



11.11.2025

To

BSE Limited

Phiroze Jeejeebhoy Towers,
Dalal Street,
Fort, Mumbai – 400 001
Scrip Code: 543318

National Stock Exchange of India Limited

Exchange Plaza, Plot no. C/1,
G Block, Bandra-Kurla Complex
Bandra (E), Mumbai - 400 051
Trading Symbol: CLEAN

Subject: Transcript of conference call on the Company's Q2 FY25-26 Earnings.

Ref.: Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")

Dear Sir/Madam

Further to our letter dated 15th October, 2025 and in terms of Regulation 30 read with Schedule III - Part A to the Listing Regulations, please find enclosed herewith the transcript of conference call on the Company's Q2 FY25-26 Earnings held on Thursday, 6th November, 2025.

You are requested to take the same on record.

Thanking You.

For Clean Science and Technology Limited

Ruchita Vij

Company Secretary and Compliance Officer

Encl: as above



“Clean Science and Technology Limited
Q2 FY26 Earnings Conference Call”

November 06, 2025



**MANAGEMENT: MR. SIDDHARTH SIKCHI – PROMOTER AND
EXECUTIVE DIRECTOR – CLEAN SCIENCE AND
TECHNOLOGY LIMITED
MR. SANJAY PARNERKAR – CHIEF FINANCIAL
OFFICER – CLEAN SCIENCE AND
TECHNOLOGY LIMITED
MR. PRATIK BORA – VICE PRESIDENT – CLEAN
SCIENCE AND TECHNOLOGY LIMITED**



Moderator:

Ladies and gentlemen, good day and welcome to the Q2 FY26 Conference Call of Clean Science and Technology Limited. We have with us on the call Mr. Siddharth Sikchi, Executive Director and Promoter; Mr. Sanjay Parnerkar., CFO; and Mr. Pratik Bora, Vice President.

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.

I now hand the conference over to Mr. Siddharth Sikchi. Thank you, and over to you, Mr. Sikchi.

Siddharth Sikchi:

Thank you so much. Good evening to all of you. We are delighted to welcome all of you for this Q2 interaction of Clean Science and Technology. Let me get to the numbers.

The standalone business performance. The revenues decreased by 5% to INR206 crores on a sequential basis and 8% on year-on-year. The decline in revenue was primarily led by lower sales in some of our established products.

Consequently, top four products contribution to standalone revenue declined to 80% as against 84% in the last quarter, whereas it improved from 74% on a Y-o-Y basis. Despite the moderation in revenue, EBITDA margins remained resilient at 44% for this quarter. The slight margin impact was largely attributed to change in product mix. Further, when we compare on a Y-o-Y basis, EBITDA margins improved by 2% on account of favourable product mix.

The standalone EBITDA for the quarter is about INR90 crores, which is 10% lower on Q-o-Q basis and 5% on a Y-o-Y basis. Standalone PAT for the quarter is INR65 crores, which is 15% lower Q-on-Q and 4% on Y-o-Y basis. The reduction in PAT was steeper than EBITDA, primarily on account of forex loss. The changing market dynamics in China have led to cascading effect on our lower sales volume.

We believe the lower sales during the quarter were driven by a combination of following factors. Number one, for some customers, we observed a sharp decline in price of their end product amidst the competitive intensity from Chinese suppliers. As a result, these customers have slowed down their procurement. And number two, for certain other customers, there is demand uncertainty in their end markets, prompting them to defer or moderate their procurement plans.

To summarize, we believe these trends represent a mix of second order impact of tariffs and demand slowdown in some end industry, influencing our customers' purchasing behaviour during the quarter.

On consolidated business performance on a sequential basis, the revenues were steady at INR240 crores. Consol. EBITDA and PAT is INR87 crores and INR55 crores, respectively. For HALS segment, we are pleased to report that the monthly run rate volumes for quarter 2 averaged to about 260 tons per month, representing a growth of over 25% compared to previous quarter. As



a measure to enhance volumes, we are enriching the product portfolio by introducing higher grades of HALS. To that effect, we are pleased to report that we have commercialized HALS 2020.

It is worthwhile to note that the material margin for HALS portfolio has improved to 35% from 31% due to improved raw material costs.

A little on capex update, Clean Science invested roughly INR150 crores during the first half year in CFCL the subsidiary. The Performance Chemical 1 is undergoing chemical trials, and the results have been satisfactory till now. We look forward to announce commercialization during this month. Since we are closer to commercializing, let me share a few highlights about the product. Number one, the proposed new product enjoys synergies with our existing products in terms of cross-sell opportunities and also backward integration for certain of our other products. We have also successfully commercialized barbituric acid by repurposing one of our existing facilities. We have successfully expanded capacities of some of our food-grade antioxidants.

With this, I conclude my opening remarks and look forward to the Q&A sessions. Thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is in the line of Sanjesh Jain from ICICI Securities. Please go ahead.

Sanjesh Jain: Yes, good evening, Siddharth. Thanks for taking my question. I have a few of them. First on the established products, what was the volume growth or decline, and what was the realization change versus previous quarter? In YOY is fine, whatever data you've got.

Pratik Bora: Hi Sanjesh, sequentially, when we say that the revenue have declined by 5%, 2% contribution was volume-led and 3% was realization-led. This is at the company level, rather than speaking about individual product levels. And on YOY, the sales have decreased by 8%. Almost around 6.5% was volume-led and balance was realization led.

Sanjesh Jain: That's quite clear, thank you. Now, what are we doing to see that I know customer uncertainty is causing it, and this is generally a transient in nature. Now, for next couple of quarters, how are we planning to save this difficult scenario of uncertainty?

Siddharth Sikchi: So, Sanjesh, for the next few quarters, I think we are trying to work very closely with the customers to really understand the real need, and if there is price reduction needed, so that they can be competitive in their end product. And this is some of the ways we are trying to counter to increase the revenue and trying not to lose market share.

Sanjesh Jain: I'll start with this one geographical question along with that. I can see the YoY basis, the decline has come from U.S. and China, okay. Now, how are we trying to address these two geographies? China, obviously, they are themselves very competitive. And U.S., I thought, is it more of an impact from tariffs we are seeing are seeing or what is playing out in the US? Oh, sorry, rather America's, my bad, America's.



Siddharth Sikchi: China, I think the major impact is one of our product in FMCG segment has taken a hit in China market. So how are we trying to address? I think the customer is slower in picking up the volume, or there is also a possibility that they have backward integrated. In case it is backward integrated, then the volumes will not come back. And in that case, we will have to refurbish or relook at the strategy on company level.

In Americas, it is just a product's customer-specific volume which he did not lift this quarter or probably he might lift next quarter.

Siddharth Sikchi: And also because of tariff uncertainty.

Sanjesh Jain: Got it, got it. Next on the new product that we are commercializing, and we've already started. Can you give us the offtake that we are expecting in the second half of this year and next year? I thought we commissioned what, 3000 metric tons of capacity in that?

Siddharth Sikchi: No, no, no, we didn't commission 3000 ton. We have just started with the small volumes right now. The whole point is the plant is commercialized. The commercial samples are out with the customers who are based out of India. And I first want to see how are they, I mean, again, there will be validation batches because ultimately it goes into pigment yellow.

So what are the applications? How does it work with their application? And based on it, we will get a clear-cut idea from the customer what, how much would they really want to shift to us because currently the entire volumes come from China. So once I have more clarity, probably in the next quarter I will be able to answer this better.

Sanjesh Jain: So, what is the capacity right now we have started with, Siddharth?

Siddharth Sikchi: We have just started with about less than 1,000 tons, closer to 1,000 tons per annum because this is refurbishment of our existing plant.

Sanjesh Jain: And then the new product which we proposed, I think is hydroxychloroquine, anything you want to talk about it, what kind of capacity we are looking at in the terms and how much can it add?

Siddharth Sikchi: So I think the performance chemical one, the capacity installed is about 10,000 tons. And on full-scale capacity, we envisage a revenue of about INR300 odd crores with the current prices which are at currently all-time low prices.

Sanjesh Jain: Got it. And margins will be healthier considering the prices are very low?

Siddharth Sikchi: Should be a decent margin, but I think let me commercialize it on the plant scale, let me get yields norms before I make this statement.

Sanjesh Jain: Okay, one last and I know I have taken a lot of time. On the HALS side, I know the progress has been quite decent and very, very nice to hear that we have improved the margins, but what is the



blended realization? We were looking at moving gradually to 6, 8, in that range. I know these new products are quite new.

But how is that progression happening in terms of customer acceptance, in terms of validation, people evaluating those products? Are they happening in line with what they were anticipating?

Siddharth Sikchi: If you see, the quarter-on-quarter volume jump is about 25%. However, we would have expected it to be better. But at least the acceptance has come up. The plans, our quality is now, because this is a combination of a couple of products. So fortunately, all the products are now in line in terms of quality with the competitors like BASF. So product is there.

Now we have to just enlarge the market. India, probably, if you see, we are already at 50% market share within India. Now, our next geographies, if you look at the export data, we have already started exporting globally, including United States, Europe, Vietnam, Middle East, South Africa. And I think quarter on quarter, we expect this business now to grow because the product is there, pricing is there.

Now, it's just to reach each customer and start taking more and more wallet share.

Sanjesh Jain: That's great. Thanks, Siddharth, for answering all those questions and best of luck for the coming quarters.

Siddharth Sikchi: Thank you so much, Sanjesh. Thank you very much.

Moderator: Thank you. The next question is in the line of Arun Prasath from Avendus Spark. Please go ahead.

Arun Prasath: Hi, good evening. Thanks for the question, Siddharth. So my first question is on subsidiary numbers. If you see this, run rate has improved sequentially, top line, but gross margin has come down from roughly 42% to 26% in the subsidiary. Is it the mix or a one-time some product has been lower or the overall portfolio, how should we look at this?

Pratik Bora: Yes, Arun, Pratik this side. For the subsidiary company, the gross margin impact which you are highlighting that is on account of the difference in change in stock. So you know for this quarter there is a lower closing stock. That means we have consumed higher opening stock of the last quarter. That is leading to this. So it's more of an optics. But on our portfolio level, as we mentioned, that the material margins are in the range of 35-odd percent.

Arun Prasath: Okay, understood. So we should see the subsidiary margins coming back to this 35-40 percentage levels, depending upon which of course, right?

Pratik Bora: That's right.



- Arun Prasath:** Okay. Understood. And earlier I think in one of our commentary we mentioned that, largely we are selling via distributors. Now that the product has stabilized and we have confidence on the quality, is it the time to approach the bigger customers, Siddharth?
- Siddharth Sikchi:** Yes, we are already doing combination of both. So there are larger accounts which we are catering to directly. And then of course there are distributor model as well. So India, I think quite a bit accounts, all the large accounts are driven directly via, and so is the case in Europe, where we have direct contacts, we are working directly with them. But of course, distributor model is also needed because a lot of customers prefer just-in-time because of the, to avoid the large transit time from India.
- Arun Prasath:** Okay, understood. And when you say India, I mean, is this, actually if I look at the first half number for '26 versus '25, India has, in terms of top-line, it has grown by around 13 percentage. As I said, it's not quite clear. I'm looking at the first half. So this is mainly attributable to the HALS or some other products also there.
- Siddharth Sikchi:** No. It's only HALS. It's only the light stabilizer.
- Arun Prasath:** Only HALS is contributing with these domestic sales of 13% actually.
- Siddharth Sikchi:** Yes.
- Arun Prasath:** Understood. Understood. And earlier we came up with this couple of products DHDT and BHT. In terms of KPIs, has it reached our internal targets and milestone or it's reflecting in the P&L, or you are yet to...
- Siddharth Sikchi:** The BHT was our, primarily the market was US, because it was for similar, for same customers who purchase other products for us. But unfortunately, BHT, anyways, it was a three-ish dollar product, but it got a tariff of 55%. So that has slowed down this entire offtake within the U.S. because of the 55% tariff.
- Arun Prasath:** Okay. And just to clarify, when you say Americas, again, if I look at the numbers, it has grown up by 33% and this is something to -- and Europe is down by 13%. Is it some kind of a realignment or a shifting focus from, or are you focusing more on the...
- Siddharth Sikchi:** No, it's nothing to do, it's just a little quarter realignment based on customer's needs and requirements. There is nothing sizable to mention here.
- Arun Prasath:** Okay, understood. And secondly, on your PC1 chemical trial, you mentioned they have moved from water to chemical trial. What are the next milestones we are, we should look forward and what are the associated timelines?
- Siddharth Sikchi:** The next milestone is to start getting the final product out. So that is what in chemical trials, I mean, whatever teething issues we are observing in chemical trials, we are trying to fix them as



we move along. And the next outcome, because these are large chemical trials where we take all the raw material in and passing it through multiple distillations and crystallizations.

So the next goal is to stabilize this, stabilize each process, internal individual process, and get to the finished product. So the timeline is probably two weeks from today is when we expect to see the final product. However, the optimization of the process will still take about a quarter. When you start optimizing yields, when you start optimizing process, when you start optimizing a lot of parameters, process parameters.

So that could go up to March. The point is to at least start seeing the end product and start sampling to the customers within the month of December is the target.

Arun Prasath: Okay, so these two things will go parallel. You will start selling samples by December, but at the same time, optimization throughout March will be happening. So probably a big chunk of volume we should expect by April. That's the right understanding?

Siddharth Sikchi: Yes, Q4 also there will be sales Because the process optimization is a process. You know, it will take longer time. It is a very large, continuous plant. So it will keep happening. But the offtake and the sales, we should start seeing in quarter four.

Arun Prasath: Understood. And in your opening remarks, you also talked about capacity expansion of food grade antioxidants. Is it the BHA or some other antioxidant you are talking about?

Siddharth Sikchi: It is some other antioxidant, which also goes into food industry.

Arun Prasath: Okay. But otherwise, BHA because if you look at the pricing of the established products, while MEHQ is seeing some decline in the pricing, but BHA holding steady. I'm assuming this is an reflection of the end category. So have you maximized our ability to push more MEHQ to BHA and running the full utilization or still there also we see some kind of challenges?

Siddharth Sikchi: No, there is no challenge. I mean we still are running at 70%, 75% capacity utilization. We still have scope to expand customer base. So there is no challenge, but of course the market has to take up.

Arun Prasath: Okay. Understood. All right, sir. Thank you very much and all the best.

Siddharth Sikchi: Thank you, Arun.

Moderator: Thank you very much. The next question is from the line of Abhijit Akela from Kotak Securities. Please go ahead.

Abhijit Akela: Yes, good evening. Thank you so much. So just one question regarding the outlook, if I may. Last quarter, we had kind of spoken about an initial target of maybe around INR450 crores EBITDA or something like that for this year. Obviously, I understand the market environment has kind of deteriorated in the timeframe, but any sort of guidance you could offer for this year



or maybe next year. That would be really helpful just from an anchoring perspective for the analysts?

Siddharth Sikchi: I know, Abhijit with these very tricky time situations currently with these tariffs coming up, with all these uncertainties, I think it will be very tricky to mention on EBITDA level at the moment. I would suggest let a quarter or two pass by, let these new facilities also come up. By the time I would also understand the competitive landscape. So I think that would be a better idea to give you a little bit on EBITDA. For now, we are only trying to tackle and understand where are we located in amidst all these uncertainties in the global scenarios.

Abhijit Akela: Fair enough. I appreciate that. And just on HALS, could we share what our growth plans are now at this point in time, now that the volume interest has started to accelerate?

Siddharth Sikchi: See, as we have started growing like 25% quarter-on-quarter, our endeavour is to keep growing this on a quarter-to-quarter basis because as we are growing, this was a new business line, more and more market share we are trying to acquire, getting into newer customers. So on quarter-on-quarter, you will see growth happening in the HALS series, plus newer products is also started. So all this is going to accumulate, I mean, will account for increased capacity utilization and increase revenues over the next two quarters.

Abhijit Akela: Okay. Got it. Thank you so much and all the best.

Moderator: Thank you very much. The next question is from the line of Rajesh Kothari from AlfAccurate Advisors. Please go ahead.

Rajesh Kothari: Good evening, sir. First of all, Siddharth Ji, I think in a otherwise tough macro environment, it has been reasonably resilient work. So congrats for that. I have just two questions. My first question is with regards to this Performance Chemicals where we are talking about 10,000 tons capacity. And you mentioned that currently, the prices are very low and full capacity, we can probably target around INR300 crores kind of revenue. So that basically you would assume in the second year?

Siddharth Sikchi: So we are budgeting in this over 3-year period. So by FY '28, we are budgeting to reaching this revenue potential.

Rajesh Kothari: Understood. And when you look at -- from the overall pricing environment perspective across the different products, how do you see the Chinese competitive environment?

Siddharth Sikchi: So China is a very, very tricky environment. And it is sometimes very -- it's like a black box, and it is very difficult to predict exactly what is happening there. I think the best part, I mean, what we are trying to do is get as much understanding on the China market because 25% to 30% of our revenues still come from China.



And I think our prices to China is already at all-time low. So I don't know if there is further decline going to happen. But as of now, we feel it could be a little steady market, but only time can say how things revolve in China, how the demand picks up and how are we going to position ourselves.

Rajesh Kothari: I see. So when you look at the Performance Chemicals and in terms of when you say that INR300 crores at the current prices, this assumes primarily how much India revenue and how much export revenue and if any key markets which you are going to target?

Siddharth Sikchi: We expect 50-50, 50 would be domestic market and 50 will be international market.

Rajesh Kothari: I see. And in domestic right now, 100% imported right?

Siddharth Sikchi: Absolutely, 100% import.

Rajesh Kothari: And these primary import is from China?

Siddharth Sikchi: China, Japan and also United States.

Rajesh Kothari: I see. And do we have anti-dumping duty on China?

Siddharth Sikchi: Not at the moment.

Rajesh Kothari: I see. And when you say that we'll become much more competitive because of the better projects and the better yield. Currently, the product realization, what is the current realization and how do you see the Chinese versus the U.S.A. prices when India imports, is it -- when you look at it from the CIF perspective, how the price trends are?

Siddharth Sikchi: I mean, ultimately, this is a crude oil-linked raw material-based products. So we are seeing, as crude oil decreases, these products are also coming down and of course due to fierce competition amongst the existing players.

Rajesh Kothari: I see. Got it, sir. Perfectly all right, sir. Thanks probably I will take it a little bit offline to get a little bit more insights. Thank you, sir wishing you all the best.

Siddharth Sikchi: Thank you.

Moderator: Thank you very much. The next question is from the line of Arun Prasath from Avendus Spark. Please go ahead.

Arun Prasath: Siddharth one follow-up, clarification. You are saying HALS grew 25% sequentially. What we see in the subsidiary -- subsidiaries a 45% sequential growth, so what is the disconnect?

Pratik Bora: Yes, a kind of clarification here, actually a good question. We are talking about volume growth of 25%. But I mean the value growth is almost 34%. That is because now we have started selling



higher grades of HALS also meaning 944 and 119 the realizations are much better. And your answer, which coming to 40%, that is on account of these other by products which we are selling when we are manufacturing HALS. These other products are also contributing to the sales value.

Arun Prasath: Okay. Understood. Thank you, Pratik for the clarification.

Moderator: Thank you very much. The next question is from the line of Ankur Periwal from Axis Capital. Please go ahead.

Ankur Periwal: Yes. Hi, team. Thanks for the opportunity. Sorry joined the call a bit late, so pardon me if my questions that are repetition. On the HALS front, if I got you right, 25% Q-on-Q volume growth, 34% in terms of value growth, but the margins over here are still relatively lower on a Q-on-Q basis. So any specific reason?

Pratik Bora: No, Ankur, Q-o-Q basis there is a slight improvement in margin because what you are seeing is -- I mean, the P&L margin, but there is a difference of change in stock, which is impacting the COGS. But at a portfolio level there is a slight improvement in the margin. The improvement is slight because the larger portion of HALS sales continues to come from 770.

Ankur Periwal: Okay, sure. And we were waiting for a few product approvals to come in, especially from the global markets for HALS. Where are we over there in terms of approvals getting for those multiple products?

Siddharth Sikchi: So we have started seeing good approval traction from higher grade of HALS. And if you start seeing -- I mean, so for month-on-month, our higher grade of HALS exports both -- I mean exports have started increasing. And also in domestic market these higher growth grades of HALS has started picking up. And I think in the next, probably two quarters more, I think we should have almost most of the large approvals what we are looking at.

Ankur Periwal: So that is the global approvals that you're looking at across all the products?

Siddharth Sikchi: All major approvals, global approvals.

Ankur Periwal: Sure. Last quarter, we were around 75% share of domestic within HALS. What is that number right now?

Siddharth Sikchi: No, I said last quarter we were about 30%, 40% market share domestically, which we are currently at 40%, 45%, probably 50% global market share. However, I think domestic to exports would be 75-25. Domestic to export was 75-25, which is now directly started changing because more and more exports have started picking up.

Ankur Periwal: Sure. And if I recollect it right, domestic market in any case, is more heavy on the low end HALS, the lower realization HALS products?



- Siddharth Sikchi:** Absolutely. So they are very high on the low end, whereas international is on the high end and hence the international pickup is very, very crucial for us, which we are anyway seeing now.
- Ankur Periwal:** Sure. Second bit on the capex front, any time lines or any changes in time line in terms of commissioning of the Project 1 and Project 2 there?
- Siddharth Sikchi:** Project 1 is already done, water trials done. It is chemical trials, which has started and we expect to have commercial production announced probably in the next three, four weeks' time frame. And for Performance Chemical 2, we are still sticking to the time line of starting the facility in April.
- Ankur Periwal:** So when we are saying starting the facility, this is the commercial production, or this have been going through water and chemicals?
- Siddharth Sikchi:** Water trial. So the plant will be up and ready, water trial should start in April and with the commercial production by June.
- Ankur Periwal:** Sure. And the time line for ramp-up of both these projects will be the same almost 3 years from the start of date of commissioning?
- Siddharth Sikchi:** Typically, that's what we are seeing.
- Ankur Periwal:** Okay. Great. And just last bit on the margin front, both on the standalone and on the consolidated basis, I'm looking more at the gross margin there. Any change in trend, any sort of increase in pricing competition, which would have impacted the numbers here or is it purely product mix exchange?
- Siddharth Sikchi:** Largely it is product mix change. And maybe some competition within China. I mean, which I already mentioned earlier on that one of our FMCG product, which was getting into the China market, the Chinese might have backward integrated, and we would have lost that market share.
- Ankur Periwal:** Okay, fair enough. Thank you. That's it from my side. All the best for the future intervals. Thanks.
- Siddharth Sikchi:** Thank you.
- Moderator:** Thank you very much. The next question is from the line of Dhruv Muchhal from HDFC AMC. Please go ahead.
- Dhruv Muchhal:** Yes. Thank you so much. Sir a bit of confusion in the standalone minus subsidiary that we do. So if I look at the EBITDA standalone console sorry console minus subsidiary – console minus standalone, it was a loss of about 8 million in 1Q. The loss is now 29 million. So on a percentage basis also the EBITDA loss is higher, although volumes have grown. And you mentioned that the material margin has improved to 34, 35. So I'm just trying to understand what am I missing?



Pratik Bora: Dhruv, the math which you get consolidated minus standalone to arrive at the subsidiary EBITDA of INR3 crores loss. There is the revenue minus COGS minus operating cost. COGS in your math comes out to somewhere I think, 73%, 74%. That is on account of change in stock impact in the subsidiary COGS, meaning opening minus closing stock.

Dhruv Muchhal: So that can only -- so -- okay, so what I'm trying to understand is -- yes that is the only bit what I am trying to say is, when you say 31% margin moved to 34% margin, that's on a spot basis. I mean spot base is on an incremental basis that your margins are, say for example, you have to buy the raw material today, that is what the conversion margins that you do. Is that -- is that what you're trying to say?

Pratik Bora: That's the correct takeaway. Yes, that's the material margin on the blended portfolio as of now.

Dhruv Muchhal: Got it. So we see a difference when we look at the numbers is because of inventory and that inventory was probably at a higher cost. You had a higher cost inventory which effectively got used this quarter, but as you probably buy the new material, which probably at says the spot pricing, that is what the margin -- this margin has improved from at a gross level from 31 to 35 or 34.

Siddharth Sikchi: Yes.

Dhruv Muchhal: That is the core of the understanding. Got it. This makes sense. Okay. This is done. The second was you, I think you mentioned that the volume decline in a y-o-y basis was about 6%.

Siddharth Sikchi: Not so far. Yes, I mean revenue decline is 8% partially contributed by volume.

Dhruv Muchhal: Revenue decline is, this is only the stand-alone business?

Siddharth Sikchi: That's right, yes, because, you know, we have grown.

Dhruv Muchhal: Yes, yes, yes, that is what I was coming to, okay. And so, okay, 6% volume decline and primarily, okay. This, okay, this is done. The next is, we are seeing that, there is some domestic disruption in the raw material pricing because of all this. I think, restrictions against some of these companies by US. And phenol prices have started to increase. It is a big product for you.

Just wanted to understand how do you, manage this disruption? Can you import and be out of this impact or do you see any impact of this? So, my point is there is some pricing pressure on the phenol product side, probably demand pressure, not pricing pressure, but we are also seeing some raw material price fluctuations, so how does it impact you?

Siddharth Sikchi: So, I think, I mean with tariff, when we are supplying to a customer within India, however if their product has got 55% tariff in the US.

Dhruv Muchhal: No, sorry, I just want to clarify, I am saying about the US has put some restrictions on some traders in India because of which there are some price increases



- Siddharth Sikchi:** No, no, that has nothing to, that has nothing to do. There was just a spurt in raw material prices for that two weeks period, but that has, I think, all resurfaced back and that really has no major impact. Of course, there was an impact on prices for those two weeks, but if you see, the prices have further softened and that impact is no more there.
- Dhruv Muchhal:** All right, all right, perfect. And the last thing is, earlier you mentioned the mix in the HALS business shifting more towards export. So, earlier in 1Q, it was about 75-25, this quarter is a bit different. What is this quarter?
- Siddharth Sikchi:** No. So, I mean last quarter it was close to 80-20, this quarter is close to 75-25.
- Dhruv Muchhal:** Okay got it.
- Siddharth Sikchi:** And this mix will keep changing as you move more and more towards export, as you get more and more approvals and stuff.
- Dhruv Muchhal:** And that you have done the chemical water trials and chemical trials just to start for Performance Chemical One. I mean, of course, this is too much picking, but just trying to understand, based on whatever parameters you see, the path is there, or are there some hurdles to that one should be aware of?
- Siddharth Sikchi:** The path is there. We are on the right track. And of course, what we anticipated, we are seeing that it is just these teething issues which are taking time, which is a very regular matter when you have such large, continuous facilities running.
- Dhruv Muchhal:** Got it, perfect. Thank you so much, and all the best. Thank you.
- Siddharth Sikchi:** Thank you.
- Moderator:** The next question is from the line of Krishan Parwani from JM Financial. Please go ahead.
- Krishan Parwani:** Yes, hi, sir. Thank you for the opportunity. Two questions from my side. First, on a standalone basis, given we are already almost halfway through the quarter, do you expect a volume growth to come back in 3Q and what about 4Q?
- Siddharth Sikchi:** Not Q3 for sure.
- Krishan Parwani:** Okay, and secondly when are we expecting a decent contribution from barbituric acid lamivudine intermediate and Performance Chemical One?
- Siddharth Sikchi:** Again Q4.
- Krishan Parwani:** All three, I mean the barbituric acid lamivudine intermediate and Performance Chemical One?



- Siddharth Sikchi:** Performance Chemical One, yes. barbituric, yes. For the lamivudine intermediate, we are waiting for customer validation because this goes into pharmaceuticals. So they are further dependent on their customers.
- Krishan Parwani:** Got it, so net-net 3Q could be a flat and probably a 4Q with these new products and then some probably the legacy products. So there should be growth in 4Q. Is that the right way to understand?
- Siddharth Sikchi:** Yes, hopefully yes.
- Krishan Parwani:** Thank you so much. Wish you all the best, sir.
- Siddharth Sikchi:** Thank you, Krishnan.
- Moderator:** The next question is from the line of Raghav Maheshwari from Kamakhya Wealth Management. Please go ahead.
- Raghav Maheshwari:** Good evening, sir. So, sir, I wanted to ask a couple of questions. My first question will be on the HALS division. What about the capacity utilization for this quarter?
- Siddharth Sikchi:** 23%.
- Raghav Maheshwari:** Sorry can you come again.
- Siddharth Sikchi:** 25%.
- Raghav Maheshwari:** 25%, so from 20% now we are at 25%, am I right?
- Siddharth Sikchi:** Yes. Okay.
- Raghav Maheshwari:** And what is the like average margin in this division as of now?
- Siddharth Sikchi:** Yes, so I mean it is close to 35% is the material margin at the portfolio level.
- Raghav Maheshwari:** Okay. Sir, my second question was about the competitive landscape, like we are seeing companies like, Viniti or Camlin Fine Sciences getting into MEHQ and for Clean Science we are also facing some volume degrowth and so is there some like you know, competitive pressure which we are facing which is giving us this volume de-growth?
- Siddharth Sikchi:** Not from these players which you mentioned.
- Raghav Maheshwari:** So, like in general I am not talking about, not in particular?
- Siddharth Sikchi:** In general. No, actually it is not, we are not seeing this because of some competition within India. Probably some competition within China could not be ruled out.



- Raghav Maheshwari:** Okay, so nothing from domestic?
- Siddharth Sikchi:** No, not at all.
- Raghav Maheshwari:** And, sir, can you give a guidance on the capacity utilization for HALS unit for upcoming quarters and maybe FY '27 for a better revenue projection point of view?
- Siddharth Sikchi:** No, I mean we just outlined like quarter 3, quarter 4, we expect a good growth, I mean at least a sequential growth, but we do not want to quantify it at this stage.
- Raghav Maheshwari:** Understood. Thank you so much, sir, best of luck.
- Siddharth Sikchi:** Thank you very much.
- Moderator:** The next question is through the line of Archit Joshi from Nuvama. Please go ahead.
- Archit Joshi:** Hi, good evening, gentlemen. Just one question on understanding this entire competitive landscape and the second-degree impact that you spoke of. And if one could just understand what would be the sustainability of this given that some competition has emerged in China?
- Would it be that, because in all prices have been such significantly lower in the international markets, it was thought of as an opportune thing to get into MEHQ, maybe in the Chinese markets, if you are confirming that. And is that also going in line with or in tandem with, let's say, the second-degree impact that we are facing from the US customers that they have maybe a second or a third fiddle in the supply chain to China.
- So overall, maybe it could be transient in nature, let's say, this quarter or maybe third quarter that we are seeing to be flattish. But have we done any scenario analysis that if these prices or the competition continues to be aggressive at large, what would be the strategy for us to maintain the margins and volumes?
- Siddharth Sikchi:** See, our strategy would be to maintain the volumes for sure, we do not want to lose market share for sure. So, that is a clear thought we have in our mind.
- Archit Joshi:** Sure sir, and the part on the competitive intensity of MEHQ, are there any other products also in our standalone business and how did it, I was wondering, how did it suddenly emerge? Is it only because of phenol prices being that low, given that it's such a small market per se?
- Siddharth Sikchi:** Archit, just to clarify, we are not mentioning about any emerging competition in MEHQ at this stage. Mentioned about FMCG product. One of the customers has now backward integrated and making this product in-house.
- Archit Joshi:** Okay, so, MEHQ is largely insulated from this onslaught that we have seen, would it be a fair assumption?



- Siddharth Sikchi:** MEHQ, sorry, go again.
- Archit Joshi:** I asked, would MEHQ be largely insulated from the competitive intensity in Chinese markets, would that be a fair assumption?
- Siddharth Sikchi:** For quarter two, we did not see that. Going forward, the Chinese, as I said, is very tricky to understand. And you have to be very agile to keep looking at what is happening. And if there is a way, I mean, and of course, if you realize, we will have to change our strategy to look at China market in total.
- Archit Joshi:** Right, so just clarifying once again, and sorry for prying on that issue. So, it's only from the FMCG segment that we are seeing right now, not the overall standalone portfolio level. Would that be correct? At least in Q2
- Siddharth Sikchi:** Yes, at least in Q2, yes, the answer is correct. Yes.
- Archit Joshi:** Okay, got it, got it, sir. Thank you and all the best for the coming quarters.
- Siddharth Sikchi:** Thank you so much.
- Moderator:** Thank you very much, ladies and gentlemen. That was the last question. I would now like to hand the conference over to Mr. Siddharth for closing comments.
- Siddharth Sikchi:** So, thank you all for taking your time out and understanding our Q2 numbers. We appreciate the questions and the feedback and looking forward to seeing you all at the Q3 call in January. Thank you so much. Have a good day, guys.
- Moderator:** Thank you very much. On behalf of Clean Science and Technology Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.