



Date: October 30, 2025.

To,
**National Stock Exchange of India
Limited**
Exchange Plaza,
Bandra Kurla Complex,
Bandra (E),
Mumbai- 400051

BSE Limited
Listing Department
P.J. Towers, 1st Floor,
Dalal Street, Fort,
Mumbai – 400 001

Scrip Name: BHAGERIA

Scrip Code: 530803

Sub: Transcript of Q2 & H1 FY26 Earning Conference Call of Bhageria Industries Limited ('the Company')

Ref: Regulation 30 of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 ('Listing Regulation')

Pursuant to Regulation 30 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 , please find attached transcript of the Q2 FY-26 earning conference call held by the Company on Tuesday 28, 2025 , at 03:30 P.M. after the meeting of the Board of Directors of the Company held on 18th October, 2025.

This information will also be hosted on the Company's website:

<https://bhageriagroup.com/wp-content/uploads/2025/10/Bhageria-Industries-Limited-Q2-H1-FY26-Earnings-Call-Transcript.pdf>

This is for your information and record.

Thanking you,
For **Bhageria Industries Limited**



Deepa Toshniwal
Company Secretary
& Compliance Officer
A66073



“Bhageria Industries Limited Q2 and H1 FY '26 Earnings Conference Call”

October 28, 2025



MANAGEMENT: **MR. SURESH BHAGERIA – CHAIRMAN, BHAGERIA INDUSTRIES LIMITED**
MR. VIKAS BHAGERIA – JOINT MANAGING DIRECTOR, BHAGERIA INDUSTRIES LIMITED
MR. RAKESH BHAGERIA – COMPANY REPRESENTATIVE, BHAGERIA INDUSTRIES LIMITED
MR. RAHUL BHAGERIA – COMPANY REPRESENTATIVE, BHAGERIA INDUSTRIES LIMITED

MODERATOR: **MS. CHANDNI CHANDE – KIRIN ADVISORS PRIVATE LIMITED**

Moderator: Ladies and gentlemen, good day and welcome to Bhageria Industries Limited Q2 and H1 FY '26 Results Conference Call hosted by Kirin Advisors Private Limited.

As a reminder, all participants' lines will be in 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 '*' then '0' on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference to Ms. Chandni from Kirin Advisors Private Limited.

Chandni Chande: Thank you. On behalf of Kirin Advisors, I welcome you all to the Conference Call of Bhageria Industries Limited.

From Management Team, we have Mr. Suresh Bhageria – Chairman; Mr. Vikas Bhageria - Joint Managing Director and Mr. Rakesh Bhageria - Company Representative. Now, I hand over the call to Mr. Suresh. Over to you, sir.

Suresh Bhageria: Good afternoon, everyone. It is my pleasure to welcome you all to Bhageria Industries Earning Call for the 2nd Quarter and First Half of Financial Year '26. I would like to begin by thanking our investors, analysts, and stakeholders for their continued confidence in the company's journey of growth and transformation.

The First Half of '26 has been one of the strong operational performance and strategic momentum. Bhageria continues to evolve as a diversified and innovation-driven Specialty chemical manufacturer with a growing presence across dyes, intermediates, performance chemicals, and renewable energy. Our consistent performance this year underscores our resilient execution, sufficient cost management, and proactive

investment in capacity and new product segments. We have delivered another quarter of broad-based growth supported by healthy demand, robust exports, and improved product mix. Our focus on efficiency, integration and sustainability continues to enhance both scale and profitability.

In October, we announced two important milestones that demonstrate Bhageria's strategic clarity and execution pace. Within a short period, the company announced the commencement of commercial production of a new product line, Plasticizers by the end of December 25, working on the first place is working with the product collection and marketing at the Tarapur facility and the expansion of H-ACID capacity at the same location. The launch of Plasticizers marks Bhageria's entry into the polymer energy space, catering to application of PVC cables, flooring, footwear, and automatic components.

This moves upon a new growth vertical aligned with rising demand for Specialty additives in both domestic and export markets. The commercial launch followed approval from Maharashtra Control Board and represents a forward integration step that enhances our product diversity and margin profile. Simultaneously, we are expanding our H-ACID capacity from 400 metric tons per month to 500 metric tons per month at Tarapur with an investment of around Rs. 5 crores scheduled for completion within the next 3 months. With the plant already operating at about 95% utilization, the incremental capacity is expected to generate Rs. 50-Rs. 75 crores additional annual revenue at present price, once fully operational. Together, these initiatives signals Bhageria's shift towards higher margin, value-added Specialty segments and reaffirm our commitment to operational excellence and innovation-led diversification.

Operationally, we maintain strong utilization levels across plants supported by firm demand from textile and polymer industries. Export volumes continue to show healthy projections, contributing a stable share to total revenue. Our renewable energy business also continues to perform efficiently, underscoring our focus on sustainable and cost-effective operations.

During the quarter, CARE Rating of Bhageria Industries long-term and short-term facilities at a stable A1 for a total amount of Rs. 21 crores, a reflection of our strong balance sheet, prudent capacity structure, and consistent performance.

Let me now share the key financial highlights for the quarter and half:

On the consolidated basis, total income for Q2 FY '26 stood at Rs. 26.02 crores, registering a 55.6% year-on-year growth from Rs. 132.41 crores in Q2 FY '25. EBITDA increased 47% to Rs. 24.75 crores. Net profit for the quarter rose 80% year-on-year to Rs. 11.47 crores, translating into a net margin of 5.6% compared to 4.8% last year. For the first half of FY '26, total income was Rs. 369.99 crores, up 48% year-on-year. While EBITDA rose 48% to Rs. 48.94 crores, net profit grew 83% to Rs. 22.36 crores, with the net margin improving to 6%, reflecting the benefit of cost control, higher realizations, and operating leverage. The results highlight sustainable growth even in competitive environment through a combination of diversification, efficiency, and disciplined execution. Looking ahead, we are confident of maintaining this growth trajectory through continued product innovation, capacity expansion, and export diversification.

The chemical industry in India is undergoing a structural shift driven by a global supply chain, realignment, strong domestic demand, and increased preference for reliable, compliant manufacturers. Bhageria is

well positioned to capture these opportunities. Our expanding Specialty portfolio focuses on process excellence and commitment to sustainable practices will continue to drive long-term value creation. With a solid balance reaffirms credit rating and a clear strategic roadmap, we remain committed to building a stronger, more diversified Bhageria Industries, one that consistently delivers growth responsibilities.

To show a back history about the Bhageria, from a turnover of Rs. 33 lakhs in 1991 to a turnover of Rs. 6 crores in 1995, when we went to the public issue, this company has now reached a turnover of Rs. 597 crores at the end of March 25 in 30 years. From a public issue of Rs. 3.47 crores, it has crossed market capitalization of Rs. 1,000 crores, which shows a strong commitment for which investors benefit.

Thank you and I look forward to a constructive discussion ahead.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Madhur Rathi from Counter Cyclical Investments. Please go ahead.

Madhur Rathi: Sir, thank you so much for the opportunity. Sir, I wanted to understand, sir, what has led to this huge growth in our revenue in the past 2-3 quarters. And sir, if I look at our revenue, sir, our revenue has grown during Q2, but our margins have declined from 15%-16% that we did 2 quarters back to 10%. Sir, so where do we see our revenues and margins from the dye intermediate segments going forward?

Management: The revenue came from the chemical sector, whereas the margins have shrunk because of the higher raw material prices due to the impact of the US and other European countries. The margins have shrunk actually.

Madhur Rathi: Sir, can you tell me what was the volume growth during Q2 on a Y-o-Y basis?

- Management:** That I can share it with you, I don't have it right now with me, but I will share it with you.
- Madhur Rathi:** So just to back up the envelope calculation, sir, is it fair to assume that the majority of our revenue is coming from H-ACID and Vinyl Sulfone?
- Management:** Yes.
- Madhur Rathi:** Sir, so is it fair to assume that there was a 30% odd volume growth because our competitor Bodal has done a 15% kind of a realization growth on their numbers. So is it fair to assume that our numbers would be on 30%-35% volume growth?
- Management:** Definitely, yes. Look, Bodal has some other raw materials also like caustic, PNCB and other things.
- Madhur Rathi:** Sir, I will take this number offline. Sir, so for this whole year, sir, what kind of revenue can we expect? Sir, can we expect this Rs. 200 crores revenue run rate to continue for the next 3 quarters and can we see some margin improvement as it seems that there is a lot of Sulphuric Acid capacity that will come in with Kutch Copper commercializing. Sir, so can we expect margin improvement in the next 2-3 quarters?
- Management:** Definitely, yes. The revenue would increase and the margins also would increase going forward.
- Mathur Rathi:** Sir, on a full year basis, can we do Rs. 800 crore revenue from just our chemical segment?
- Management:** It would be between 725 and 775.
- Mathur Rathi:** Got it. And, sir, margin improvement, 2%-3% margin improvement, is it a fair assumption, 13%-14%?

- Management:** Definitely.
- Mathur Rathi:** Got it. Sir, on our Plasticizer plants, what kind of capacity are we planning and sir, what kind of margins can we expect from this segment?
- Management:** It is pretty early, but the capacity will be 2000 tons per month and margins, we will have to analyze it about the next quarter or maybe by the Q4 of this year.
- Mathur Rathi:** Got it. Sir, for the dye intermediate segment, with the textile industry facing challenges due to the US tariffs and the export, are we facing any challenges or do we see, because most of the players are next 2-3 quarters down the line, they will face some kind of margin improvement or margin pressure. So sir, is that the case with us as well?
- Management:** We are focusing on the export segment more rather than the local market. Export is doing good. So we are focusing more on the export side and we think the margins would improve.
- Mathur Rathi:** So is the export dye intermediate segment a higher margin business for us?
- Management:** Yes.
- Mathur Rathi:** Sir, by how much percent will be the incremental margins?
- Management:** It is about 2%-3% which will increase. Yes.
- Mathur Rathi:** Got it. Sir, just a final question from mine. Sir, the Rs. 152 crore solar, the 32 megawatt solar that we are planning, sir, what is the power purchase agreement on this? And sir, what is the payback period or IRR we expect from this project?
- Management:** 3.08 is the PPA and the revenue would be Rs. 22 crores per annum.

- Mathur Rathi:** Sir, so on a Rs. 22 crore revenue, we are investing Rs. 152 crores.
- Management:** Yes.
- Mathur Rathi:** So I am trying to understand the IRR is very low, sir, based on what we are.
- Management:** The IRR is approximately 16%, the equity IRR.
- Mathur Rathi:** Equity IRR, got it, sir. And sir, we can expect a 75%-80% EBITDA margin on this, right?
- Management:** Yes.
- Mathur Rathi:** Sir, thank you so much. I will get back in the queue.
- Moderator:** Thank you. The next question is from the line of Dhanraj Tolani as an Individual Investor. Please go ahead.
- Dhanraj Tolani:** Hi, sir. Good afternoon.
- Management:** Good afternoon.
- Dhanraj Tolani:** Sir, I just wanted to know the current utilization level across all the plants?
- Management:** Come again?
- Dhanraj Tolani:** I just wanted to know the current utilization level across all the plants?
- Management:** The current utilization is about 95%-97% of production, installed capacity.
- Dhanraj Tolani:** So as we recently announced H-ACID capacity expansion?
- Management:** Yes.

- Dhanraj Tolani:** Has the work started in front or when can we expect it online?
- Management:** By January end, we should start it.
- Dhanraj Tolani:** And if you look at the margin, like, are these a sustainable margin or they are likely to alter or fluctuate?
- Management:** The margins are good enough.
- Dhanraj Tolani:** And if you check the chemical side, the companies are facing issues due to the realization of the capacity. They are not getting the proper price realization, which they should get. So do you directly pass it on to the customers, the higher fluctuation in the raw material or you take it on?
- Management:** No, I did not get your last line, what you said, the raw material?
- Dhanraj Tolani:** Let us say, raw material got increased. So you just pass it on to the customers or you just take it slow?
- Management:** We directly deal with the customer on the buyer's side also, on the seller's side also, both on a monthly basis, not on a quarterly basis, on a monthly basis.
- Dhanraj Tolani:** Got it. And also, once the asset capacity got commenced, so how much remaining we can expect in FY '26 or '27, I would say?
- Management:** It will increase by approximately Rs. 55 crores annually, starting from Q4.
- Dhanraj Tolani:** And also, this last question on an industry level. So are we not taking any issue or threat from the China side because they already have a competitive edge in the chemical industry? They are just dumping whatever they are having to India or something. So are we facing any issue or any competition threat from them?

- Management:** No one. We don't have any threat from China, at least for now.
- Dhanraj Tolani:** Thank you. That is all.
- Moderator:** Thank you. The next question is from the line of Prabhjot Singh from Kreta Advisors. Please go ahead.
- Prabhjot Singh:** Hello. Yes, good afternoon, sir. So my first question is, is there any further de-bottlenecking or Brownfield plans at Tarapur beyond this?
- Management:** No.
- Prabhjot Singh:** So can you share how the new Plasticizers and Ethoxylates line is ramping up since launch?
- Management:** See, Plasticizer, we have started already manufacturing it. Ethoxylates, we are studying it and in the next 3-4 months, we will choose the products and then we will start the production for that.
- Prabhjot Singh:** And will the new capacity mostly cater the exports and domestic demands?
- Management:** Sorry, come again.
- Prabhjot Singh:** I mean, will new capacity mostly cater the exports or domestic demands?
- Management:** It will be both, domestic and export both.
- Prabhjot Singh:** Both.
- Management:** Ethoxylates has a good export market. So we will be tracking that and we would be trying to export more than the local one.
- Prabhjot Singh:** And what is the margin profile of H-ACID versus your blended profile?

- Management:** The margins are almost same for both the products.
- Prabhjot Singh:** That is it from my side. Thank you.
- Management:** Thank you.
- Moderator:** Thank you. The next question is from the line of Surabhi from NV Alpha. Please go ahead.
- Surabhi:** Hi, thanks for the opportunity. So my first question is regarding the pharmaceutical segment. You have mentioned that you are partnering with a company for a production of Dexamethasone. So if you could throw some light on what is this API, what will you be supplying to the company? Will it be some of the raw materials? And second question is regarding Plasticizers and Ethoxylates, what kind of CAPEX are we doing for this 2000 tons per month capacity?
- Rahul Bhageria:** So, Ms. Surabhi, myself Rahul Bhageria, I will be answering your question regarding the pharmaceutical sector. So we are manufacturing two segments in pharmaceutical. One is Steroids, in which we are manufacturing Dexamethasone base and Dexamethasone Sodium Phosphate. So what usually happens in India is nobody is manufacturing Dexamethasone base by themselves. So people who are manufacturing Dexamethasone Sodium Phosphate, they buy the Dexamethasone base from China and convert that into Dexamethasone Sodium Phosphate. So we are procuring 8DM, which is a raw material for us. We are manufacturing our own Dexamethasone base and then going ahead and manufacturing Dexamethasone Sodium Phosphate. So we have gone one step back.
- Surabhi:** Is this a KSM? So that is one step ahead from the KSM, right?
- Rahul Bhageria:** Yes. So KSM for us is 8DM in steroid section. Yes. So not many people are doing it. And that is the opportunity that we thought of going into,

because otherwise people are more reliant on Chinese raw materials, which we don't want it to, didn't want it to, and then that is why we have gone one step back and manufacturing our own base and then manufacturing DSP.

Surabhi: Sir, just a couple of more questions on this, right? What kind of CAPEX are we doing? And 8DM, are we importing from China or is there another country that we can import from?

Rahul Bhageria: Currently, yes, we are buying it from China, but we have also identified a few vendors here in India who have made some investments into manufacturing of the KSM as well. But the vendor registration process and other documentation takes a lot of time. Due to which we are not able to buy the raw material from them currently, because we are more catering towards the regulatory market. Our end customers, we are more focused in the exports market, so we want to supply only to the regulatory market. So we have already filed CEP that is the European Pharmacopoeia for Dexamethasone base. We have already got the number. So I think it is already 4-5 months, we have already got that. So we are trying to revise the process in the manufacturing due to which we will be refiling it, doing some additions there, and then going ahead and selling it in the regulatory market.

Surabhi: How much CAPEX or basically, are we doing in the pharmaceutical segment and what is the gross block? So currently, the gross block of the company, how much of the gross block is purely for the API?

Rahul Bhageria: I think the CAPEX has already been done, ma'am. So we are not increasing our CAPEX as of now. Usually, a pharma business takes almost 4-5 years as a gestation period. So there is a learning curve there. So we have already passed these 2 years in which we have done all the filings. Documentation is a very big challenge. So our plant is a GMP

certified plant and we have done the inspection. Japan customers have come to do the inspection, even the European customers have come and done the inspection. So our plant is a US FDA approved plant. We are focusing to get it US FDA approved. So the CAPEX, I think we have already done, which is around Rs. 30-Rs. 35 Cr, which has already been done.

Surabhi: Got it.

Rahul Bhageria: So the CAPEX, there is no new CAPEX, which is going to get involved here. But after all the regulatory licenses are done, we get that. After that, it will be a very big plus for the company, because then the market opens up and you get good margins out of it. The product that you want to sell, it gives you a very good margin.

Surabhi: Got it, sir. And apart from Dexamethasone, we have more products in pipeline, are we trying to crack or is this?

Rahul Bhageria: No. So as I mentioned that we have two segments, one is Steroid. So Dexamethasone is a Steroid section. And another one is a Vitamin section, where our KSM is Vitamin B12. And we are manufacturing Methylcobalamin from that. So our plan is to go for a US DMF and a Japan DMF in coming months. Like in November, we are going with the US DMF. And by December, we will be filing the Japan DMF for Methylcobalamin. So that is the strategy.

Surabhi: Got it, sir. Yes, thank you. And since this is a Plasticizer segment, the capacity is at \$2000 per month, what kind of CAPEX have we spent on that?

Rahul Bhageria: It is approximately Rs. 10 Cr, which has been done already.

- Surabhi:** And what kind of asset turns would we see on this, like the peak revenue potential that you see from the segment?
- Rahul Bhageria:** Revenue, just a moment. Around Rs. 24 Cr monthly, yearly.
- Surabhi:** Rs. 24 Cr?
- Rahul Bhageria:** No, just a moment, ma'am. There is some calculation error. Around Rs. 240 Cr per annum.
- Surabhi:** So on a CAPEX of Rs. 10 crores, is the revenue going to be Rs. 240 Cr? Is my understanding right, sir?
- Management:** Yes, because we already have a lot of infrastructure in place, which we are utilizing it for manufacturing of Plasticizers. So not huge changes have been done, but we are utilizing our old CAPEX that we have done into manufacturing of Plasticizers. So that is the added advantage that we have.
- Surabhi:** Got it, sir. Thank you so much. Thank you.
- Management:** Thank you, ma'am. Thank you.
- Moderator:** Thank you. The next question is from the line of Sakshi Shinde, as an Individual Investor. Please go ahead.
- Sakshi Shinde:** Thank you for the opportunity and my first question is, what is the current share of Specialty Chemicals in the revenue? And how do you see it evolving?
- Management:** The current share is about approximately 5%-7% because we just started it. But going forward, it would be maybe about 20%-22% in the revenue.
- Sakshi Shinde:** And my second question is.

- Management:** Can you speak loudly, ma'am, please?
- Sakshi Shinde:** Okay, sir. Any new export geographies or the customer segments added recently?
- Management:** Yes, we have added a couple of customers in China.
- Sakshi Shinde:** Thank you.
- Management:** Thank you.
- Moderator:** Thank you. The next question is from the line of Madhur Rathi from Counter Cyclical Investments. Please go ahead.
- Madhur Rathi:** So thank you for the opportunity once again. Sir, post the 100 metric ton CAPEX that we are doing for H-ACID, how much is there a possibility of addition for any new product at our existing unit or we will need to go for a Greenfield CAPEX going forward?
- Management:** No, we just need a balancing equipment which we are doing it. Nothing big CAPEX. It is a maximum CAPEX of maybe Rs. 5 crores only.
- Madhur Rathi:** No, sir. I am asking how much additional capacity can we add at our existing location?
- Management:** No, this is a maximum of 500 tons per month.
- Madhur Rathi:** So that will need to go for a Greenfield CAPEX?
- Management:** Yes.
- Madhur Rathi:** Got it. And sir, on the Plasticizer front, sir, one of our competitors, IG Petro, sir, they are doing close to 35,000-36,000 annual capacity addition that they are doing at a Rs. 160 crores investment. So is it fair to assume that a Greenfield plant would require close to Rs. 100 crores

that basically because of the same asset infrastructure we have, we can do it for Rs. 10 crores? Is it a fair assumption?

Management: Yes, that is true.

Madhur Rathi: Got it. Sir, what percentage of our revenue would come from textile customers in the dye intermediate segment and non-textile customers currently?

Management: So we supply to textile customers majorly. So major revenues from that only.

Madhur Rathi: And sir, it seems that 45%-50% of our revenue comes from our top 10 customers. So how is the commentary from these customers post the tariffs and export, the ex-permuted export environment that they are expecting?

Management: We export major to Southeast Asia and to Europe somewhat. US is not a big market for us. So it is not affecting from the tariff side.

Madhur Rathi: Got it. And sir, how is the pricing? Sir, you mentioned that our pricing arrangement is on a monthly basis with our customers. Sir, so going forward, whenever the price increases or decreases, sir, can we expect to pass on if the price declines? I am considering from Sulphuric Acid point of view. So whenever the price declines, how much of the price decline will we pass on to customers and how much will we keep it with ourselves?

Management: So if the price of the finished product goes down, the nominal also goes down. So it is linked to both the things and everybody knows the market. So it all depends upon the market conditions and demand supply situation.

Madhur Rathi: Got it. So that was from my side. So thank you so much and all the best.

Management: Thank you, sir.

Moderator: Thank you. The next question is from Mahesh Seth as an Individual Investor. Please go ahead.

Mahesh Seth: Yes, good evening.

Management: Good evening.

Mahesh Seth: So my first question is like.

Management: Can you speak a little louder, sir?

Mahesh Seth: Yes. Can you hear me now?

Management: Yes.

Mahesh Seth: So I was asking that our Q2 numbers were looking solid. So what is driving this growth on the ground, like better volumes or price realization?

Management: Better volumes.

Mahesh Seth: So better volumes is the main reason.

Management: Yes.

Mahesh Seth: And our margins also have improved. So is this mainly driven by improved product mix or some cost efficiency?

Management: There is a cost efficiency. The management is thinking of like we have installed solar capacity for our own production utilization. So we are thinking on that lines also. Yes, reducing the cost.

Mahesh Seth: And how is the demand shaping up for our key products?

- Management:** Sorry. Come again.
- Mahesh Seth:** Like how is demand shaping up across our key products?
- Management:** Demand is good. And in Q4, we are thinking it will be much better than this.
- Mahesh Seth:** Q4 will be much better than this?
- Management:** Yes.
- Mahesh Seth:** And last question from my side, like export markets have been volatile. So are you seeing any slowdown in export order?
- Management:** No. At present, it is very good and we think for November-December, it is good.
- Mahesh Seth:** So November-December that means like Q3 and Q4 will be good for export?
- Management:** Yes.
- Mahesh Seth:** Fine. Thank you.
- Management:** Thank you.
- Moderator:** Thank you. The next question is from the line of Ishita Pathe from BN Tech. Please go ahead.
- Ishita Pathe:** Yes. My first question is that is there any connection between your solar business and your manufacturing units? Like do you use solar energy internally for manufacturing?
- Management:** We have installed a separate one for our manufacturing unit, open access. Yes.

- Ishita Pathe:** So what are the steps you are taking to use green chemistry and manage water waste at your site?
- Management:** Come again?
- Ishita Pathe:** What are the steps which you are taking to use green chemistry and management of waste water at your site?
- Management:** Waste water, we have our own spray dryer where we dry the waste water. And we have signed a contract with Mumbai Waste Management, multi-effective apparatus.
- Moderator:** Thank you. The next question is from the line of Madhur Rathi from Counter Cyclical Investments. Please go ahead.
- Madhur Rathi:** Thank you for the opportunity once again. Sir, in the pharma segment, sir, when do we expect to break even? And sir, what is the revenue potential from the asset base that we currently have?
- Management:** We intend to break even in another next 2 years. Our idea is to sell to regulatory market where the margins are very good. So we are just waiting for filing US DMF and Japan DMF. And these things take time, approximately a year, year, and a half. So once that is done, we are ready to cater to the regulatory market and earn good margins from that.
- Madhur Rathi:** Sir, what kind of gross margins and EBITDA margins can we expect from the segment?
- Management:** Sir, in regulatory market, gross margins would be somewhere near to 200%.
- Madhur Rathi:** So 30%-60% kind of gross margins?

- Management:** Sorry. Gross, in the export market. I will just give you an example. The molecule that we are manufacturing, MCP, in some markets, some customers in Japan, they also buy that in \$4,000 a kg. So that is the reason we are more focused towards getting ourselves registered with the regulatory customers. And that is the reason we had invested so much in the pharma plant. So we have got all the latest instrumentation, the lab, the facility that we have created for such a small plant is something worth watching actually. So that is creating value. So we are very sure that it will be a very good sign, very good business for the company in coming years.
- Madhur Rathi:** Got it. Sir, what percentage of our dye intermediate segment are we backward integrated?
- Management:** We have just one that is Sulphuric Acid plant. That is a backward integration.
- Madhur Rathi:** And sir, what percentage of our Sulphuric Acid requirement would be catered by our plant versus whatever we buy from outside?
- Management:** We sell about 70% of our products to the local market and 30% is our own consumption.
- Madhur Rathi:** And sir, 40% of our Sulphuric Acid requirement is met through in-house plant?
- Management:** Yes, in-house only.
- Madhur Rathi:** 40% in-house and 60% is bought from outside.
- Management:** No, 60% is sold to outside, Sulphuric Acid and Oleum.
- Madhur Rathi:** Got it.

- Management:** So our monthly capacity is around 10,000 tons cumulative equivalent to Sulphuric Acid and we are consuming around 2,500-3,000 tons a month. So balance 7,000 tons, we are selling it outside, in the outside market, open market.
- Madhur Rathi:** Sir, will the Plasticizer segment also require Sulphuric Acid?
- Management:** No.
- Madhur Rathi:** Got it. Sir, that was from my end. Sir, thank you so much and all the best.
- Moderator:** Thank you. The next question is from the line of Prabhjot Singh from Creta Advisors. Please go ahead.
- Prabhjot Singh:** Thank you for the opportunity once again. Sir, my first question is, how big is the market opportunity for Bhageria and who are the typical end users?
- Management:** Sorry.
- Prabhjot Singh:** How big is the market opportunity and who are the typical end users?
- Management:** The end users are the dye manufacturers, which again goes in textile or leather. And we almost have a good market share in local as well as exports.
- Prabhjot Singh:** But how big is, any figure?
- Management:** We are almost as good as the peers. We are having a market share of approximately maybe 10%-15%.
- Prabhjot Singh:** And what kind of capacity or production rate are we targeting there?
- Management:** So we are on 95%-97% as on date.

- Prabhjot Singh:** Fine. Is the product already commercialized with the customer or still in sampling and approval stage?
- Management:** No. We have commercialized the production and we are marketing it already.
- Prabhjot Singh:** And how does this line make a strategically shift towards Specialty and high margin products?
- Management:** See, the volumes are good in this. So we are thinking the margins also should be good. We have just started it. We are analyzing it. And in the Q1 of the next year, you will get the results for that.
- Prabhjot Singh:** And how is the demand environment evolving across the key users like dye, pharma, and Specialty Chemicals? And are you seeing any regional demand shift?
- Management:** So demand is good. It is round the clock demand. So there should not be any issue of that.
- Prabhjot Singh:** Fine. That is it from my side. Thank you.
- Management:** Thank you.
- Moderator:** Thank you. The next question is from the line of Mit from Anvil Shares. Please go ahead.
- Mit:** First question was, I wanted to know the input-output ratio for H-ACID, Vinyl Sulfone and Gamma-Acid division?
- Management:** Which ratio you want?
- Mit:** Input-output ratio like for say, for 1 kilo of H-ACID, how much would be the raw materials that would be required? Same, Vinyl Sulfone and Gamma-Acid?



- Management:** I can share the details with you. I don't have it right now. But approximately, if I go for H-ACID, it is about 30 kilos, which gives 1 kilo of H-ACID. There are about 10 raw materials which is going in this. But I can share the details with you.
- Mit:** Yes. That would be good, sir. And my second question was I wanted to know the spreads per kilo that is prevailing currently, like the gross margins for all the above 3, say, last 2-3 year spreads and the peak spread that was there, say, FY '20 or FY '21, or even FY '22?
- Management:** Yes. I will share it with you on a separate email.
- Mit:** Yes. And, sir, I just wanted to know the India and the global capacity for all our products, if possible?
- Management:** See, there are only two countries which manufacture this chemical, India and China. And now we are almost par with China, the capacity-wise. India would be having 10 players. China would be having 2 or 3 players only. So the capacity would be balanced.
- Mit:** And can you just quantify, like, how much ton for H-ACID. Vinyl Sulphur and Gamma Acid individually?
- Management:** Come again?
- Mit:** Sir, can you just quantify in terms of tonnage, like, say, 1 lakh tons or 2 lakh tons for individual products, all the individual 3 products?
- Management:** Yes. I will share it with you. H-ACID is about 4,800 tons per annum. VS is about 3,600 tons per annum. Gamma is 1,200 tons per annum.
- Mit:** Sir, is this our capacity or India's capacity?
- Management:** Our capacity.

- Mit:** So sir, I wanted to know India and global capacity.
- Management:** I will share it with you. On a gross term, I can just say that H-ACID is about 3,000 tons per month for India and China would be 3,500 tons per month. VS India is 6,000 tons per month and China would be 10,000 tons per month. Gamma only India is manufacturing, so India capacity would be 300 tons per month.
- Mit:** All those were my questions. Thank you, sir, and all the best for the future.
- Management:** Thank you.
- Moderator:** Thank you. The next question is from the line of Madhur Rathi from Counter Cyclical Investments. Please go ahead.
- Madhur Rathi:** Sir, thank you for the opportunity once again. Sir, I wanted to understand, sir, what was the revenue between H-ACID, VS, Gamma-Acid and Tobias-Acid in FY '24, 25 and H1 of FY '26?
- Management:** Madhurji, I can share it with you. I don't have it right off with me, but I will share it with you. You can send me an email.
- Madhur Rathi:** Yes, sir, I will share. Sir, can I share it over this call or share it with the moderator?
- Management:** You can share it with the moderator.
- Madhur Rathi:** Sir, I will do that. And sir, just a final question, sir, when can we expect to reach the 17%-20% EBITDA margin that we did historically? Sir, what will it require for us to reach those levels?
- Management:** I can't predict that thing, but we are trying our level best to achieve that margin.

- Madhur Rathi:** Got it, sir. So has there been any industry consolidation that has happened post-COVID that we can expect to reach these margins over the next 2-3 years or will it require raw material prices to go down? So what will it require for us to reach those levels of margins?
- Management:** Sir, the market after COVID was really going bad. If you have seen the numbers of all the industry, last 3-4 years is bad. We expect the margins to improve by maybe 26-27. And China was really dumping in the last 2-3 years, but now they have stopped it. So we expect better margins going forward. It will be gradually not in a single moment, but it will gradually go up.
- Madhur Rathi:** To the 20% levels?
- Management:** I can't predict that as of now, but.
- Madhur Rathi:** No problem, sir. Sir, thank you so much for conducting this conference call. Sir, we appreciate you taking up the time. So thank you so much.
- Management:** Thank you, sir. Thank you.
- Moderator:** Thank you. As there are no further questions, I now hand the conference to Ms. Chandni from Kirin Advisors. Thank you and over to you, ma'am.
- Chandni Chande:** Thank you, everyone, for joining the conference call of Bhageria Industries Limited. If you have any queries, you can write to us at research@kirinadvisors.com. Once again, thank you for joining the conference. Thank you.
- Management:** Thank you, everyone for joining the Conference Call of Bhageria Industries Limited for Q2 and H1 of the 2025. Thank you.

Moderator: On behalf of Kirin Advisors Private Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines. Thank you.