

**Fine Organic Industries Limited**

Regd. Office

Fine House, Anandji Street, Off M. G. Road,  
Ghatkopar East, Mumbai 400 077, India.

CIN : L24119MH2002PLC136003

Tel : + 91-22-2102 5000

Fax : + 91-22-2102 8899 / 2102 6666

Email : info@fineorganics.com

Web: www.fineorganics.com



Date: May 26, 2026

To <b>BSE Limited</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001	To <b>National Stock Exchange of India Limited</b> Plot No. C/1, "6" Block, Exchange Plaza Bandra Kurla Complex, Bandra (East) Mumbai - 400 051
---	---

**Security Code: 541557**

**Symbol: FINEORG**

Dear Sir/Madam,

**Sub: Earnings Call – Transcript**

**Reference: - Intimation of Earnings Call dated May 5, 2026 and Audio recording of Earnings Call dated May 22, 2026.**

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of the Earnings Call held on Thursday, May 21, 2026, at 3:30 p.m. (IST) for the quarter and financial year ended on March 31, 2026.

The same will be available on the website of the Company at <https://www.fineorganics.com/investor-presentations/>

We would request you to please take the same in your records and oblige.

Thanking you,

**For Fine Organic Industries Limited**

**Pooja Lohor**  
**Company Secretary and Compliance Officer**  
**Membership No: A28397**

Encl: as stated



“Fine Organic Industries Limited  
Q4 & FY26 Earnings Conference Call”

May 21, 2026

“E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchanges and the Company website on 21<sup>st</sup> May 2026 will prevail.”



**MANAGEMENT: MR. MUKESH SHAH – PROMOTER AND CHAIRMAN  
Ms. SONALI BHADANI – CHIEF FINANCIAL OFFICER  
SGA – INVESTOR RELATIONS ADVISORS**

**Moderator:**

Ladies and gentlemen, good day, and welcome to Fine Organic Industries Limited Q4 and FY '26 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

This conference call may contain forward-looking statements about the company, which are based on the beliefs, opinions and expectations of the company as on the date of this call. These statements are not the guarantees of future performance and involve risks and uncertainties that are difficult to predict.

I now hand the conference over to Mr. Mukesh Shah, Promotor and Chairman. Thank you, and over to you, sir.

**Mukesh Shah:**

Good afternoon, everyone, and thank you for joining us for our annual earnings call to discuss the business and financial performance of Fine Organic Industries Limited for the financial year FY'25-FY'26. I hope you have had the opportunity to review our financial results and investor presentation, both of which are available on the company's website and the stock exchanges.

I'm joined today by our Chief Financial Officer, Ms. Sonali Bhadani along with our Investor Relations advisors from SGA.

Over the years, we have built a strong and globally recognised specialty additive platform catering to a diverse range of end user industries, including food, plastics, polymers, feed nutrition, personal care, coatings, inks, rubber and several other industrial applications.

Today, our products are supplied to leading domestic and multinational customers across geographies, supported by long-standing customer relationships, strong technical expertise and consistent focus on quality, reliability and global regulatory compliance. What differentiates us is not only the breadth of our product portfolio, but also our ability to develop customer intent performance-driven solutions aligned with evolving customer requirements.

Our continued investments in innovation, process capability enhancement, application development and customer engagement have enabled us to steadily strengthen our positioning across the global markets. We have evolved from being only a product supplier to becoming a strategic solution to our partners for several customers globally. This transition has helped us deepen our customer relationships, improve our product stickiness and expand opportunities across multiple application segments globally.

FY '26 was another year characterised by an evolving global macroeconomic environment, heightened geopolitical uncertainties, changing trade dynamics, volatility in raw material prices and disruptions across global logistics and supply chains.

Demand conditions across several international markets continued to remain uneven while business globally operated in an environment marked by cautious inventory management, freight volatility, currency fluctuations and supply side uncertainties. Despite these external challenges, we will continue to demonstrate resilience and stability supported by our diversified product

portfolio, balanced geographic presence, strong customer relationships and operational discipline and long-term strategic reasons.

On the operating front, FY '26 continued to witness elevated input cost pressures. Raw material prices remained higher compared to FY '25, primarily driven by volatility in global commodity markets and higher feedstock costs. Additionally, raw material prices witnessed the marginal increase during Q4 FY26 compared to Q3 FY '26.

Freight costs, which had largely stabilised during most part of the year, witnessed an increase during Q4 FY '26 due to disruptions arising from the West Asia conflict and related supply chain uncertainties. Operationally, all our manufacturing facilities continue to run at almost full capacity levels, full utilisation levels. Our Patalganga facility, which was commissioned for food additives It has also seen a steady ramp-up, and we expect the plant to operate at full capacity during the next financial year.

From a strategic perspective, FY '26 has been an important milestone year in our long-term global expansion journey and multiple initiatives progressing simultaneously across key geographies.

I'm pleased to share that the Board has approved our acquisition of up to 80% stake in Oleofine Organics BHD, Malaysia, also referred to as OFM. OFM is engaged in manufacturing in sales of food additives and reported a turnover of approximately MYR 23.3 million, equivalent to approximately INR44 crores (Please note INR 44 crores mentioned erroneously, it should be read as INR 54 crores) as of January 31, 2026. This acquisition aligns with our long-term growth strategy, strengthens our presence in the specialty additives space and further enhances our international footprint in the growing Asian region.

Post completion, OFM will become a subsidiary of Fine Organic Industries Limited. The acquisition will be undertaken through cash consideration with the aggregate transaction value expected to be approximately MYR 34.2 million, which is approximately INR 82.9 crores, subject to transaction costs and exchange rate conversions. The transaction is expected to be completed within the next 3 months, subject to customary approvals and definitive agreements.

Of the proposed 80% stake, 50% will be acquired from Smoothex Chemicals Private Limited, a promoter group entity, while the remaining 30% will be acquired from other existing shareholders of OFM. the transaction will be carried out on an arm's length basis.

During the year, the continued investment in Fine Organic Industries (SEZ) Private Limited, our wholly owned subsidiary focused on the upcoming JNPA (SEZ) manufacturing project in India. The subsidiary issued a preference shares amounting to INR 65 crores as part of its equity capital structure. With this, the total investment made by Fine Organic Industries Limited in the subsidiary stands approximately INR 192.5 crores to date.

We are working actively on the JNPA project and project acquisition committee continues progress as per the scheduling. As communicated earlier, we expect the commencement of commercial production sometime during FY '28.

The SEZ facility remains a critical pillar of our long-term growth strategy and is expected to strengthen our export manufacturing capabilities while also creating additional room within existing facilities to cater to the growing domestic demand. One of the key developments during the year was incorporation of our wholly owned subsidiary in Dubai, United Arab Emirates.

The objective of this entity is to establish a stronger local presence across GCC countries and enhance supply chain efficiencies for customers in the West Asian region. During Q4 FY '26, we infused equity of Dirham 2 lakh, approximately INR 49.5 lakh into the subsidiary. The West Asia continues to emerge as an important market for several specialty applications. And these initiatives will help us improve customer engagement, regional responsiveness and distribution efficiencies across nearby export markets.

During the year, we have additionally increased equity of approximately INR 6.17 crores, approximately THB 22.5 million in our joint venture company, Fine Organic Industries (Thailand) Company Limited to support future business growth. We entered United States to set up manufacturing units. We have infused equity investment of approximately USD 1.12 million equivalent to approximately INR 9.6 crores and subsidiary has acquired around 160 acres of land in Jonesville, Union County in South Carolina.

The U.S. market represents a strategically important geography for us. This will strengthen our presence through across North, Central and South America and enhance supply chain security for our customers and unlock new growth opportunities. We have received all the necessary approvals for the project and are currently in advanced stage discussions with the contractors.

The Board has approved the appointment of Mr. Shailendra Nadkarni as an additional Director in the capacity of Non-Executive Independent Director for a period of 5 years, effective May 19, 2026, subject to shareholders' approval.

Mr. Nadkarni brings over 3 decades of extensive experience across corporate banking, project finance, retail banking, MSME and agri finance, digital banking and human resources. During his distinguished tenure at IDBI Bank, including as an executive director from 2018 to 2024, he played a key role in driving digital initiatives, leadership development and organisational transformation. We believe a strong expertise in banking, risk management and strategic leadership will further strengthen company's government and strategic direction going forward.

Overall, the near-term global environment continues to remain dynamic and uncertain. We remain confident about the long-term opportunities for the specialty additives industry and for Fine Organics.

With that, I would now like to invite Ms. Sonali Bhadani, our CFO, to walk you through the company's financial performance.

**Sonali Bhadani:**

Thank you, sir. A very good afternoon to all of you who are joining today. Let me take you through the company's key consolidated financial performance parameters for the year financial year 2026. The revenues from the operation is up by 4.3% amounting to INR 2,365 crores from INR 2,269 crores in FY '25. The profit after tax for the FY '26 was up by 1.6% on a year-on-

year basis up to INR 417 crores as compared to last year's INR 410 crores in FY '25. The EBITDA margin for the FY '26 stood at 20.4%.

With this, I would like to open the floor for questions and answers.

**Moderator:** The first question is from the line of Ankur from Axis.

**Ankur:** Congratulations on a good show in the current macro. My first question is on the overall RM inflation that we are seeing. So your thoughts in terms of how do you see this space playing out in terms of both the customer demand, if at all, there is any impact there as well as from a supply chain perspective? Any thoughts there?

**Mukesh Shah:** Yes. Thank you very much. As far as demands are concerned, we don't see any change.. The demand is quite stable. We are facing some supply chain issues, especially for our customers in Middle East, where all the ports are not operating but only some ports are operating.

So now the customers are taking to those ports and then taking it to their site, by road and all that, and freight costs have gone up in certain regions. But this is all, again, the customers have accepted to buy on FOB from us.

So because of this situation, all the customers have agreed that they will take all the risk for freight, extra charges of freight and other things. That's where we don't see any issues as of now. But we are cautious, we are watching continuously as far as the customer demands are concerned.

Then logistics costs, I mean, the costs have definitely gone up, but most of our customers have accepted the new freight rate because they have understood even though we had certain contracts, but those people also understood the situation, and they are cooperative with us. So I don't see any issues as of now there.

Raw materials, the prices are going up because of the increase in the crude oil prices, the demand for vegetable oils has gone up globally. Like for example, the palm oil, which still come from Indonesia and Malaysia, there, the impact is coming stronger because the Indonesia has decided to use 50% of the palm oil in biodiesel to mix with their diesel and petrol and all that.

So availability has reduced. Similar thing happened in Malaysia, they are now at 15% but they may also increase. So I believe that palm oil prices will continue to increase until this war issue is over. And other vegetable oils following the palm will also probably increase. So I don't see raw material prices coming down in near future until this issue is completely sorted.

But we have -- fortunately, we have great customers, very nice customers. they are quite cooperative, and we are also not taking very large long-term orders. We are taking very short-term orders, maybe one or two. And customers are quite cooperative. They understand the situation, and they are very much cooperating with us.

We are quite confident to go through this, and this crisis has not stopped us from going right with further expansions. Now this Malaysian venture is also going to be with us so we have a

lot of plants for that unit also. And it is where we are working on full swing. we are trying to start it as early as possible. And U.S. is also definitely, we will go there. And only thing right now the discussions are going up. So we are very positive for our growth plans.

**Ankur:**

Sure, Mukesh. Great. That was very helpful. Just the second question on our expansion plans. While you did highlighted the JNPA expansion as well as the U.S. plants. If you can share some thoughts, one, in terms of what could be the opportunity size there, especially on the U.S. side, wherein we have got sort of 160 acres there.

So how big or in terms of capacity, in terms of revenue, whichever way, what are the expansion plans there? And by what time frame can we look at? And similar thoughts on the Thailand plant as well, wherein we had done some pilot testing for food additives, but wanted to scale up subject to the response, for your thoughts there.

**Mukesh Shah:**

That's right. First of all, as far as U.S. is concerned, there is no point in putting up a small plant there. It has to be a world-sized, world-scaled plant. But we know that we don't have any experience in running the plant in U.S. so far. Look, this is 100% owned by Fine Organics, there is no joint venture.

So that first step, we expect some issues, some problems we may face. So what we have decided that we will have a little conservative capacity in the first phase so that we can manage the smaller problems which we may come across in the first one or two years.

As far as the market demand is concerned, we are not worried at all. What we are worried probably is that running the plant efficiently and running the business successfully there with the initial hiccups and all these things, we are a little bit concerned. So that is why we are going a little cautiously in the first phase.

But after first phase, it will be much bigger. Second phase will be much bigger, Third will be much bigger. as of now, we have planned for at least 3 stages as of now, but we will start walking before we start running. So this is the U.S. expansion.

Thailand JV, yes. we want to go for that right now, but our team is extremely busy SEZ plant. We don't want to delay that expansion. So we have requested Thailand people to bear with us for a few months until our team gets a little bit free from SEZ and then we can send them to Thailand. So they are cooperating with us.

Right now, the Thailand plant is running at full scale, but we want to expand there as well. And that expansion, it will involve a lot of manpower from our side as much and for the project and engineering and all these things in the beginning. So if I send them to Thailand, my expansion in SEZ may get delayed.

So I don't want to take any risk, and I have told them and they really agreed. They said, "Okay, we'll wait for a few months till you are free." And then the Thailand is definitely going to be there. And meanwhile, Malaysia is also in queue now. So we have a lot of things to do.

So everybody is very busy, and we are trying to take up everything coming out. We have very less number of people compared to the expansions coming up, but everybody is geared up, everybody is charged up and everybody is working hard except me. So I think it's going to be there. But we need to have a little bit of patience. We don't want to make a blunder, especially in U.S. and in SEZ.

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

**Rohit Nagraj:** Congrats on a strong sequential recovery. So first question, just from the earlier participant. In terms of the investment on our SEZ plant, what kind of initial investment that we are planning and in terms of potential revenue that we are looking at? And similarly, for the U.S. plant you've explained there will be 3 phases but what could be the potential investment in the first phase that we are looking at in terms of maybe amount or capacity?

**Mukesh Shah:** Okay. So as far as SEZ investment is concerned, we have already announced it last year, as we said, the investment is approximately INR 700 crores to INR 750 crores. So that is the first phase we have already announced. And we will build some base for the Phase 2 also. So it's a majority of the INR750 crores will go into the first phase capex and some basic investment for second phase. As far as U.S. investment is concerned, we are still to announce probably within next quarter, we will be able to give you the right figure.

As of now the discussions with a lot of contractors are going on. And their contracts are not yet finalised. There are a lot of discussions are going on. So once these figures are freezed, then probably we should be able to. I think by next quarter, we should be ready with the U.S. investment figure for sure.

**Rohit Nagraj:** Sure. And on the SEZ front, INR 700 -,750 crores, what kind of revenue potential that we are looking at?

**Mukesh Shah:** No idea. My friend. No idea. As of now, no idea. We know what we are going to do there, what we're going to make there. But the prices are so volatile as of now, it is impossible to predict anything. But at the right time, we will announce that. As of now, we are totally focused only on the starting of the SEZ facility. Once we achieve that, then probably, yes, we will have some idea to share with you.

**Rohit Nagraj:** All right. Got it,. Sir, second question is on the Oleofine Organics, which has been acquired. First of all, congratulations for that. And you indicated the turnover has been close to about some INR 40-odd crores (Please refer to page no 3 note, it should be read as INR 54 crores). So what are the plans there in terms of scaling up this given that generally -- existing product.

**Mukesh Shah:** Yes. It is a very old company, which is since 1988, I believe. And the products what we make there are completely based on palm-based raw materials. And we have yet to acquire, we are going to acquire within the next 3 months. The revenue is approximately INR 54 crores as of now, and there is a lot of scope of expansion there.

and that is the reason we have required this 80% share. And we have a lot of things to do there as well but everything will be palm-based there. As of now, they are only in food additives,

mainly. But going forward, after doing the investment, we will expand into other lines also. Of course, the food will be always there because it's palm-based.

**Rohit Nagraj:** Right. And do we have the exports from this Malaysian venture to the U.S. currently? And are we planning to incrementally do that till the time the U.S. site as well?

**Mukesh Shah:** No, as of now from Malaysia, there is no export to U.S. but major exports is to Asian countries like Indonesia, China, Vietnam, those kind of countries, mostly Asian markets. Something going to Pakistan and all those small, small countries nearby.

but yes, after expansion, there will be some products going to other markets also. But U.S., not immediate chances in the first place because we are planning to start manufacturing in U.S. on the products required for U.S. So probably from U.S. and U.S. exports will not be so much, maybe a little bit here and there, but not much. But mainly, it will be Asian region.

**Moderator:** The next question is from the line of Arun Prasath from Avendus Spark.

**Arun Prasath:** So my first question is on the JNPT time lines you indicated as a summary of FY '28. Can you be a little bit -- more details from the between in the early '28 or at the end of the '28 and how confident are you about this time line because I'm sure that most of these pending work would be near controllable.

So are you very confident that we will be starting this plan within the quarter of the time line? And how about the product approvals for this site? Do we have to do it again right from the beginning, or it's largely the same customers?

**Mukesh Shah:** So Arun, we are trying very hard to start it as early as possible. But we believe that we will be able to start at least in the second half of 2028. As far as the product approvals are concerned, there is no issue about product approvals because initially, we are going to make the product which we are already exporting because this plant is in the SEZ area and whatever we produce will be exported.

So initially, our plan is the first phase, at least to transfer the production what we are already exporting currently in our existing plants to the SEZ plant and start exports right away. That is the first phase. So the approval and other things are not necessary. Except maybe there will be one or two Japanese or U.S. or those kind of very large companies who may come here for a formal approval because we are changing the site, although chemistry process and everything is going to be same in the first phase.

So -- but for their -- according to their process audit or whatever they will come for a formal approval. But 98% of other buyers will not bother. Only some two, three large customers may come for this audit approval or whatever the procedural approval, but it's basically the formal formality.

So we don't see any issues coming up in as of now. And everything is as of now, moving quite fast and as per our schedule, we have got very nice agencies working on this, and I was there last week to see and I was very happy to see that it is going on. And as of now, I mean, there is

no other approvals are also pending from government, side. Maybe we will have to face 1 or 2 more approvals once we come to closer to the commissioning stage. But as of much, there's not an issue there.

**Arun Prasath:**

Understood. Sir, on the U.S. plant, we almost got land, most of the similar time line as of JNPT but we are still on the contractor finalisation. Is this because of the volatile U.S. policies? And do you see that your manufacturing policy is now closer to reality and - or do you need some more clarification from the local government to go head.

**Mukesh Shah:**

See, Local government is more than cooperative. They are really helpful, very, very helpful, I must say, very positive, very supportive in all respects. Only thing initially, we face the issue when the imports 50% import duty and all that. So that was making it a little bit shaky at that time.

But we knew that this is going to be temporary so we patiently waited for them to get clarification. And now the duty factor is always there, but it is not a very big factor. I think 10% -15% is there. But that's okay. That's not a very big issue.

Of course, the cost will definitely -- it will impact the cost, but there is no other way because everybody is 10%-15% duty, that's nothing, not too bad. After calculating on 50%, we think 10%-15% is acceptable. So we are not worried of tariff or other such thing. We are not dealing anything for that.

we are going ahead of that. So tariff is not a real issue now. Once we finalise these contractors, which our other team is working on full swing with them, we will immediately would like to start the activities there. The construction we would like to start there.

**Arun Prasath:**

Understood. And you said earlier, this U.S. plant will be of world scale, that would be assuming at the end of the final phase. So after the final pace, would that be as big deal as our current SEZ plant or relatively how...

**Mukesh Shah:**

We will start only the first phase together, first phase. We will not do because we believe that we face some problems because we are totally not experiencing U.S. operations in U.S. So we may face some issues in, say, the first two years. So we would like to settle out all the sort it out all these things and make it smooth to work before we go for the bigger investment in Phase 2. So we will be a little conservative.

But still conservative, as it is not that small, but compared to the second and third will be a little conservative. And there again, the sales will not be an issue for the first phase because we have already market, customers approval to everything is there. So we are very positive about the U.S. plant, at least for the Phase 1.

**Arun Prasath:**

Understood. Just a little bit -- one clarification related to Phase 1 that capacity will be approximately will be half of our JNPT, 1/3. What is the...

**Mukesh Shah:**

I will not give any production capacity figures. I told you earlier...

- Arun Prasath:** Not in absolute terms just in a relative...
- Mukesh Shah:** It is not in the interest of the company. Although we are aware of the first phase, we are aware of the second phase also, but I would not like to mess up that.
- Arun Prasath:** No problem. One final question on Malaysia. I'm sure that you have thought about this, but it seems like the acquisition is a very small one and has come back to our scale, INR 45 crores (Please refer to page no 3 note, it should be read as INR 54 crores) of revenue maybe I'm assuming even if at 20% margin, it's INR 10 crores cash flow plan, given that we are too much in our plate, how does this helpful at this juncture?
- Mukesh Shah:** Arun, I understood your point. But don't forget that this is a strategic decision because you are situated in the right place, which is basically for oleochemical derivatives, palm oil is the most important thing, India does not have that. So there are certain big advantages there in Malaysia, being in Malaysia, and we have taken that decision for a year.
- We are definitely going to expand that in a sizable way. And that is the reason we have taken over. We were not interested in the small one facility. But we are looking at the big projections in the future coming up. So Malaysia definitely is going to be an important one for us.
- Arun Prasath:** So this company has a lot of land...
- Mukesh Shah:** It does not have a lot of land, but existing land is enough for us to start with at least something and make it little sizable one to start with the specialty products, especially based on palm and palm kernel oil. Some high-value production, all that. So we are focusing only on that as of now.
- Moderator:** The next question is from the line of Nitesh Dhoot from Anand Rathi Institutional Equity.
- Nitesh Dhoot:** So first on the raw materials, more specifically on ammonia, which is a critical input for several of our product categories. So ammonia has been in tight supply. My question is whether Fine Organics has experienced any disruption in ammonia availability because of this?
- Mukesh Shah:** As of now, no, Nitesh. As of now, we have some storage capabilities and other things. But so far, there is no issue we have tie-ups with our supplies and all that. So far, there is nothing, but if this war prolongs further and probably as the government keeps on saying, it could affect. But as of now, we are fine.
- Nitesh Dhoot:** Sure. And what is your current read on whether FY '27 could be the year where the macro setup starts to matter. The earlier second that you have seen in FY '23, given the demand supply environment, is this a similar tightening that we're seeing on the global oleochemical supply chain as similar to what we've seen in FY '23?
- Mukesh Shah:** Supply chain is affected everywhere. There is no doubt about it. But it is because the oleochemical supply chain mostly is from Asia as of now. And in India, we have others oil available, but majority of that is the freight cost and everything has gone up. But as of now, there is no problem.

But going forward, I anticipate some short supplies particularly for palm oil because if the crude oil prices continue to go up, the use of biodiesel will increase. And use of biodiesel will take away a lot of vegetable oils from the market. So I mean the prices may go up. It will not be that palm oil will not be available, not really like that, but the prices may go up. That's what I see.

But so '27, I'm sure considering even if the war is over, it is going to take a few more months to get everything stable. So I would say that in '27, we should not expect lower price of raw materials, especially vegetable oils, it will continue to be on a higher level only. So we have to be a little careful in FY '27.

**Nitesh Dhoot:**

Sir, and on the capital work in progress on your consolidated balance sheet where you were referring to the world that is going on in the SEZ side what the balance sheet is not reflecting any significant increase as of March '26. So typically, on the civil and the construction activity commences, we would expect the CWIP to start building up meaningfully. So could you help us reconcile this?

I mean, specifically, has there been any spend on the on-ground construction? Or has it been primarily on the land and the approvals and the subsidiary infusions there? Just trying to gauge the actual pace of execution and whether the FY '28 commissioning time line would be largely met.

**Sonali Bhadani:**

Yes. Nitesh, Sonali this side. So we have started spending and we have onboarded the contractors on the SEZ side and the advancements have been released, but this has happened very recently. And I think the meaningful number which you are looking for, you will see in the coming quarters.

**Nitesh Dhoot:**

So ma'am, when probably if you can give us some time lines as to whether we can commission in the first half of FY '28? Or it would be towards the end of '28?

**Sonali Bhadani:**

Yes, yes, Mukesh already told that it will be somewhere later in FY '28.

**Mukesh Shah:**

Second half '28 will be possible according to me.

**Nitesh Dhoot:**

All right. Just one more question here. So on the employee costs. Even after stripping out the INR 7 crores onetime gratuity provision related to the new labour codes, the underlying employee cost growth is approximately 15% in FY '26 against a backdrop of a 4% revenue growth and a relative soft performance for the year.

So could you help us understand how much of this is between annual increments and how much reflects strategic hiring whether for the SEZ project team or the U.S. subsidiary or the global entities or new ones like Dubai and Malaysia?

**Sonali Bhadani:**

So not for Dubai and Malaysia, I think the strategic hiring has been started for our SEZ plant, which is going to come up because those people, by the time the plant is ready, they should be fully trained and then they could be transferred to that particular company. So that is there. But yes, I do not have exact breakups to that.

But out of that employee cost, there is something which includes our director's salary also. So it includes all employees and directors salaries and the new hiring and whatever opportunities Mukesh has discussed, I think the strategic hiring is including everything because the project team, all other teams need to be strengthened, the bandwidth needs to be improved because as we jump on all these opportunities.

**Nitesh Dhoot:** So for FY '27, could we expect a similar or probably a higher rate there in terms of the increase in employee costs?

**Sonali Bhadani:** Yes, something similar, yes. But out of which, this gratuity part of INR 7 crores, you can keep it aside because that is one time which we have taken but we are something similar because our hiring will keep on going on for next one year also across because people need to get trained here and then move to the respective locations.

**Moderator:** The next question is from the line of Abhigyan Srivastav from Marcellus Investment Managers.

**Abhigyan Srivastav:** Sir, a few questions. So once construction starts in the U.S., how long would it take for Phase 1 complete?

**Sonali Bhadani:** So once we start, I think then we can give you the time line.

**Mukesh Shah:** Because right now, we have not yet started the construction. So right now, we are finalising the contractors and other requirements. So once we start the construction, the plant should be commissioned within 18 to 24 months. We will try for 18 months, most likely.

**Abhigyan Srivastav:** Got it. And sir, given that we are in a raw material price inflation scenario, is there any change in the length of the company's contract with our clients.

**Mukesh Shah:** Raw material price scenario, what?

**Abhigyan Srivastav:** Sir, given that the raw material price is increasing, is there any change in the length of the company's contract with our clients?

**Mukesh Shah:** So since this war started somewhere in February- March. And since then, we have been very cautious and also the raw material prices are going up and it will go and as I told you earlier, the raw material prices will remain higher at least in 2027 and so we are very cautious in making customer contracts.

So whatever contracts were there, we completed before that, fortunately. But there are some still small contracts might be there, but most of the customers are very cooperative. So we don't see any much issue.

And right now, we have told the customers that we will not be able to make long-term contracts because of this unstable situation. And the large companies they all understand and they are all fully cooperative. So they are saying that, okay, let us do for 1 month, 2 months, 3 months, whatever is possible, and they are cooperating with us. So we don't have that problem so much as of now.

**Abhigyan Srivastav:** Got it, sir. So short-term contracts is what we are looking at. And sir, for plant, are we expanding our product portfolio currently? Have we added any new divisions? And how is the progress in the second division?

**Mukesh Shah:** As of now, all the plants are running at almost full capacity. but product portfolio is a different way, the R&D continues to develop the new products, new applications, those developments are going on.

And yes, there are a lot of developments going on. But as you say, in our kind of products, I mean, it doesn't start immediately because then it goes for regulatory approvals and a lot of other approvals before the customer approval.

So it is a long-term process. So we believe that we have already done several developments, and they are slowly progressing. And we hope that some of these products will be available when we have extra capacity available after 1.5- 2 years.

**Abhigyan Srivastav:** Okay. And sir, finally, in India, how is the demand situation seen in the current year, especially with inflation starting to creep up?

**Mukesh Shah:** See, prices have gone up. And as of now, demand, we don't see any drop as of now because as you say our products are used in a very small quantity, typically 0.1% to 0.5%. And they are performance additives. So these are not commodities. So these are absolutely performance-oriented products.

And people when they make certain products, they require basic some performance. So we are not affected. Although the prices of products are going on, but we have not seen any customers stop using the product or people going bankrupt or something, nothing of that sort, at least on our number of customers, yes. Every customer is in fact, expanding in India. So India is a very positive development is going on in. In spite of all the challenges, the growth continues in India.

**Moderator:** The next question is from the line of Ronak Chheda from Awriga Capital.

**Ronak Chheda:** Sir, my first question was on your existing plants. So the day when your JNPA starts to scale up because you will ship some products on the SEZ plant. Just wanted to take your understanding on the facility which gets vacated in your Ambernath plant. How soon should we think of tapering to incremental demand from the existing plant, if you could share some thoughts?

**Mukesh Shah:** Yes, of course. So first of all, when the products are transferred to SEZ, it will be for the product which we are continuously regularly exporting. So SEZ plant, it will fill up much faster because the sales is only existing, most of them. So that is not going to be an issue.

And by the time, as I told you, the Indian markets are doing very well. And we will continue -- once we get the spare capacity, we know the opportunities, we have the customers, we have the approvals and all other things. And I'm sure that -- so those the new capacity, what we get in existing plant will also start getting filledup faster.

So it's a good situation, I believe. So we are continuously working on that. We know that what we are going to make after the plants. We get extra capacity. And we are already prepared for that. I don't see much challenges in that filling up that plant, for the domestic sales

**Ronak Chheda:** Perfect, sir. This is very helpful. And my second question is, you mentioned that the Thailand team is waiting for our manpower to get freed up. So is this a right understanding that the Thailand expansion and probably adding new lines in Malaysia would probably come before Phase 1 of JNPA or...this would be after

**Mukesh Shah:** No. because these are smaller one. Our priority is JNPA is the top priority. Then U.S. plant. And when U.S. plants are set, the team is totally different. So when SEZ team is free, they will focus on Thailand and Malaysia.

**Ronak Chheda:** Sir, but can that facility expansion in Thailand and, it's a follow-up. It's a follow-up.

**Moderator:** There are several participants in the conference. Please return to the question queue for a follow-up. Thank you. The next question is from the line of Yashika Gogia from Nirzar.

**Yashika Gogia:** So first of all, I would like to ask like, how are we differentiating ourselves from our peers like Kerry Group, DSM, Palsgaard in terms of like technology innovation or the customer relationships, how are we better than them or a difference in them?

**Mukesh Shah:** Yes. See, you said about Kerry. Kerry is a very large Irish dairy conglomerate, and they are in so many other businesses related to food and maybe something from non-food also just starting with the milk and lot of other things. We are competing with Kerry only in the one small segment of emulsifiers, nothing else.

Otherwise Kerry, has hydrocolloids, Kerry has a lot of flavours and a lot of other things. So we don't think that Kerry is our peer actually. We are just a competitor to them for some particular line of emulsifiers, nothing more than that. And similar situation with Palsgaard and palsgaard

is like they are more focused on emulsifiers like us. So you can compare us with Palsgaard and it is more than 140 or something years old company. Very, very nice company, very, very good company based in Nordics, a great company, I would say. And we learn a lot from them. They are very good in confectionery. The specialty is confectionery, chocolates and confectionery, they are probably the world's best. And so we are also learning from them. We are better in certain lines, they are better than us in certain lines. but it's a very good company. We work very closely with them.

And we know each other very where we meet each other very well. We exchange some ideas and it's a very nice company to work with. We both learn from each other. So it's a good company to work with. You can connect us more with the Palsgaard rather than Kerry. But DSM and other things you told me are totally different, yes, they are not our peers.

**Yashika Gogia:** Also furthermore, I would like to ask like have we done the product approval for the domestic customers since more manufacturing will be catered to the domestic customers, which will be used to be export earlier. Also, my other question would be, are we planning to do any co-

creation or co-development with the U.S. expansion we are doing or with the JNPA sales in these recent expansions or subsidiaries that we are taking? Are we planning to do any type of co-creation, co-collaboration? These are my main two questions.

**Mukesh Shah:**

See product approvals from domestic customers, and we already have the product approval, except for the new product. Now suppose new products tomorrow we are going to introduce in market for domestic, then we have to go for those approvals. But for all our existing products we already have global approvals for most of the domestic customers, the large ones, small ones, medium ones, all of them. So we don't have that issue.

But okay, for the new product, we will have to go for the product approval first after the regulatory approval first, of course. And so we don't see any challenges at least in India that approvals are getting much faster. But wherever the headquarters is in Europe or U.S. or other countries, there, it gets likely slower because they do depend on their headquarters to get the approvals over there. But that's okay.

we have done all this work for the U.S. customers. We've already got it done for the last many years. So there, we are in a good position. And that's why we are going to put up the plant there. And as far as the core development with customers are concerned, yes, some large companies we do have co-development project.

There's a confidence in Fine Organics that will work under the nondisclosure agreement. We have quite a few such cases where we – develop products, specifically tailor-made to suit their requirements. So yes, those cases are also there. And we like those type of co-development work because we also learned a lot from them.

**Yashika Gogia:**

All right, sir. I would like to cover up with one last question...

**Moderator:**

Sorry to interrupt, Ms. Yashika. May we request you to return to the question queue for a follow-up question? Thank you. The next question is from the line of Eshwar from iThought PMS.

**Eshwar:**

So over the years, we have been constantly doing R&D, but the capacity has been stagnant for us. So we must have developed a lot of new products. Is there any particularly new product that you're most excited about?

**Sonali Bhadani:**

New products which you are excited about?

**Eshwar:**

For any new industry like the beauty and personal care or the animal feed segment. Any products in those industries that are like most - excited about and which can scale up to big level in the future.

**Mukesh Shah:**

So in our line, I'm very much afraid of getting excited about the new product because if I get very excited, then sometimes the regulator does not approve that. So it is very hard to keep my fingers crossed. So once we develop the product first, we'll go through the approvals. We get a little bit excited when we get regulatory approval,

And then second, again, we get a little bit more excited when the customer approves. And then finally, when the commercial production starts, then we say yes, now we are fine. So that excitement is actually divided into 4 or 5 different segments. So there is not a big excitement, but small excitement coming in 2, to 4 years. This is how it is happening in our kind I mean I'm sorry to disappoint you by cutting all these excitement levels, but this is what is the reality in our business.

And new industry and opportunities you are talking about, there are lots of opportunities. If I tell you the kind of industries we are working with you will laugh. We have so many things are going on, we got are crazy things we have going on. Of course, all of them may not be successful in all of them. But yes, there are definitely a lot of opportunities out there.

And people now want everything based on the safe chemistry, green chemistry. And that is where we have an edge over others. So we have a lot and lot of opportunities coming to us. Our R&D is very busy in developing so many new products and applications. We are continuously appointing new people with the new skills and new expertise in our R&D. So lots of things are going on.

But I can only tell you something, once we get crystallised something where we see that now it is getting commercialise. Now for example, the last thing which we got we did was expanding the feed nutrition division, which was not there earlier. It started only in 2018- 2019.

And then now it is growing very well right now. So that is where we feel very happy that small division, we started with one product now either in 14- 15 products, all getting commercialised, and getting into so many new fields and applications. So it is definitely happening, but it's a slow process. It's not like something happening very fast. It's a very slow process, but it is happening.

**Eshwar:** Understood. And my second question was, the past 2- 3 years, have there been any domestic customers that we are not able to cater to because of the constrained capacity, or we'll be catering to once Ambernath exports into JNPA, SEZ? And how fast do you expect fill up this remaining capacity in Ambernath?

**Mukesh Shah:** We are very much experienced in facing this kind of short supply situation. This is not first time to us. So we have device already in the system for that. So what we do is we give our domestic customer priority. And the export customers, we explained them very well. We convince them to buy a little bit less from us.

and they are ready to cooperate. They help us out. And then whenever we have extra material, we'll go to them, but so whatever we do, I must have told them all these things two years ago that I'm going to have this issue after this year. So please buy a little bit less from me whatever that you can buy, but then they help us. So domestic customers will never face any short supplies.

**Moderator:** Next question is from the line of Bharat Shah from BCS Capital Ideas Limited.

**Bharat Shah:** I didn't have any questions for this quarter or this year, really. But are there more kind of a view over the last several years. So when I think over the last 6-7 years, there was a dramatic period

of 2022 to 2023, then top line really dramatically upsurge as well as the profits went really dramatically up, both in terms of the size of the profits as well as the percentage margin.

But if you leave aside that one or two years period, and when I see the picture over the last 6- 7 years, our turnover is grown at the rate of 11%- 12%. Our operating profits also have grown some of it the similar pace. And last 3 years, in particular, it should have been kind of a very low growth and the degrowth in the profit. So what do you assess of this?

Is this the nature of activity with a wide variety of products specialty products, custom-built products, geographies, multiple applications and your own approval cycle development time? Our long-term predictable growth is likely to be more like these 18% Or do we think that this period is a special one?

**Mukesh Shah:**

Yes. Bharat, what you said is correct, that period what we told 2022 to 2023, that was just after COVID or something. So at that time, there was a lot of supply chain disruptions. And fortunately, we had all the stocks of raw materials and we could manage supply chain much better than anybody else compared to our competition in U.S. and Europe. And that is why that I would consider as just one of the year where we got highest profit.

It was not a normal year for us. It was definitely the best year what we had, but that was because of the prudent steps what we took of storing of all the raw materials required, which we were anticipating there's going to be the supply chain issues. And fortunately, we were right. And that is also I don't think we should consider that as a benchmark year. That was just one of the year. Our benchmark are those, I would say, sustainable EBITDA is 18% to 20%.

We've been telling, if you would have met me earlier in any other investor meetings. I've been always telling our investors that our sustainable EBITDA is in the range of 18% to 20%. So that is based on the last 10 years record, if you see officially, we have never targeted any particular EBITDA, but this has actually come into that. So 18% to 20% probably is sustainable. And you should look at it at least till now. I do not know about U.S. plant and after SEZ plant and all these things. I'm not able to tell you. But as of now, I would say, if you ask me, my sustainable EBITDA is 18% to 20%.

Now what you said that the growth is limited. Yes, the growth is limited because our plants are running at full capacity. Even since last year, I've been telling our investors that my 2 years are going to be flat, absolutely flat because I cannot add any additional capacity. So this was expected. There is nothing wrong according to me, we have told people .

even next year is going to be a flat year, not only this year, but the next year is going to be flat because all plants are running at full capacity, then what is the point, how can I achieve the growth? It is not possible. So one more year is going to be flat.

After that, yes, the growth will start coming once the SEZ plant is commissioned and then the U.S. plant commission, then the growth will come. But at least till 2028, definitely, the growth is not going to be there. And EBITDA, we will try to be between 18% to 20%. If the raw material prices are not going up, which, of course the raw material price will be higher, but it will not go

totally completely out of control. So I'm quite hopeful that 18% to 20%, we should be able to maintain even in the worst situation because that is based on the historical data.

**Bharat Shah:** Mukesh, you have always maintained. In fact, you've done a little better than that over the 10-year period, where typically 20% or little better than that has been in general, the profitability we have maintained. But my key point was really about the growth rate. So you are saying even for '26-'27, '27-'28, meaningful top line growth is unlikely?

**Mukesh Shah:** Yes, it is going to be very flat. Let me be very clear. It's going to be very flat till the SEZ plant is commissioned. It is going to be flat. And even if you see some top line growth, it will be because of the price increase not because of any sales growth.

**Bharat Shah:** And, So after FY'28, what kind of picture, Mukesh, do you think would prevail?

**Mukesh Shah:** After FY'28, too early to tell you, because right now, we are focused only on starting the plants, not on this revenue and all those figures and all that. We don't look at it. We are just focused only on starting the plant. Firstly in SEZ and second in U.S. We are just after that. So once the plant starts, automatically the growth will come.

**Moderator:** The next question is from the line of Pratham Kankariya from Quantum AMC.

**Pratham Kankariya:** So I have even started tracking our company recently. So there's a similar trend between FY'22 to FY'26 absolute growth has been 25%. Historically, there appears to be a pattern, where we have taken a capex and then followed by 1 to 2 years of strong growth.

And then there is relatively another phase of relatively flat growth until these capacities are optimally utilized. So even we generally have the good visibility on approvals demand and the ability to sell incremental volume. So in hindsight, do you think that whatever the capex that we are doing this could have been preponed and instead of going through a phased expansion, we could have been on a more continuous capex expansion speed. So I wanted to get your thoughts on this.

**Mukesh Shah:** Yes. We already tried to do that. But unfortunately, we could not --, our land acquisition got delayed in Gujarat. The Gujarat government delayed it for more than one year. We selected the land, we paid for the assessment and deposit 100 acres land we had selected in Dholera. And we are very much hopeful. We prepared everything. This, I'm talking about 2 years ago but after one year, they said that, sorry, we can't give you the land. So that delayed our expansion for 1 year- 1.5 years.

And that is what -- but now it is that Gujarat's government -- everybody was talking that Gujarat's government is very friendly for investors and business and all that, even today in the newspapers, they think about Gujarat government, but we got totally different experience on Gujarat government. So we got absolutely delayed by them. And so this is what has happened.

It was policy because they did not want chemical companies to come into that section. They wanted to reserve it for semiconductors or for automobiles. It was a policy decision, we would

have been happy if they would have told us earlier, then we wouldn't have never been delayed. But right now, we are delayed.

**Pratham Kankariya:** Sure, sir. Sir, just one more thing. Sir, just a request from my side that if you could hold at least half yearly calls instead of quarterly that's just my request.

**Sonali Bhadani:** So we are already doing a call post AGM also. I think anybody can join us there. But there is no much as a such update as of to give it but we will definitely consider your request, and we'll think over it.

**Moderator:** The next question is from the line of Jasdeep Walia from Clockvine Capital .

**Jasdeep Walia:** Sir there has been a significant increase in depreciation on a quarter-on-quarter basis, I think from INR 14 crores to INR 18 crores in your consol numbers. So why has depreciation increased despite the company not adding any commercial capacity?

**Sonali Bhadani:** So we have added a few things in the past 1 or 2 years. our R&D has expanded. We have got one corporate office also coming up, it should be soon capitalized. So there have been a few additions and some warehouses also which we have added on. So not the capacities, but other kind of expansions as the company grow has also been done during a couple of years.

**Jasdeep Walia:** I'm talking about quarter-on-quarter trend from December quarter to March quarter, it has gone up by INR 4 crores, approximately 25%.

**Sonali Bhadani:** On the depreciation?

**Jasdeep Walia:** Correct. So in December quarter, which is third quarter, it was INR 14 crores. And now in fourth quarter, it is INR 18 crores.

**Sonali Bhadani:** But that is also because of the other IND AS related adjustments which we have to do on the new leases.

**Jasdeep Walia:** Okay madam, thank you.

**Moderator:** The next question is from the line of Yash Mehta, an Individual Investor.

As there is no response and due to time constraints, we will take that as the last question of the day. And I now hand the conference over to Mr. Mukesh Shah for closing comments.

**Mukesh Shah:** So thank you very much, everyone. I hope we have been able to answer all your questions satisfactorily. However, if you need any further clarifications or want to know more about the company, please contact the SGA team, our Investor Relations advisers. Thank you very much.

**Moderator:** Thank you. On behalf of Fine Organic Industries Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.