report, it references a lot of molecules, including Silver Amber, Amber Silk as well as Privilege and Privitolide. So should we read this as a deliberate shift towards, a deeper value chain integration and also structurally higher gross margins going forward? Also, I wanted to understand what is the commercialization timeline for these products? And how do these factors into your FY 27 revenue and capacity utilization?

Sanjeev Patil: Yes. So I will pass the first part of margins, because obviously, you can realize that it is very important for us to maintain that confidentiality. But these products are already being commissioned right now. One of them is already commissioned and the other ones will be commissioned during the course of this financial year. I would hesitate to give you margins around that. So you have summarized it well. So that's where it stands.

Rohan Mehta: Sure, sure. And my second question is on raw material and fuel alongside logistics outlook for FY 27. So given the recent volatility in crude prices as well as overall energy and freight cost, could you give some sense of when it comes to your fuel source what part of your fuel source is currently crude linked? And how are you mitigating that risk?

Secondly, when it comes to CST and GTO sourcing, how comfortable are you when it comes to sourcing these? And should we think about any margin headwinds from input cost in FY 27 or are you comfortable on that front so far?

Sanjeev Patil: I think we answered this question partially earlier that 70% of our revenue does come from contracts that we already made and those are in place. Now in terms of shipping time, there could be a delay. I mean to say that there is no delay at all is not correct. But there will be a delay, but that's about a week or 2.

And we are well covered for that because we always maintain the stocks, which I mentioned in the earlier answer. So we maintain that stock, and that's how we try to mitigate the risk of such an event that is black swan event like this war. That's where we stand.

And about the raw material pricing and everything, Mr. Babani already told you that we are having very good relations with the customers, and it's a very transparent relationship built on a huge amount of trust. Therefore, wherever it makes a case for us to get a higher price, we do get that.

Moderator: The next question is from the line of Mann from GrowthSphere Ventures.

Mann: Congratulations for great set of numbers and pleasure to hear from you once again. Sir, actually, I have 3 to 4 questions. I'll start with my first. Sir, realizations for us actually tend to be in the range of INR560 to INR590 per kg kind of a region. And as we are saying that it has increased approximately by 6% to 8% this year.

How do we see this moving considering that we have 70% of our revenue as exports and which is actually dollar denominated, and hence, you would be getting some sort of forex benefit out of it as well and you are moving towards higher-value products. So how should we model this around? And how should we see the quality of business going ahead around the pricing?



Sanjeev Patil: Yes. So 2 things. One is that, yes, as rupee or dollar appreciates against rupee, there would be slightly higher realization. But you have to always remember when you do the P&L part that our 70% of our raw materials are imported. So to that extent, it does get balanced and also, we have some amount of forex debt and all that.

So there is obviously a benefit of rupee weakening or rupee depreciation, but it is only calibrated. It is not something that everything comes to us because we also import raw materials. So that's answering your question about this thing.

And realization will go up. If you see the trend for the last 5 years, it has been steadily going up, barring a couple of years in between, but it is going up from about INR450 to about INR525 to INR600 in the last financial year. So it is going up.

And going forward we have both categories of products. Majority of the products would be higher value products. Cyclopentanone obviously is not a product which is of high value. Although very good margins, but in terms of its pricing, it is lower. So you will find growth going forward definitely in this number, but it will be calibrated.

Mann: Got it. Got it. Sir, second question that I have, considering the crude oil has gone bonkers and due to that GTO prices have also increased a lot. Sir, for us, we have majority of our capacity benchmark to CST. And the raw material for CST sort of a base product that is basically imported from Western countries.

So considering that our end value is increasing and we have sort of a non-linked crude raw material of some quantity, do we expect the gross margin which has increased by, I think, 50-odd basis points this year, increase in next or probably next to next financial year by any chance?

Sanjeev Patil: No. I think you should consider you always stay safe. So we will assume that the gross margin remains at similar level. What we actually do, and that's what defines Privi, is that we always look internally and try to improve the efficiencies. So that's what we have done in the last quarter, and we'll continue to do that and improve our efficiencies and improve our margins.

Mann: Got it. Got it. And sir, for the new products, like maltol, ethyl maltol and cyclopentanone, if you can explain to the investors what is the actual benefit to Privi for basically making these products because as far as we have known these products are basically imported to India and now there is some CBAM norm is also coming. So could you explain a bit in depth as to what would actually be going on in the industry post-CBAM norms? And how is Privi differentiated in these new products?

Sanjeev Patil: So if you really look at it, it is strategically similar to what we have been doing so far that is converting the waste into wealth. That's what we define internally. So like we do CST, which is a waste into value-added aroma chemicals. Similarly, we will be starting with furfural, which is made from waste that is corn crop and go all the way from buying corn crop to adding value to make these flavor chemicals and a speciality molecule.

So that's the way we have positioned ourselves. So when we are getting into this vertical, which will be ultimately valued up to INR1,000 crore in revenue, we are fully backward integrated,



and we will be the only one of that type. And we also have a proprietary technology for making cyclopentanone. So based on this, we are differentiated from what others do.

Mann: Got it. Got it. And this would also be export focused, right, as CBAM norms have come like that would actually help us against our peers?

Sanjeev Patil: Yes, yes. You're right. You're right.

Mann: Got it. Got it. And sir, last question for me is, if we see standalone margins of Privi as an entity, they are actually 27% to 28% kind of a range. And as in the speech, you said that now Privi has also started to become profitable. Can we expect the total or the consol margins to trend towards what standalone entity is quoting at right now? Not exactly 27% to 28%, but the direction towards it?

Narayan S. Iyer Yes. There will definitely be an improvement in the consolidated margins going forward now that PRIGIV is also turning itself to a positive.

Moderator: The next question is from the line of Prateek Shrivastava from Nivesh Wisdom.

Prateek Shrivastava: First of all, again, congratulations on a great set of numbers. Sir, I just have a little more follow-up on the raw material, especially on the gum turpentine. So at least from what I know that China is the global dominant supplier with around 60% to 70% of world's gum turpentine. So is that also our supplier for GTO?

Sanjeev Patil: No.

Prateek Shrivastava: Okay, okay. All right. So at least we have derisked our pipeline from that, right?

Sanjeev Patil: Yes.

Prateek Shrivastava: And when we say, sir, China Plus One, do we have any like new customer who has moved away from Chinese suppliers to us?

Sanjeev Patil: So you see Mr. Babani's interview in the morning on CNBC. So he actually has very nicely stated that we were born out of China Plus One. It is now fashionable to say China Plus One, but the necessity of having an alternate supplier for aroma chemicals arose many decades back, and that's how Privi came into being.

And in terms of acquiring new customers as it is, I think all the F&F companies as well as majority of FMCG companies which buy aroma chemicals, we are supplier to them. And they are more than happy to have a source which is independent of Chinese source.

And even in case where we are saying China Plus One strategy, we never forget about getting back to basics, and I explained in the previous question, that we will be fully backward integrated. So that is what gives us the strength. It's not just that we depend on China Plus One, but it also make ourselves very strong in terms of being fully backward integrated to get into the products that we are getting into.



- Narayan S. Iyer** To add to what Sanjeev is stating, I'll literally say that we are indeed China Plus One. So on a lighter note, because we are backward integrated, we are definitely China Plus Plus One now.
- Prateek Shrivastava:** Great to hear that, sir. My second question is on this amalgamation of the proposed merger between this PFSP and PBPL into PSCL. Any timeline for NCLT approval?
- Narayan S. Iyer** So as indicated in my opening remarks, we expect that to happen by this financial year. Maybe it can come in the third quarter of this year is what internally we are targeting in fact.
- Moderator:** The next question is from the line of Mehul Panjuani from 40 Cents.
- Mehul Panjuani:** Pardon me because I'm new for this company. Sir, are the new speciality projects which are in pipeline and also the PRIGIV expansion, I mean, all these would translate into revenues in FY 27, all of them or I heard that PRIGIV is already contributing?
- Sanjeev Patil:** I think Mr. Babani explained in the previous question that in the current financial year PRIGIV will give about INR130-odd crore of revenue as against INR55-odd crore somewhere in the current financial year. And the other speciality molecules still the projects are being implemented and you will find revenues coming from those in the next 18 months onwards.
- Mehul Panjuani:** Right. And another question is about the margins. The EBITDA margins, I think I heard that are sustainable about 25%?
- Sanjeev Patil:** That's correct. It's 25% and we will endeavor to stay there.
- Mehul Panjuani:** Great, sir. Sir, last question about the partnership with the multinationals. Can you please elaborate a little bit on what are we working with these guys?
- Narayan S. Iyer** That is a JV that we talked about, where Mr. Babani also mentioned the numbers. So it is purely manufacturing certain high-end speciality chemicals exclusively for our JV partner, Givaudan SA.
- Mehul Panjuani:** Right. And there are 2 more, right, or it's only the Givaudan?
- Narayan S. Iyer** Only one. There is only one JV. The other company is 100% subsidiary of the parent company.
- Moderator:** The next question is from the line of Karan Talwar from DAM Capital.
- Karan Talwar:** Congratulations on a good set of numbers. Sir, just a couple of ones from my side. Sir, we are seeing that in this quarter, apparently, our other expenses and power together have declined both sequentially as well as Y-o-Y despite having a strong revenue growth and the prevailing disruption in West Asia, which should have typically increased your freight and logistics costs. So could you please help us understand what has driven this decline?
- Sanjeev Patil:** Yes. So on the first part, the power part, I will give all the credit to our engineering team who has been working round the clock in terms of saving steam and power. So therefore, overall fuel cost has come down, and we continue to work on that. So we have a program, which is called



ProMax, wherein we keep on working on utilizing whatever is the residual steam that is left, we try and get value out of that.

And that's how we have brought down the cost of power and steam. And going forward, you will see this trend continuing. But these improvements come very slow and steady, but certainly. and on the second part of controlling expenses, I think we have hawk here, CFO, who have been controlling all the cost, and I would leave the rest to Narayan.

Narayan S. Iyer

Yes. So there has been a constant monitoring and an endeavor, and we have been able to ensure that some of the contracts that we enter into with various EHAs and freight forwarders, the prices have been very, very definitely concisely and precisely negotiated, and you are able to see the better results out of that in fact.

And our endeavor has always been, as also mentioned by me in my initial speech, that it's a conscious decision of the entire management effort of bringing down and keeping all the expenses under control. And that's what you would see that it has helped in improving and increasing the EBITDA margins over the previous years. And we will continue striving for that.

Karan Talwar:

That's helpful, sir. Sir, secondly on the EBITDA upside that you mentioned from the current portfolio. Now with the current mix, how should we think about the remaining levers for EBITDA expansion from here? What I need to say is have the benefits of probably product mix optimization from your side stream and the operational efficiencies, have they been largely captured or can we see some meaningful upside from there on as well?

Narayan S. Iyer

To answer, the EBITDA margin should remain at these levels. This is our endeavor. At the end of the day, I happen to mention in my earlier thing also that we are manufacturers of chemicals and we are not magicians. So there could be a particular limit up to which we could strive and get the EBITDA margins going up. But with the scale of operations that we are looking at, absolute numbers, you will see that it keeps growing around. Margins, we should be in a position to sustain.

Karan Talwar:

That's helpful, sir. Sir, would you want to throw some light on if you are in any active discussions with other MNC players like we did with Givaudan? Are there any others in the pipeline as well? Any discussions that you'd like to highlight?

Sanjeev Patil:

Discussions are always on, but at this stage, it is too premature for us to say anything.

Narayan S. Iyer

At the appropriate time, we will be bringing the same to the world outside.

Karan Talwar:

Perfect, sir. So just last from my end. So what would be the state incentive for this year, for this fiscal?

Narayan S. Iyer

Sorry, could you repeat the question?

Karan Talwar:

What would be the state incentives that we may get this year?

Narayan S. Iyer

So which year? FY 26 or FY 27?



- Karan Talwar:** For FY 26 as well as for FY 27?
- Narayan S. Iyer** See, last year around the financials which has been audited, on an average, we have received about close to INR13-odd crore as state incentives from both the Gujarat as well as Maharashtra government. Of course, this has been offshoot of a couple of years.
- Going forward, we expect, as we have stated that these are incentive schemes basis Maharashtra government and state government of Gujarat mentioning. And we should be in a position of getting 50% of the GST amount on sales made in the state within the local state in fact. So we should be in this range only.
- Moderator:** The next question is from the line of Sajal Kapoor from Antifragile Thinking.
- Sajal Kapoor:** I have 2 questions. First, you have spoken about biotechnology, enzymatic chemistry and renewable feedstock as a strategic priority. What I want to understand is the economic crossover point. For which product categories or molecules do you believe bio-waste routes are or can realistically achieve cost parity or cost superiority versus conventional petrochemical synthesis over, let's say, next 3 years? And what are the key bottlenecks still preventing wider commercial adoption today?
- Sanjeev Patil:** Okay. So I'll answer this question. So the very purpose of putting a demonstration plant is to assess in detail the overall economics. And as we stand here today, we do see merits in biotechnology route and adding value to that. So what is it that Privi does differently?
- So majority of work that is going on in biotechnology right now is about making 2G alcohol or a fuel, whereas what we are doing is actually a refinery where we have multiple products, which are of significantly higher value than alcohol, which can at best get you price of INR105 to INR107 for a 2G alcohol per liter.
- So we are looking at more higher value products, which is what makes these economics possible. But then having said that, the technology is very complex, and that's why we are putting a demonstration plant, which will come up in the next probably 12 months or so. And once we operate that demonstration plant continuously, then we will establish these reserves.
- And one of the reasons why these plants do turn out to be economically unviable is the capex cost. So while on an operating basis, most of the bio-waste is available at prices, but it is what you do with it in terms of, one, adding value to it, which is what we are doing. But on the other hand, the capex that is required is significant.
- So that's how the return on capital has to be well calibrated, which is the reason why we are going for a demonstration plant. So it's a very cautious approach, cautiously very optimistic, but cautious nevertheless. Does that answer your question?
- Sajal Kapoor:** Yes. But what I was trying to get from my question was the economic crossover point, because if you see historically, new manufacturing paradigms and biotechnology, enzymatic chemistry in aroma and fragrance is a new paradigm.



But they only scale when they start to outperform the incumbents on both the cost as well as the performance because you need to achieve both; the cost parity, if not superiority, as well as at least at par performance or better performance using a newer sort of manufacturing paradigm. So I was just trying to frame my question from that perspective. Are we likely to get there in the next 3 years or so or is this kind of a more...

Sanjeev Patil: We are definitely likely to get there, because as I said, one of the key parameters there is what kind of products you are making. So when you make premium products, you definitely make the economics turn in your favor. And that's what we are doing.

Sajal Kapoor: If we get there in 3 years, this will be a kind of a paradigm shift in the chemicals manufacturing because the whole world -- many materials are currently -- they haven't got any alternate synthesis route other than the feedstock based on the fossil fuels. And if you could crack biotechnology at scale, keeping the economics and the performance at par, then I think it can be a game changer.

Mahesh Babani: Yes, indeed. It would be for sure. Let me give you an example. There are 2 large companies in our space who have succeeded on 6 or 7 products in this space on 6 to 7 molecules, which are large, \$30, \$40, \$50.

Now our challenge is coming, when we are doing this, we are confident that about the 5 molecules we are launching, 3 of them are below \$10 or below \$5, but one of the items, which is a few percentage of that volume is at \$90, \$80, \$70. But we want to multiply so much that we don't mind selling it at \$50.

So we are having a lot of challenges in assessing the market. So we have been meeting all the customers. In fact, how will the elasticity of demand span out if we launch it at \$45.

So everyone is confident the market will multi-fold if we launch it. So we produced right now only a few kilos or maybe 10 kilos, and we are in the process in the next couple of years, we'll produce a few tons and then take a market, research and then launch it because we don't want to put any shareholder money to this.

Once we are sure of it, we'll go full swing. And that may take 3 to 4 years. So this is beyond 5,000, beyond 5k story. And the top team of Privi is working beyond 5k. 5k, the team is different, and beyond 5k, the team is different.

Sajal Kapoor: Thanks so much for this comprehensive response. Very sensible thinking, I must appreciate. I look forward to all the execution in the coming years as well.

Mahesh Babani: Keep our fingers crossed, we'll surely succeed. And it's our endeavor to do this. We're going to bring something good molecules on earth so that we will be making a significant name in the world market. Our expectation is to reach beyond the expectations one can imagine.

Moderator: Ladies and gentlemen, that was the last question for today. I would now like to hand the conference over to Mr. Narayan Iyer for closing comments.



Narayan S. Iyer Thank you. And on behalf of Privi Speciality Chemicals Limited, I thank all of you, investors, shareholders and every person there attending this call and listening to the perspective from the management of Privi. Thank you, everyone, and looking forward to keep interacting with all of you going forward. Mr. Mahesh Babani wants to say something.

Mahesh Babani: I would really thank the person who asked that question so that my other shareholders also could listen what we are doing. They'll also be able to gain knowledge of what impossible things we are trying to do. So thank you for that.

Narayan S. Iyer On that positive statement and sentence by Mr. Mahesh Babani, our visionary Chairman and Managing Director, we at Privi, the management team, say goodbye as of now, but Picture *Abhi Baaki Hai Mere Dost*. Thank you.

Moderator: Thank you. Ladies and gentlemen, on behalf of Privi Speciality Chemicals Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.

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