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Transpek
Creative Chemistry

Date: 25th August, 2026

To,
BSE Limited
P.J.Towers,
Dalal Street, Fort,
Mumbai – 400 001

Sub: Transcript of the Investor Call held on 20th August, 2026

Dear Sir/Madam,

We forward herewith the transcript of the Investor Call held by the Company on Thursday, 20th August, 2026 for your reference and record.

This disclosure is made pursuant to the provisions of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Hope you find the same in order.

Thanking You,

Yours faithfully,
For Transpek Industry Limited

VYAS ALAK DEEPAK
Digitally signed by VYAS ALAK DEEPAK
Date: 2026.08.25 17:38:16 +05'30'

Alak D. Vyas
Company Secretary &
Compliance Officer
ACS: 31731

TRANSPEK INDUSTRY LIMITED * VADODARA *

"Transpek Industry Limited

Business Update Call"

August 20, 2026

E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchange on 20th August 2026 will prevail

MANAGEMENT: **MR. BIMAL MEHTA – MANAGING DIRECTOR – TRANSPEK INDUSTRY LIMITED**
MR. PRATIK SHAH – CHIEF FINANCIAL OFFICER – TRANSPEK INDUSTRY LIMITED
MR. ALAK VYAS – COMPANY SECRETARY– TRANSPEK INDUSTRY LIMITED

Moderator: Ladies and gentlemen, good day and welcome to Transpek Industry Limited Q1 FY27 Business Update Call. This conference call may contain forward-looking statements about the company which are based on 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.

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 speech concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Bimal Mehta, Managing Director. Thank you, and over to you, sir.

Bimal Mehta: Thank you. Good afternoon, everyone. On behalf of Transpek Industry Limited, I would like to extend a warm welcome to all participants joining us today. I am joined by our Chief Financial Officer, Mr. Pratik Shah, our Company Secretary, Mr. Alak Vyas, and SGA, our investor relations advisors.

We will begin with a brief overview of the industry and business environment, followed by the key operational updates and financial highlights. Thereafter, we will open the floor for the question and answer session.

For participants who are new on this call, our company should be best reviewed and assessed more on an annual basis due to its nature of business. Now we look at industry and macro environment. As you all are aware, the global business environment in FY26 remained complex and volatile, marked by geopolitical tensions, elevated energy prices, trade uncertainties, and continued supply chain disruptions.

The global chemical industry continued to face subdued demand across key markets, particularly in Europe and China, along with volatility in energy and raw material prices. Ongoing tensions in West Asia further added to uncertainty around global trade flows, logistics, and commodity markets.

Against this backdrop, the Indian chemical industry has demonstrated reasonable resilience, supported by steady domestic demand and several emerging growth opportunities. Trade agreements, including the recently concluded India-UK and India-EU free trade agreements, are expected to improve market access and strengthen the competitiveness of Indian manufacturers. At the same time, the growing preference among global customers for diversified sourcing and reduced dependence on single geographies is creating opportunities for Indian chemical manufacturers with strong compliance standards and operational capabilities.

Our business, however, continued to operate in a challenging environment with pricing pressures from Indian and global competitors impacting the industry. Despite these challenges, we remain focused on improving productivity, strengthening operational efficiency, and protecting our competitiveness. While near-term uncertainties remain, we believe the industry is gradually moving towards a more favorable and sustainable growth environment.

Now coming to the company positioning and core strength. Against the global and the domestic backdrop, Transpek remains well positioned, supported by its deep expertise in chlorine and sulfur-based chemistries, together with significant work undertaken in other chemistries for diversification.

These chemistries require specialized infrastructure, technical expertise, and stringent safety standards, creating significant barriers to entry. This remains a key competitive strength for Transpek and helps differentiate us within the industry. We also continue to receive strong recognition from customers and certification bodies for our commitment to quality, safety, environmental stewardship, and sustainable manufacturing practices.

Combined with this, the current almost no debt balance sheet and cash reserves, the company has now built a strong foundation to grow. This strength will support new investments being planned without being overleveraged in terms of the balance sheet.

Coming to product development and growth initiatives, a key pillar of our strategy continues to be product diversification and value addition. Alongside strengthening our existing portfolio, we are expanding into newer chemistries beyond acid and alkyl chlorides to broaden our product offerings and address evolving customer requirements. During the year, we introduced new acid chloride products in smaller volumes, which are expected to be larger volumes in the current and next years.

The company continues to work on expanding its product portfolio by adding non-acid and non-alkyl chloride chemistries, with a focus on developing innovative higher value-added products and strengthening its presence across existing customer and new end-user markets. I would like to give some more details on this.

At present, we are working on two polymers, both of which are developed in R&D laboratory, and we have also done some compounding, which is basically making a component out of polymers, where also we have been successful and test has also been carried out by independent expert testing agencies like TÜV, and our products have proven to be matching the required specification which is being used globally.

And these are very high-end polymers going into mission-critical applications. Due to confidentiality requirements, I am not able to name those polymers, but I will just give you some idea as to where they are used.

So, they are used in medical and medical implants, automotive, aerospace components, electrical and electronics, semiconductor, oil and gas. All these places, these polymers are used. There is another polymer which is used in 3D printing filaments. Another polymer which is used in hemodialysis membranes, water RO filtration membranes, electronics insulation, and food processing equipment. So, some work has been done on polymers.

And, of course, polymers are not very easy to develop. It is a little longer process, but we have a good team and they have been successful in at least establishing R&D scale products, and now we are working towards kilo scale. So, another product area that we have taken up is basically polymer modifiers and polymer additives, because that is also a very, very huge market.

So, there we are developing three products. One product is almost at pilot stage. And we are supposed to supply required quantity to our customer for their production trial. So, once that production validation is done, then we can move ourselves into commercial scale.

That product goes into as an additive, as an enhancer, rather modifier, into polyester and other polymers, I mean different types of polymers. And another one that we are doing is basically a coating and adhesive modifier, or you can call it additive. So, that is a replacement for a chemical product with a product which is having a biological raw material coming from fatty acid, or rather coconut oil and palm oil and those kind of natural sources.

So, some of these are being developed for specific customers, and some of these are being developed based on the market size and market potential. And our core portfolio being, of course, not polymers but monomers, so therefore it's a natural extension.

On the other end, we are also working on sulfonation chemistry. Sulfonation, or rather using sulfur, has been our core strength. But now we are going beyond what is typical single-step sulfur use. So, we are working on couple of complex products, multi-step complex products, which again are being used in some of the petroleum and polyester and other types of application.

Then, we are also looking at, products which are chloro-fluoro compounds. So, as you know, we are expert in chlorination. So, we are adding products that are going to be a combination of two chemistries. So, chlorination, which is our expertise, and fluorination, we are already developing expertise. These are all indirect fluorination.

So, we don't use fluorine as a gas or anything, but we use fluorine compounds to create chloro-fluoro products, which have also good value and good demand in the market. I mean, I just wanted to give you a little more details on what is happening. On the other side, we are also building our talent pool. So, in this financial year, we are going to double our Research and Development team.

As well as our infrastructure in Research and Development. The idea is to speed up product development and bring out products commercially as fast as possible. In this context, we are also setting up a multi-purpose pilot plant, the design of which is already done, and now we will start building that plant. It will take another 6 months to 7 months for that plant to be ready.

But that plant would provide us significant capability to scale up our products in all of these chemistries that I talked about. So, it is a real multi-purpose plant having four streams, and it can carry out different types of reactions.

Now, coming to manufacturing and operational update. Over the years, we have built strong and enduring relationship with our customers and suppliers, supported by our constant focus on quality, reliability, and operational excellence. During the quarter, we renewed our Responsible Care certification from the Indian Chemical Council.

The certificate is valid for 3 years, from July 2026 to July 2029. These initiatives reflect our continued commitment to safety, health, and environment while driving operational efficiency and strengthening our focus on sustainable and responsible manufacturing practices over the long run.

End-user industries, I already spoke about few of them. In addition to that, our products cater to diversified range of industries including polymers, plasticizers, pharmaceuticals, agrochemicals, dyes, surfactants, and pigments. During the quarter, we also saw an increased contribution from segments such as specialty chemicals, organic peroxides, dyes, and surfactants, reflecting the continued progress in diversifying our product portfolio and expanding our presence across end-user industries.

Polymers continue to remain our largest end-user segment, contributing more than 48% revenues during the quarter. This is application of polymer, not polymers themselves. Right now, we make monomers.

So, 48% revenues during the quarter. If we compare this with few years back, contribution were as high as 60% to 65%, which has now reduced to 45 level to 50 level, following a strategy of having diversified portfolio. Going forward, our product development initiatives are expected to further broaden our presence across industries and applications, supporting greater diversification of our revenue base.

Going ahead, we remain cautious given the evolving macroeconomic environment, particularly the uncertainty surrounding the West Asia conflict and its potential impact on global demand, supply chains, logistics, and commodity markets. At the same time, we remain focused on executing our long-term growth strategy.

The company continues to work towards expanding its presence to newer geographies, strengthening customer relations, advancing research-led innovation, and broadening its product portfolio. Our medium and long-term strategy, I already spoke about some of the products, so it's same, is focused on polymers, monomers, additives, enhancers, multistep sulfonation products, electronics and battery chemicals, and chloro-fluoro intermediates.

In all of this, the focus is on value-added complex products. Company is also looking to, or considering to add another manufacturing site, for which options are being explored. The company has recently expressed interest in acquisition of land in Odisha in a notified zone which has been approved by the Odisha government.

Now, they are asking us to give a detailed feasibility report which we are preparing. Once we also have our internal review on the feasibility, and then we will submit to the Odisha government. And if board approves, then we will go for that acquisition.

Supported by our technical expertise, strong customer relationships, responsible manufacturing practices, and ongoing initiatives around energy efficiency and cost optimization, we believe we are well positioned to create sustainable long-term value and capitalize on emerging opportunities in the years ahead.

Now, coming to our financial performance, as I mentioned earlier, growth across the chemical industry has remained soft and Transpek has not been an exception. Against the backdrop of aggressive pricing, oversupply, and subdued demand in export markets, your company has delivered a steady performance. Total revenue for Q1 FY '27 stood at INR155.1 crores, while this is 6.5% lower than the corresponding quarter last year.

Revenue contribution from polymer stood at 48.7%, followed by specialty chemicals at 22.5%, pharma at 10.11%, and others at 18.7%. International business accounted for 84.4% of revenue. North America continues to lead our region-wise mix and contributing more than 52%. EBITDA for Q1 FY '27 stood at INR24.1 crores, lower by 32.4% year-on-year. EBITDA margin for the quarter stood at 15.6%.

Profit after tax for the quarter came in at INR8.9 crores. As of June 2026, we continue to remain a net debt-free company with a strong balance sheet supported by healthy cash flows and a healthy cash balance. Now, some of you have also questions on the DuPont, Arclin, and long-term contract and all that. I would like to address it right here. So, the contract with DuPont has already been assigned to Arclin, and now Arclin is fully into it, and the supplies are going as what has been going on for last few years.

I mean, there is no change in terms of their demand and their orders to Transpek. We will be starting our discussion on the renewal of the contract by last quarter of this year, between last quarter of this year, calendar year I am talking about, and first quarter of the next calendar year.

And there is no difference in terms of any terms or conditions that were there in DuPont contract. It is assigned fully in the same letter and spirit as it was with DuPont. So, we are very strongly connected, or rather we are in discussion and contact with Arclin as we were with DuPont.

And we are having reasonable visibility in terms of orders and order book and etc. So, with this, I conclude the speech and now we open the floor for question-and-answers.

Moderator: Thank you very much, sir. We will now begin the question-and-answer session. Anyone who wishes to ask a question, you may press star and one on your touchtone telephone. If you wish to withdraw yourself from the question queue, you may press star and two. Participants are requested to use handset while asking a question.

Ladies and gentlemen, we'll wait for a moment while the question queue assembles.

First question is from the line of Keshav Garg from Counter Cyclical PMS. Please go ahead.

Keshav Garg: Sir, thank you for this opportunity, sir. I am a long-standing shareholder and I am very disappointed, sir. Over the years you have been telling us that we will grow minimum 10% to 12% CAGR.

Now, sir, I cannot see that growth from FY '19 when we did INR595 crores till FY '26 where we did INR621 crores. So, where is the growth? And in FY '19 we did INR117 crores EBITDA, last year we did INR80 crores EBITDA. So, I don't know what really is happening to this company. And sir, if there are no plans, then at least do a share buyback and return the money to the shareholders.

Bimal Mehta: Yes. So, I already explained what we are doing in terms of growth, and you are a very seasoned shareholder, so you very well know that chemical industry it's not only Transpek chemical industry in general in last 4 years or 5 years has undergone all kinds of ups and downs. So, you know, in business naturally uncertainties come up.

You plan something and it doesn't happen. But, as I explained that we have been steadily working on our growth potential, and now we are at a stage where we do not have to worry about our balance sheet being overleveraged in terms of, you know, taking funding for new projects. And we also have clear visibility in terms of what products we are working on, what our customers are asking.

So, the growth, I mean, estimates, you know, that's why we always say these are all estimates in the beginning of the call. So, estimates are always estimates. I mean, you cannot say that it is not written in stone that, you know, whatever is said by management will always happen, because business goes through cycles. Business has undergone so many ups and downs across the chemical or not only across many industries, but chemical industries especially.

Keshav Garg: so sir, I appreciate your point, sir. So, now going forward, sir, is there any visibility for the current year, sir? How things look and how much can we grow going forward? Or what is at least the there is some aspiration that the management has or some internal targets?

Bimal Mehta: Yeah. So, this year we are expecting to be at least, almost 15% to 20% higher than what we were in the last year in terms of our revenue. You will probably see that in this current quarter once the results are announced.

Because we have added some acid chlorides which are high volume domestic market, for example, last year they gave us almost about INR4 crores, and this year it is expected to give revenue of about almost INR15 crores. So, this is one product, but there are other products like that.

So, we are expecting at least 15% revenue growth this year. In terms of aspirations, we have also finalized our strategy for next 5 years, and the product, or rather the application profile or product profile that I talked in my opening speech, those are our core areas, and we are looking to double our size and business in next 5 years.

Keshav Garg: Sir, that is really assuring. So, sir, now, sir, my question is regarding the, Arclin and DuPont, the long-term agreement which is coming for renewal next year. Sir, now assuming the worst-case scenario wherein the contract expires and is not renewed, sir, then do we have any visibility that, sir will we take a huge hit? Or we can find alternatives where we can basically, redirect the sales and there will not be much damage?

Bimal Mehta: See, the size of the requirement that Arclin has is not something that can be replaced overnight or, you know, with any other customer because there are multiple customers.

For example, in Korea, there are quite a few customers, there are a couple of customers in Japan, there are few manufacturers of aramid in China, but all of them have their own limited capacities as well as their own supply chain also in place, which of course includes Transpek to some extent.

Now, assuming that the contract is not renewed, so that is why we are working on diversifying our portfolio of products. Next year when the renewal comes, and if it doesn't get renewed, so naturally that would be a significant blow in terms of volume and in terms of margins.

And it may take some time to recover out of that, but we are already having certain plans, as I say, diversifying the portfolio, working with other customers where we can probably gradually it may not happen overnight, but gradually we can increase the volume. So, what you just mentioned, probably we are more mindful of this fact than anybody else, that we need to really, manage this risk.

And as of now, we do not see any reason whatsoever why the contract should not be renewed. I mean, Transpek has been a consistent 9-year supplier now. Without not a single kilo even rejected by the customer in terms of quality. Not a single delivery has been missed despite all kinds of issues like Red Sea crisis, Houthis crisis, all those things where logistics could have been a significant challenge. And we rotate almost, maybe 400 ISO tanks just for DuPont.

And not a single delivery has failed. So there are certain inherent strengths that Transpek enjoys, and we therefore, do not see, but we are preparing for the worst-case scenario. Like everything in life, you have to prepare for worst-case scenario, which we are preparing. We are fully mindful and aware of this, and we are preparing for that.

Keshav Garg: Understood, sir. So also, we have a INR300 crores investment in Silox, which is like 45%, 50% of our total market cap and net worth. Sir, so, and this investment was increasing in value, but in the past 2 years the value is actually declining, and even the dividend that we have received from there, that has also declined marginally, sir.

So, sir, since we are now embarking on a greenfield capex in Odisha, or at least we are planning, sir, so if unless this investment was increasing, there was no problem in holding, but now if it is not increasing or rather decreasing, then, sir, does it not make sense to really monetize this investment and replough the proceeds in the growth of the business?

Bimal Mehta: Keshavji, as you said, you have been an investor for so many years, and I have already explained this during AGMs, during con calls, every time, that this is not a liquid investment. This investment has a history behind it. When Transpek in 2000 was separated into 2 parts, and one part was sold to a group called Prayon, which is Silox, at that time, we continued with this investment as part of the shareholders agreement.

And then over the years, as that company grew, this investment is being valued at much higher value than what was originally there. It is not something that I can encash right away. It is not liquid. And as you mentioned, they have some minor dividend plus and minus that has happened because they have their own growth plans and they are investing into future assets and all that.

But if it would have been so easy that I could have encashed that, then why I would be sitting in that investment which is, say for example, today as you mentioned, INR300 crores investment and if it gives me INR5 crores to INR7 crores anywhere between INR5 crores to INR7 crores of dividend, it's nowhere near any even lowest return of, I mean, rate of return that you can get from anywhere. So company also would not like to sit on that, but this is something that is not within our control.

Keshav Garg: Understood, sir. And so lastly, sir, in the annual report it's mentioned that now we have some advantage in US tariff versus the other countries. So if you could quantify that, what exactly is the tariff on our products today in the US and versus, let's say, China or Japan, what are they paying? And sir, is there any real advantage on that count?

Bimal Mehta: One moment. Actually, there is no special tariff on Transpek products. What is the normal tariff I think it is 18%, if I remember correctly. That is the tariff that, Transpek products also have. So there is no specific advantage in terms of that.. So basically it's a general statement that in the annual report that, US has levied higher tariff on many other countries. Therefore, India is at an advantage. So that's a generic statement.

But more importantly, whatever we are supplying, we are supplying at normal tariff. And to some extent, our customers are exporting the end products, so they are getting duty drawbacks. So if you would have seen during when we were imposed with much higher tariff for a short period of time, at that time also Transpek supplies did not suffer at all because our customers were, one, they wanted material, and secondly, they were getting duty drawback as per the US system from the duty that they were paying and then of course, as you know, now all those duties were refunded also.

Keshav Garg: So sir, thank you very much. Sir, lastly, sir, just a suggestion. Sir, for the first time in my memory, the stock is trading below net worth. And sir, now SEBI has permitted open market buyback. And sir, now company doesn't have to pay tax also on a share buyback amount, which earlier used to be 23%, 24%. Sir, so we can at least do a small open market buyback, and actually the net worth per share will increase after doing a share buyback at this price. So kindly consider that humble suggestion. Thank you very much sir.

Bimal Mehta: I will inform the board about your suggestion.

Keshav Garg: Thank you, sir. Thank you.

Moderator: Thank you. Next question is from the line of Sunil Kothari from Unique PMS. Please go ahead.

Sunil Kothari: Thank you, Bimal bhai, and thanks a lot for explaining a lot about the products and possibilities. Thanks for that. My question is, normally we are not very but reasonably very conservative management, and now we have capacity also. I, as in past, you in many calls and everywhere you explain, we have capability to do produce or generate revenue worth INR900 crores.

Currently we are in the range of INR600 crores something plus minus, and now we are expanding. We are planning to another site. And one more thing is, with your confidence, I see no chance of getting this long-term contract getting postponed or cancelled, but that, sword is yet hanging.

And you are now expanding this capacity. You want to have new, Odisha site. Is there anything which you feel there is a possibility of another large contract possibilities? If you want to, say a little bit more how and why with this much capacity available with us, with job work capacity also we have contractual. So if a little bit explanation will be really helpful.

Bimal Mehta: Yes. So basically, there are 2-3, things that I think you have asked very good question and, it would be helpful to others also once I provide the information. See, especially as I have already mentioned earlier during our discussion calls, that the site where we are currently under a kind of limitation in terms of expansion.

So we cannot get permission for expansion at, Ekalbara where our factory is situated. Unfortunately, we have been trying with government for almost 10 years, this is 11th year, but nothing is moving. And to be very honest, it seems that government is not very keen on chemical industry in this area.

And even in Dahej, I mean, as of today, it takes about 1.5 years to get permissions and everything, despite it being a notified area, and it has become very crowded. In fact, I don't know whether you are aware, but in Dahej almost 30-40 small-medium-sized companies are for sale because they are not able to sustain the cost of managing business..

So, we looked at Dahej also because that makes logistically a better sense for us for expansion. Now the question is that why we are not able to utilize the capacity fully at this point in time. Because our capacities are product-specific, so it is not that one plant generates, or rather one plant produces 3 or 4 or 5 products.

Yes, one plant may have 3 products, but then for each product there is a separate stream. It is not the same stream. It is not like pharma business where you take one campaign in a batch setup and then you clean it up and then you take another campaign in the same batch setup.

So same plant will be full running, fully full year, at largely a very high capacity. So what happens typically is that whatever our permission levels are, even if we are selling that fully, or rather making that fully and then selling that fully utilized permission levels, the capacity that we have is higher than that because we have to have a mix of products.

So sometimes customer may ask for product A for which we have capacity of, say, 1,200 a year, so 100 a month. And another one we have 5,000 a year, another one we have 3,000 a year, like that. So, what happens is that when you put all this as a total, this may be at least 20% to 30% higher than our permission level.

So whatever we utilize even if we are utilizing our 100% permission level, you will find that our capacity utilization is around 70% to 75%, or maybe in, in best case scenario, about 80-82%. That is because of the product mix and the value of the sales. So, this is something which is a tricky situation, and we cannot now expand here within Job work sites also, because Job work sites are also in out of the 3 Job work sites, 2 are in the same area where we are, and so the same restrictions apply to them.

So we have been looking at multiple options, and one of the options that we figured out was Odisha, and then we studied it more and we felt that chemical ecosystem is gradually developing there. For example, where we are looking at, SRF is coming, UPL is coming, and a few other companies.

Deepak Fertilizers plant has already started. So nearby there are a couple of other like there is a caustic chlorine plant of a very large company. So, and then of course government is extremely supportive, and now talent is also available to run the business and everything. Infrastructure is fabulous.I mean, very, very good infrastructure in terms of road and ports and everything. So that is what we looked at, because for all these new products that I just mentioned, we will need new facilities. Now, for these new facilities, otherwise it will be like a chicken and egg situation that we, Right now we don't have product and we do not have permissions.

Tomorrow we will have product, but we will still not have permissions. So we will be having the same discussion that no, growth is not coming and all that. So we have taken a very deliberate decision that we need to really be a little more aggressive.

. We fully agree that we have been conservative, but I think now there is a change in mindset of the board. We have a new board, I mean, about 1.5 to 2 years back, as you would have probably seen from the reports. There is a very strong push from the board, support from the board for going aggressive in terms of our growth and investing significantly into new products.

So that's what we are doing. And therefore, I mean, the previous shareholder mentioned about buyback, but it is not the right policy. I mean, we would prefer to invest that money into generating returns. So that's what we are looking at.we know what we plan to do in Odisha and what kind of products we are looking at, what kind of setup we are going to do.

Probably very soon you will hear from us that now we are starting on a totally new product at a commercial stage and all that. So there are a lot of, lot of things, where we are becoming really aggressive. As I mentioned in my opening speech, that we are doubling the size of our R&D facility as well as the talent pool. So that's where also we, we are expediting our product development process.

And fortunately, Transpek has one very good, benefit or other advantage that we don't have to convince customers to work with us. Customers want that Transpek supports them, Transpek supplies them, because of our quality delivery and commitment history.

Sunil Kothari: Yeah, no, very, very, helpful Bimalbhai. So basically what you are mentioning is with the now already from kilo-lab to higher size, from pilot plant to testing, all this will require new facility, new capacity.

Bimal Mehta: Exactly.

Sunil Kothari: And existing capacity can make us, reach, whatever numbers you in the past you mentioned, that is there.

Bimal Mehta: Yeah, yeah, that still can be possible, but when we have a mix which is the best mix. Also, you see, also what has happened, Sunilbhai, that over last few years there have been significant competitive pressures, and that has resulted in some price erosion in some of the products. And naturally, even if your quantity volume may remain same or may not go down as much, the sales value in terms of value would definitely be seen a little lower than what it would have been seen.

For example, as you know, DuPont contract is a pass-through contract in terms of raw material and other cost so there can be ups and downs where raw material prices go up then our revenue, or rather our price, will also go up and revenue will be little higher. That's why we also advise, don't look at quarter to quarter.

And when the raw material prices go down, then the price that we charge to our customer also will go down because of the formula-driven pricing in couple of cases, especially DuPont and one other customer. So that also affects the overall sales value. But moving forward, as I said, we also wanted to make sure that we do not let our acid chloride capacity remain idle, so we are adding acid chlorides.

One we added which goes into agrochemicals and in large volumes. So as I mentioned, we are looking at last year we did INR4 crores, we are looking at almost INR15 crores worth of sales from that one product this year. So that way we are trying to utilize maximum of our capacity, and within the permission limit.

This quarter as we speak, we are looking at almost full capacity utilization, full permission utilization, 100% at all rather 3 job work and Transpek sites, all 4 sites.

Sunil Kothari: Sir, last question. We being conservative, we always, inform the possibilities of what can go wrong. Anything you would like to think positive, or I'm not saying positively, but any possibility with your 50-year track record, your 10-year interrupted applied to DuPont and now new possibility of getting a sizable good opportunity from those type of customers?

Bimal Mehta: We are working with about 2 customers on the same line for quite some time, I mean, I would not say it is as large as DuPont, but a significant, size of contract. Unfortunately, what, what is happening, Sunil bhai, is that everybody has turned so cautious in fact, you would have seen also cancellation of some contracts with large Indian companies chemical companies.

I'm sure you are aware. I cannot take name, , so the discussion continues, but decisions are not being made because every time a point comes where some decision is supposed to be made, things happen where everybody says, no, no, it's very volatile, let us wait. So that's where these things are stuck up, and naturally as Transpek, we cannot wait for that.

So that's why we are looking at multiple products, especially products which are higher value in terms of per kg price and of course higher realization in terms of margin. So that's why we are aggressively now looking at developing multiple products. And while we continue to have that discussion on contracts, if it happens, great. It would be something that would definitely speed up the growth process. But, at the same time, we need to do whatever organically we can do, in terms of product profiles.

Sunil Kothari: Thank you, Bimal bhai. Lots of, clarity and lots of good wishes. Thank you.

Bimal Mehta: Thank you, thank you, Sunil bhai.

Moderator: Thank you. Next question is from the line of Samarth Singh from TPF Capital. Please go ahead.

Samarth Singh: Good afternoon Sir. Thank you for the opportunity. First question was, just a follow up from the previous, speaker.Our philosophy in the past has been that we did not want to commit to any capex until we sort of had committed customer offtake or demand visibility. So are you saying now that philosophy has changed and we are putting up capex ahead of, sort of demand? Or are you saying that we see the demand coming through and that's why we're going ahead and doing, we have got this?

Bimal Mehta: Both. As a combination, because there are few products where customer is already working with us, and therefore we have a very clear visibility in terms of the requirements that they have. And in some cases, we have studied the market and we believe that we can penetrate the market considering the relationships that we have and considering the track record that we have. So that's where we will be investing ahead of having a very confirmed, kind of a business. But in quite a few products, it's largely driven by, customer requirements.

Samarth Singh: Got it.

Bimal Mehta: But we are now not, we are not going to be as conservative as we were. So we will invest in facilities. As I just mentioned, we are investing in a multi-purpose pilot plant, which is basically, there is no specific, product there because it is going to be used to scale up multiple, or rather different products. And it's a very large pilot plant, 4 streams, and, with very complex, equipment and other things.

Samarth Singh: Right. So yes, in the last con call, which was I think more than a year ago in February '25, It's sort of guided to INR150 crores-INR200 crores of new revenue annually from 3 or 4 new products you're working on. So I don't think we've seen that coming as yet. If you could just talk about what is the revenue in rupee terms from these new products in FY26 and in the first quarter.

Bimal Mehta: So right now, as I said, most of the products are under development and final, rather, some of them are under final development and some of them are at different, different stages. So say for example, 2 products which we are looking at commercializing, one is very close to commercialization.

So that would have probably last quarter of this financial year as revenue, but on an annual basis that can be at least about INR50 crores worth of business for that particular product. Second product that we are looking at commercializing, probably it will, the commercialization will happen in the end of the current financial year, so we will see revenue in next year.

Annual revenue there is expected to be about another INR50 crores. Then a few other products which are under development where markets are very big, but we have yet to connect with specific customers in terms of what kind of business we are looking at. But even if we are able to fetch a very small portion of market, then each product is INR50 crores to INR100 crores that we are looking at. And as I mentioned in in response to very first question, we are looking at doubling our revenue in the next 5 to 6 years as a combination of current products wherever we have potential for growth and new products.

Samarth Singh: Just if you just look at the post of getting that contract with DuPont, which shows, FY18, FY19. So if you just look at FY20 numbers to FY26, I understand our revenue goes up and down, based on our raw materials, but even if you look at the gross, gross profit number, it has increased by about 10%, and the dollar, the rupee has depreciated against dollar only by 23%. So has our, have our volumes remained stable and this is all pricing pressure related, or, you know, we've lost volumes also in that period?

Bimal Mehta: No, see, , it is not about losing volume. We have continued to be the main supplier for DuPont, and they bought very small quantities from others. But DuPont's own business of aramid has undergone significant competitive pressures time and again, especially coming from Chinese and Korean manufacturers.

So for them, a particular year may be good where our year also may be good and the other years may not be good so naturally they will order on us what they will be able to sell in terms of their end product. So it's not something that Transpek has lost any orders significantly. It is purely the market of aramid, which is their end market, at play, which is affecting them, and in turn it is affecting, Transpek.

And that's why, as you now have witnessed, that they were not very keen on having any strategic interest on aramid business and Arclin has been looking at performance material as their core growth area. So they came in and they chipped in and they bought over the business. So this is purely a market play. It has nothing to do with Transpek's loss of volume or inability to supply, or any competition taking away a big chunk of that market.

Samarth Singh: Got it. So, just a follow-up on it. So for Arclin, is there, it's a cost-plus model, but any sort of the rupee depreciation that gets passed, the benefit is kept with us, or do we pass it on to the customer?

Bimal Mehta: It is passed on.

Samarth Singh: Okay. It is passed on. Got it. Okay. And sir in fact, this, the Chinese and Korean competition is affecting, the aramid business for Arclin , or what was DuPont. So, isn't that a risk for us when they come in for negotiations? You know, they would squeeze us further on the cost-plus basis saying that, they're, because their business is affected, they would ask us to take a, take a hit on the margins as well going forward.

Bimal Mehta: Yes, so that is one possibility because there are 2-3 reasons. One is that, they are, more focused in terms of, getting returns on this investment. That is one. Secondly, as you rightly said, competition is definitely creating pressures on them, and naturally that pressure will pass on to us. But one good thing that we are noticing now, , without having any pricing pressures on us at this point in time at least, is that because of their way of doing business, they are trying trying to utilize the production facility to the maximum level and thereby optimizing their production cost. And we are seeing that they are being, they are able to do it very successfully. And therefore, the requirement for material that they had, or rather DuPont had, a few months back, is now higher from us, in this quarter. This very quarter, we are seeing, some higher, quantities that they want, us to supply.

And this is what we believe that is going to be their way of looking at things, that even if they have to reduce some price, and which in turn will make suppliers like us, monomer suppliers like us, reduce our prices, eventually there will be largely, the whole reduction will be compensated by higher volumes. So overall margins for us may not be affected in that sense. But yes, if you look at per kilo margin, we believe that there will be some impact. But overall margin will be, the, the loss that will be there will be more than, offset by the increase in volume.

Samarth Singh: Got it. And so this, we've done about INR200 crores of capex over the last 5-6 years. Can you split that between what has been the growth capex and what has been maintenance capex? And if there has been significant growth capex, I mean, it seems we are investing into a business where because pricing is constantly being affected, I mean, our EBITDAs, our profitability, our profits are lower. So we are not actually getting any return on the capex we've done over the last 5-6 years.

Bimal Mehta: True.

Samarth Singh: Please talk about that a little bit.

Bimal Mehta: Yes, so basically, see, the nature of our products is such that even a minor exposure to atmosphere creates a lot of corrosion. Secondly, Transpek, this site was started all the way back in 2000, sorry, in 1981-'82. Some of those, that we had were of that era. During this period we dismantled those plants because they had become almost unsafe and no further repairs could be done. So we replaced those plants partly or fully.

That was one capex which naturally will not result into any addition in terms of capacity or in terms of revenue. Secondly, a part of capex went into increasing the capacity of our thionyl chloride production because thionyl chloride is our captive consumption material, key material, and we were buying from outside, which was not making sense because we are the pioneers in thionyl chloride in the country. So we decided to expand our facility of thionyl chloride.

And therefore we built that, I mean, we spent some money on that also. And again, that would not result into any additional revenue because what we were buying, we will be now producing ourselves. So that is why you are seeing a very large chunk of capex being done, but it has not resulted into any growth because none of them was really in true sense growth capex. Now some of the capex that we would be doing moving forward would definitely be tied to specific products or specific product groups, and we will inform all of you through Stock Exchange that what, what kind of objective is behind some of this capex.

Moderator: Sorry to interrupt, Mr. Singh, may we please request you to re-join the queue, sir, for the follow-up question? Thank you. Next question is from the line of Manprit Aurora from Northern Lights. Please go ahead.

Manprit Aurora: Yes, thank you very much. Sir, you've already given a lot of details on the new products, the polymers and the additives, and I think you've given a lot of color on the revenue potential as well on some of them. Just a little more color if you can give, sir, on, are these, like difficult-to-make products? Are these low-competition products? Once they become commercial, do we see another chance of pricing pressure? Are there large capacity is available. So just trying to understand, are these low concentration complex to make?

Bimal Mehta: So, see, some of them are, not very, I would not say it's impossible or extremely difficult, but they're not very easy to make. There are not many manufacturers of some of these polymers that I just mentioned. There are manufacturers, there are small companies, there are large companies. But there is still market open for players like Transpek, where because of the history and relationship in monomers market.

So for example, 3 polymers that we are working on, one is extremely complex to make, especially the one which goes into water filtration and RO and membrane and all those things, because there the basic product is not difficult to make, but the, the grade that is required for extreme purity processes, that grade is extremely difficult to make. So, so it's a mix and match.

For example, again, when it comes to additives, so additives, there are already patents, for example, in place which says that this kind of additive can be made with this process and all that. So some of those patents have been abandoned because they could not find a viable approach to make those products.

And so far, we, whatever work we have done, we believe that we have found a commercially viable approach to make those couple of products. And that's where probably the complexity for anyone to make would be higher even. Some products are not complex that we are looking at, but then it, they are large volume products, and we believe that we can penetrate that market with the strengths that we demonstrate in terms of sustainability and in terms of quality delivery.

So this is kind of a mix and match. We want to strategically, we want to be in those products where entry barrier can be created to some extent. I mean, in today's time, there is no entry barrier to anybody. Anybody says that I am creating entry barrier, it's purely a timing-based entry barrier.

So if somebody sets up something and runs very fast, then for a couple of years or 2-3 years, they will enjoy the fruits, but then there will be someone else who will start making it. So entry barriers are not as strong as they used to be in past because there are so many ways to, develop processes for new products. But we are trying to look at products which have some entry barriers, and in addition to that, the strengths that we can bring to the table which many others are not able to bring.

Even in acid chlorides, for example, that is our typical products, while we have not grown, we have sustained largely what we have been doing despite having in last 6-7 years, despite having almost 8 or 9 new manufacturers coming in within India. And we still have, because of our strengths that we know that that's not that easy to replicate. A basic manufacturing process can be replicated, but there are so many dimensions which cannot be replicated. So we are working on a mix and match in terms of the product profile.

Manprit Aurora: Great, thanks. That was very helpful. Sir just a clarification on the multipurpose plant, is this plant planned for the Odisha capex?

Bimal Mehta: No, this is going to be set up here. Odisha is still yet, under approval in, I mean, in terms of board approval, and then finally we'll have to submit the final feasibility study to Odisha government. This is a multi-purpose pilot plant. So what happens typically is that there are products which we are able to develop in R&D and kilolab scale, but , we do not have facilities which can help us scale up to, say, tonnage. So 2 tons, 3 tons, 5 tons, because that would be the real process that we will eventually replicate in the commercial plant.

So that's why we decided that we need to invest in such a facility, and it's a multi-purpose facility. So we can do chlorination, we can do fluorination, we can do nitration, we can do multi-steps, so 5-step, 7-step, 8-step chemistry. We can do falling film distillation, we can do short path distillation, we can do normal distillation, all kind of unit of operations, different, different unit of operations and different, different chemistries that we can do.

So that whatever product we take, we can easily understand the scale-up requirements, do trial on this pilot scale, produce few tons, understand the intricacies of process and make sure that when we go to commercial scale, we do not fail. So that's the objective of this facility, and that would be currently housed in Ekalbara only.

Manprit Aurora: Okay, understood. So this will come towards the end of the year?

Bimal Mehta: Yes, around, maybe February.

Manprit Aurora: Okay. And sir on this relationship with Arclin, now that DuPont has sold the business, does it, it's a new relationship for us. Does it give us opportunities to expand within the portfolio?

Bimal Mehta: Yes. So of course they are, their core business has been a very different, business, but there also we believe we have some opportunities. So we are talking to them. On top of that, because their interest is in performance materials, I mean, as a very critical strategic objective. So, and performance materials are, in other words, they are largely polymers.

So we are talking to them in terms of our polymer development that we are doing. So we do see an opportunity. We also have built relationship at the highest level already. And we had some meetings also looking at now, furthering that. And they are also probably understanding what strength Transpek brings because for them we are new and for us they are also new. So we all are, we both are trying to understand each other in terms of the business philosophy, the strengths, the approach to business. And, but there is a very strong positive, environment and discussion also that we can look at working together in multiple other, opportunities.

Manprit Aurora: Great, great. Thank you very, very much, sir, and all the best.

Bimal Mehta: Thank you.

Moderator: Thank you. Next question is from the line of Pratik Kothari from Unique PMS. Please go ahead.

Pratik Kothari: Yes, hi, good evening Bimal-bhai.

Bimal Mehta: Good evening.

Pratik Kothari: Yes, similar, one, I hope now this after a break, this quarterly calls, we are back at it and we'll kind of stay.

Bimal Mehta: Yes, it will stay. I want to continue this on a very regular basis.

Pratik Kothari: Got it. Great, good to hear. Remember on this Odisha, I mean, I understand it's all under plans, too early but just any timeline in terms of when can, I mean, we either start work or once we start work, how much time will it take? I understand approvals, and sometimes it takes a lot of time, and we have seen that in the past too. But in your estimate, what kind of timeline are we looking at? And so the last big capex that we did for DuPont was about INR150-odd crores. So I mean, ballpark, what is it that we are thinking?

Bimal Mehta: Yeah, INR110 crores we had done for DuPont. Now, see, if we look at the timeline now. I am planning to go to the board within another maximum another 25-30 days. So once board approves, then Odisha government has already approved in principle our application. So we will be filing feasibility study. And once that goes through, I think they generally want us to do couple of presentations which take because of its government, so takes another month to complete.

So everything goes right, then you are looking at September, October, November end. By November end, the decision would have been made and we would, we would start working on the project itself, by November end if everything goes, if first of all, of course, if board approves. That is the most important point.

Pratik Kothari: Correct. And once the decision is taken, I mean, given this will be greenfield, this would take how long?

Bimal Mehta: Yeah. It takes quite a, permissions are not very, I mean, not very difficult in that place because it is part of, kind of pre-approved chemical zone. So there is no public hearing. EC is required, but EC is also required there is a sub-EC because they have already done EC for the entire area. So, and there is a single window system unlike what we have in Gujarat and Maharashtra.

There they have single window system. So I do not see permissions are going to take ages, maybe 3 to 4 months all permissions should come. And once permissions come, then naturally the construction work will start. So definitely it cannot be a 1-year job where you will see commercial production within 1 year. It should be at least 1.5 to 2 years.

Pratik Kothari: So setting this up once you have EC it would be another year long, the capex cycle, the setting up of this plant capex?

Bimal Mehta: Yes. One year you have to count. Yes.

Pratik Kothari: Yes, correct.

Bimal Mehta: See, nowadays the other problem is that the delivery lead times are also quite long in terms of equipment and other things. And the reason being, the steel prices and all that are going through so much up and down. I mean, large up only, that the manufacturers also do not want to stock metals, and they also wait for I mean, as it's a very complex scenario. I don't want to you are a veteran in stock markets, so I don't want to and you understand all of these things, but some of these things also take time. But we have, fortunately, we have a team which has built a reputation for a very quick execution of projects. So we may be able to do it little better than others, but it will take time.

Pratik Kothari: Correct. And your capex intensity would be what INR150 crores, INR200 crores or more?

Bimal Mehta: We are looking at almost INR 250 Crores over 5-6 years.

Pratik Kothari: This will be over multiple phases?

Bimal Mehta: Yes.

Pratik Kothari: Correct. And second, just a clarification. So in the annual report I think they have mentioned this time that we have introduced the non-acid chlorides. But from your discussion, it felt it is yet to. So if you can just clarify where I mean that, because on the last call we had mentioned we have some 3 non-acid chlorides that we wanted to start commercialization. So where are we in that journey?

Bimal Mehta: Yeah, so that's what I just mentioned, that we are now very close to commercialization of one. We are just finalizing the pilot lot to be given to the customer, which is 5 metric tons. Once that 5 metric tons are provided to customer, it's an Indian customer, very large company, and then they will utilize that to do a performance trial. And that performance trial may take another 3 to 4 months. So by end of this calendar year, we should see commercialization of that product.

And in the last quarter, we might be seeing some revenue, small revenue coming out of that. There was one product which we are planning to commercialize, but then technology for the end application changed in between. So the customer said that we will have to revisit the entire thing because it was going into battery electrolyte, but there are some changes in the technology because as you know, that field is evolving almost every day.

So we may have to modify the product, which we are awaiting now from details are awaited from customer. So that's when I talked about few products, that was one of the product in the process of development, but that had to be stopped. And now we are looking at modifying that product. And then modification does not necessarily mean that you just modify some raw material and it will be okay. You have to undergo the same level of trials.

So secondly, see, since you mentioned about, I think it's a good idea to mention because then that would help others also. Nowadays, AI has been very useful tool in expediting product development we means not Transpek. Chemical industry is still learning how to utilize that. Pharma industry has been utilizing that now very actively, and molecular development which used to take 3-4 years is now being done in about 12 to 18 months by pharma. Those who are understanding the use of AI.

So chemical industry is also becoming aware about this. So at Transpek also, we are building some AI models which will improve our ability to develop product in terms of the speed and in terms of the overall results. Because the AI will help create simulations of the trials without actually going into laboratory and discard those trials which otherwise would have been physically done and taken a lot of time.

And then it will zero on to a specific number of trials that would be closer to what would give you the result. So that kind of models, of course, it is I mean, say, we are not there, but this kind of models are possible, and we are looking at developing some of those models. Some work is already going on. A team of software and other experts are already working on it. And, hopefully, we will have some support in terms of that process, and that could expedite the product development.

Pratik Kothari: That's great to hear. Sure. Thank you and all the best, sir. Thank

Bimal Mehta: Thank you.

Moderator: Thank you. Next question is from the line of Madhur Rathi from Counter Cyclical Investments. Please go ahead.

Madhur Rathi: So thank you for the opportunity, sir. I wanted to understand, firstly on the TC and IC product that are going into Kevlar and Nomex, sir. Some of the Chinese and Korean companies have added their capacity as well, and you mentioned that going forward the margin per kilo might be lower, sir. So do we see a scenario that the ROC profile of business will get lower because of incremental competition? If you could help us understand on that?

Bimal Mehta: No, actually what is happening is that, first of all, just for clarification Nomex and Kevlar are the brand names. So these are the brand names of DuPont. They are basically para-aramid and meta-aramid. So these are the end products. Now Chinese manufacturers are largely focused onto applications which are low-end applications.

So for example, bag filters are made from that, some of the automotive components of lower category cars are made from that, some material is used in firefighting and construction. Those are not very high-end applications, they are not mission-critical applications, and where Chinese have an edge in terms of their ability to, produce and sell and all that. DuPont, and now Arclin has been into aramids but in mission-critical applications.

So aerospace, firefighting, but firefighting in a very, at a different scale, where this is like huge fires and all that. So they make those kind of clothing for firefighters, in space, in very high-end vehicles, in very high-end construction. So Chinese have been penetrating low end of the market, and DuPont and Arclin have been in the higher end of the market. So that way there is no direct competition. Korean companies have their own products.

For example, one company is making clothing out of Kevlar, sportswear. So they have their own products where they are also focused. We do not see a kind of direct competition coming from this added capacity. Yes, DuPont and Arclin now. Arclin has competition from some Korean suppliers and one or two Chinese suppliers, but their capacities are not increasing because the overall aramid market for those high-level applications is not increasing much.

So therefore, those capacities are not increasing, and we are suppliers to those kind of manufacturer. So we do not see any significant impact of Chinese or Korean putting up these higher capacities.

Madhur Rathi: So if I were to like rephrase this, so because of the high-end application being limited to few players, DuPont and Arclin the demand would be limited for our products and that's why? Because you mentioned on one side that 7-8 manufacturers tried to enter this market but they weren't able to scale their product. But at the same time…

Bimal Mehta: Sorry. That is the product that we make.

Madhur Rathi: Yes. No.

Bimal Mehta: I was talking about the product that and that is not only, that is not only IPC and TPC, there are other 10 or 12 acid chlorides. So I am talking about all acid chlorides where they entered.

Madhur Rathi: Right.

Bimal Mehta: Yeah.

Madhur Rathi: Right. So that would mean that acid chloride manufacturing is difficult, but we aren't able to decide the terms with our customers because that, from my understanding, that seems to be the problem here. So if you could help us understand on that.

Bimal Mehta: No. Actually, so far as, for example, Arclin is concerned, we have a formula-based cost-plus pricing. So competition or no competition, that doesn't change. The change happens where there is open pricing. So for example, Indian market, Korean market, and Chinese market, because we also export to China. I am not talking about IPC/TPCs, I am talking about all acid chloride. So that's where the competition is very tough.

So naturally it is purely driven by the negotiated price. And that's where these competitors who have come in last few years have of course captured some market, but they have not been able to, damage us much. And therefore we have been able to largely sustain our revenues and margins, despite having so many competitors coming in last few years.

Madhur Rathi: Got it. Sir, one question was, sir, we need this product called trimethylbenzoyl chloride, that is required in PCB. So the first thing is, like, where are we on this product? Can we expect this product to scale up over the next few years? And sir, do we have capability to manufacture electronics-grade purity, for these products? Because you mentioned that the membrane product as well would require very high purity. So if you could…

Bimal Mehta: So basically, first of all, this TMBC that you mentioned is our very old product. It is not something that we have newly started. This goes traditionally, this goes into, what is called photo initiators. So basically, in old times when we used to buy a car, for example, after 1 or 2 or 3 years, you will start to see the color of the car fading. In today's cars, you don't see anything fading for years. If you keep it clean, it shines.

So that is basically, the role of photo initiator. And we have been supplying to photo initiator market for quite some time. This 246, it is 246 TMBC. Now some of these products are finding new use in electronics, and as you yourself mentioned, then in order to be able to supply to electronics application, you need to have very high purity, and especially I mean, metallic impurity should not be there. This is something which is extremely critical.

So we have capability, but it is a complex process. So we are working on some of the products to achieve that kind of purity for electronics-grade material. So we are working with one very large company where they want one of our very basic product, but electronics-grade. So we are working on purifying technologies. It's a process, it will take some time.

Madhur Rathi: Got it. So just a finalquestion

Moderator: Sorry to interrupt, Mr. Rathi, May I please request you to rejoin the queue, sir?

Madhur Rathi: It's just a final question. So what kind of IRR or payback do we expect on the INR250 crores investment that we are planning for the Odisha plant? So that was my question. Thank you so much.

Bimal Mehta: Payback would be 4 to 5 years.

Moderator: Thank you. Next question is from the line of Prashant, an individual investor. Please go ahead.

Prashant: Good evening. Is my voice audible?

Bimal Mehta: Yes.

Prashant: So first of all, as one of the earlier participants mentioned, please continue to have these calls on a regular basis. For small investors and individual investors, this is very helpful. Another suggestion is you made some very detailed remarks on new product development. Can you please include it in your presentation, like what are the new products introduced this quarter, previous quarter, same quarter last year, previous financial year?

What is the total addressable market? What is the market share you are expected to gain and what is the gross margin or EBITDA margin, I mean, otherwise, very frankly, the investor presentation looks like a word description of an Excel spreadsheet. Pardon me if it is very blunt, but, if you can include that in your investor presentation, that will eliminate a lot of questions in the conference call.

Bimal Mehta: I respect your sentiment. We will do that. Except that we may not be able to provide, in certain cases specific product-wise EBITDA or product-wise margins and all that, because there are 2 reasons. One is that we may have confidentiality agreements with the customers, and secondly, an investor presentation goes in public domain, and naturally our competitors also would have access to it. So as a shareholder, you would not like a company to suffer because, a competitor comes to know of, our levels of margin and all that. So, but we respect what you said and we will try to provide as much detail as we can.

Prashant: Absolutely. Bimal Bhai, I mean, we may not give it, but at least if a broader I mean, the idea is that the company is doing a lot of good work and in the right direction. As an investor, we would like to know, I mean, what will be the financial implications of it? That was one part.

Bimal Mehta: You are absolutely right Prashantbhai. Actually, we have been told and some of our earlier shareholders who spoke and whom we respect because they have been with us for many, many years despite us going through ups and downs. And as they mentioned also that you need to be aggressive, so while we are now becoming aggressive in terms of our execution, we also have been very conservative in presenting this information, but you will see a change in that also.

Prashant: Okay. The second thing was, again, I mean, the Silox investment again, I mean, not to repeat, but you mentioned that, I mean, there you alluded to a certain shareholders agreement and, that it is not an easily monetizable investment?

Bimal Mehta: Yes.

Prashant: Yeah, my limited point is that we have Mr. Ravi Shroff, who is also a Director in Silox. We might be having a shareholders agreement, although I do not know although it is not in the public domain what are the exact contours of the shareholders agreement?

Bimal Mehta: Yes.

Prashant: But we might be having. And if we were to, I mean, like you said, I mean, you would like to monetize it. So, any concrete steps like have we appointed a merchant banker? Have we appointed a legal firm? There might be a right of first refusal. So have we invited them to exercise the right of first refusal? I mean, are there any concrete discussions that have happened over the last…

Bimal Mehta: Yeah. I mean, we have had discussions with them for quite some time. The agreement requires if we offer, they can decide whether to purchase or not. And we have offered also, but you see, this is an illiquid investment and you cannot suddenly, I mean, they also will not have that kind of money to immediately pay. And secondly, it is not that easy for us to go out in the market and sell those shares. We have been discussing this.

Prashant: I would not say disagreement, but, from what I understand is Silox had a cash and liquid investments of around INR500 crores as of 31st March 2025. They had a sales of INR1,600 crores and a net profit of INR200 crores.

Bimal Mehta: Yes, of course.

Prashant: So obviously, valuation will play a part, but, I mean, if they do not agree to buy, there would be a second option of appointing a merchant banker and doing an offer for sale, or I mean, selling it.

Bimal Mehta: I agree, but you know, I agree, but they should be ready to accept another shareholder who is going because the condition of the agreement is very clear that they have to accept the next shareholder, whoever we are selling to. And if they say that we are not right now interested in any other shareholder, naturally we will not be able to sell.

Prashant: So…

Bimal Mehta: See Prasanth-bhai, you have to understand this. Like you, we are also, professionals, we are investors in this business. We know the value of INR300 crores cash that could be in your kitty and so many things that you can do. So as I said, I definitely respect everybody's sentiment, but if it would have been as easy as it looks, then we would have already encashed and we would be sitting on that cash, or we would have invested that cash probably in acquisition or something else. But it is not that easy, and just being on the board does not entitle us to exit out of that investment.

Prashant: So, I mean, as you said, there are discussions running. what are the next steps that we have planned? Or I mean, of course you may have done certain things, but can we expect a resolutions or something of that sort in this year further?

Bimal Mehta: Not in near future. Beacuse they are also now looking at investing heavily in new facilities in Dahej. They have taken a plot in Odisha. They have taken a plot in Dahej. They are planning to invest in new facilities. So I don't think that they are going to be ready to part with cash so fast.

But we will continue to push them. We will continue to make that attempt, because who would not want as I said, you know, if I am getting valuation I mean, the investment valued at INR300 crores and I am getting INR5 to INR7 crores dividend, it's not a good business. So naturally…

Prashant: Absolutely. The dividend yield is…

Bimal Mehta: Exactly, it's nothing. And therefore I would also like to get this money, but it's complex, Prashant-bhai.

Prashant: And my last question is on the margin side, I mean, EBITDA margin. I mean, we export 87% or roughly 80% of our products. We have expertise in complex chemistries. We have long-standing customers. I mean, we have embedded relationship and established relationship. We are pioneers in certain products. All put together that is not reflecting in the margins.

So what is our target? I mean, you have mentioned that you are expecting 15% to 20% growth, this year. I hope that will be volume plus value. What is the margin trajectory we are looking for? And in terms of, are we looking at a certain hurdle rate that if these margins are not meant, not achievable, or possible, we will not go into that product category or something of that sort? Your views, please.

Bimal Mehta: See, you probably know more than me the chemical industry dynamics. You show me one company which has been largely consistent at 15% EBITDA margin over last 8-10 years. You will not find a single company in chemical space except maybe very rare. Even the largest ones have undergone 20%, then 9%, then 7%, then 11%. Transpek is largely consistent in terms of EBITDA margin of 15%, which is considered to be, in my view, a very good reasonable level of margins.

Moving forward, we are expecting same level, anywhere between 15% to 20%, and the reason is that currently the whole situation is so volatile. I mean, you are buying a raw material today at $2,600 to a ton, and within 10 days it goes to $4,000 to a ton. No customer or no market will be able to bear this kind of increase. Naturally, you need to sustain your market share, so naturally you will compromise on margin and the price will have to be according to that, and your margins will suffer.

So you can have a choice that, okay, as you just mentioned, the hurdle rate. Now today my hurdle rate may be 20% and I select a product of 20%. But within 3 months, that product may undergo swing of raw material and it may come to 11%. I cannot suddenly discontinue that product because the chemical industry doesn't work that way. I will have to maintain my market share, whatever I have captured at 20%. At 11% or so, I have to maintain and wait for the right opportunity again to get back into that higher margin level.

I don't want to name any other company in this call, but if individually we meet, I will tell you. We have analyzed almost 13-14 large and medium-sized chemical companies, and we have not found a single company like Transpek which has been having this consistent margins. So these are like the natural aspects of the chemical industry, which is not in Transpek's control, which is not in anybody's control. But whatever best within that we can do, we are doing, and we believe that we are doing a good job at it.

Margins, of course, we have to target, and we are targeting 15% to 20% overall margins. It may not be product-wise same margin. Some products may give more, some products may give less.

Prashant: Understood. So put it in other ways.

Moderator: Sorry to interrupt, Mr. Prashant. We will take that as the last question for the day.

Prashant: Yeah. So are there any products that we have discontinued or certain lines that we have discontinued during the current year, this quarter, or in the previous year?

Bimal Mehta: No. It's not that we have discontinued anything, but there can be scenarios where the demand may be very low. So for example, in a particular quarter, in the earlier year, the demand maybe for that particular product maybe say 100 tons in a quarter. And this time it may be only 20 tons or 10 tons or 15 tons and a quarter. Those kind of things can happen, but we have not discontinued any product from our side.

Moderator: Thank you. Ladies and gentlemen, we will take this as the last question for the day. I now hand the conference over to the management for the closing comments.

Bimal Mehta: Thank you very much for joining us on this call. We hope that we have been able to respond to your questions, answer all your queries to your satisfaction. And as we mentioned, we will continue to do these calls every quarter. Thank you.

Moderator: Thank you, sir. On behalf of Transpek Industry Limited, that concludes this conference. Thank you all for joining us. And you may now disconnect your lines.