

Sigachi Industries

13 August 2026

Operator: Good day and welcome to the Q1 FY27 earnings conference call for Sigachi Industries Ltd. As a reminder, all participants' lines will be in listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal the operator by pressing star and then zero on your touch-tone phone. Please note that this conference is being recorded. I now hand the conference over to Ms. Riddhi Shah from Go India Advisors. Thank you, and over to you, ma'am.

Riddhi Shah – Go India Advisors: Thank you. Good afternoon, everyone. It is my pleasure to welcome you on behalf of Sigachi Industries Ltd. Thank you for joining us today for the Q1 FY27 earnings call. We have on the call Mr. Amit Raj Sinha, Managing Director and Chief Executive Officer; Mr. O.S. Reddy, Chief Financial Officer; and Mr. Vivek Kumar, Company Secretary and Compliance Officer. Please note that today's discussion may include certain forward-looking statements and must therefore be viewed in conjunction with the risks that the company faces. I would now like to hand it over to the management for the opening remarks. Thank you, and over to you, sir.

Amit Raj Sinha – MD & CEO: Thank you, Riddhi. Good afternoon, everyone, and welcome to the Q1 FY27 earnings conference call of Sigachi Industries Ltd. The financial results and investor presentations have been uploaded on the stock exchanges. I hope everyone has had an opportunity to review them.

We enter FY27 with a clear focus on execution, innovation, and creating sustainable value. Q1 reflects our continued commitment to strengthening our core business while advancing the strategic initiatives that will support Sigachi's long-term growth ambitions. Operations remained stable throughout the quarter, with healthy customer engagement across key geographies.

Our cellulose-based excipient capacity stands at 18,000 metric tons per annum, with exports accounting for over 53.5% of production. The 12,000 metric ton per annum MCC capacity expansion at Dahej-2 continues to progress on schedule and, upon commissioning, which is targeted by Q2 FY28, will take our total cellulose-based excipient capacity to 30,000 metric tons per annum.

In parallel, our 1,800-ton Cross-carmellose Sodium facility at Dahej SEZ continues to advance, supporting our overall move toward higher-value excipient categories and a stronger overall product mix.

On the innovation front, during the quarter we launched HiCell SMCC Nutra, a unique combination of microcrystalline cellulose and magnesium aluminum metasilicate. It is purpose-built to address flowability, compressibility, and processing challenges in nutraceutical formulations. This launch reinforces our strategy of moving up the value chain with differentiated, application-specific excipients and extends our platform further into the food and nutrition space.

Our API business also continues to evolve and continues to support our CEP filing pipeline as we build toward regulated market expansion. Our O&M verticals remain steady, scalable contributors aligned with our long-term growth priorities.

Report is AI-generated and may contain inaccuracies.

Sigachi Industries

We also continue to strengthen governance, safety, and ESG practices across our manufacturing facilities through online process improvements, capability building, and compliance-focused initiatives.

As we look ahead through FY27, our priorities remain centered on the disciplined execution of our expansion project, strengthening our product portfolio, and improving profitability through consistent operating performance.

To our employees, customers, partners, lenders, and shareholders, thank you for your continued trust and support. We remain committed to delivering on that trust through consistent execution in the quarters ahead.

With that, I now invite our CFO, Mr. O.S. Reddy, to take you through the financial and operational highlights of Q1 FY27. Thank you.

O.S. Reddy – CFO: Thank you, sir, and good afternoon, everyone. During Q1 FY27, Sigachi reported total operating income of INR 121.27 crores. EBITDA for the quarter stood at INR 16.5 crores, with a margin of 13.6%. Net profit came in at INR 8.14 crores, translating to a PAT margin of 6.76%. The MCC segment contributed INR 82.74 crores, while the O&M and API segments recorded revenues of INR 13.06 crores and INR 21.68 crores, respectively. That concludes my update. We can now open the floor for questions. Thank you.

Operator: Thank you very much. We will now begin the question-and-answer session. Anyone who wishes to ask a question may press star and one on their touch-tone telephone. If you wish to remove yourself from the question queue, you may press star and two. Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles. The first question is from the line of Rahil Dasani from MAPL. Please proceed.

Rahil Dasani – MAPL: Hi. Am I audible?

Operator: Yes, sir.

Rahil Dasani – MAPL: Good afternoon, and first of all, thank you for this opportunity. I would like to understand the current demand and pricing scenario in MCC. It seems that the majority of Indian players are expanding their capacities. How worried are we about an oversupply situation arising, whereby prices might drop significantly? If you could help me with that.

Amit Raj Sinha – MD & CEO: Rahil, on this point, I would like to say that it is not always capacity that makes a difference. It is also your regulatory compliance and the quality required to obtain approval from regulated customers, which is actually relevant in terms of capturing export markets. I agree that there are a reasonable number of players adding capacity, but historically, the Asia-Pacific region has had a CAGR growth of 7-8%, and there are reports indicating that this will continue to grow at a reasonable pace through 2025. I believe that by 2035, the market is expected to reach a size of \$1.4 billion.

Rahil Dasani – MAPL: Okay. If you could give me more specific information about pricing and how it has performed over the last 3-4 quarters, what sort of changes have we seen in MCC realizations?

Report is AI-generated and may contain inaccuracies.

Sigachi Industries

O.S. Reddy – CFO: Rahil, in Q1, there was an average realization of 241.36 rupees per kg, compared with 216 previously. There has been a good increase this year.

Rahil Dasani – MAPL: When you say previously, which period do you mean?

O.S. Reddy – CFO: The previous quarter, Q4.

Rahil Dasani – MAPL: The previous quarter, okay. So you are saying that quarter-on-quarter we have seen such a large increase in realization?

O.S. Reddy – CFO: Yes. From the beginning also, there has been a good quarter-on-quarter increase, continuously.

Rahil Dasani – MAPL: Okay. Why is this happening? What is suddenly changing so much in this segment? MCC is not a very high-complexity product, so what is changing right now that is leading to such a large increase in demand and realization? What is happening there? Have some global plants been shut down, or is there something else?

O.S. Reddy – CFO: No, it is not like that. Earlier, people thought that there were no entry barriers at all in MCC and that anybody could enter and compete. But there is also a vintage factor, as well as expertise. Even other players, such as Aurobindo some time back, opened Crystal Cellulose, incurred losses, and then {? sold ?} their unit to us.

People see that this product will be used in APIs and, mostly, in formulations. API costs are always much higher when compared with MCC. If they use standard-grade material, or even material priced at 100 rupees from an unregulated supplier or from someone whose quality and customer satisfaction have not been established, they may incur huge losses or suffer significant damage. That is the reason they do not prefer such suppliers. Sigachi is known for quality and customer satisfaction, and that is the reason we have good product demand.

Rahil Dasani – MAPL: Understood. One last question on MCC before I move to CCS. It seems that we have lost some market share to local peers. What is the strategy to regain it, and why should customers come back to us? Or will the strategy be that, since there is so much demand, we capture demand from new customers and grow that way?

Amit Raj Sinha – MD & CEO: No. In fact, we lost market share primarily because we had a shortfall in capacity. There was a reduction in our capacity of about 6,000 metric tons per annum, and because of that, we were not able to supply our customers. Naturally, customers whose products had been approved with other players moved to those other suppliers because they could not stop their production. We are therefore quite hopeful that, given the relationships we have built over the last 3 decades, once the capacities come back on track, we will be able to regain a larger share of our customers' wallet.

Rahil Dasani – MAPL: Understood. Now coming to CCS, what sort of market and demand are we seeing—

Operator: Sorry to interrupt, Mr. Dasani, but can you please rejoin the queue for a follow-up? Thank you. The next question is from the line of Rupesh Tatiya from Long Equity Partner. Please proceed.

Report is AI-generated and may contain inaccuracies.

Sigachi Industries

13 August 2026

Rupesh Tatiya – Long Equity Partner: Hello, sir. Thank you for the opportunity, and congratulations on maintaining the margins and delivering good results from Q4 to Q1. It is good to see the turnaround.

Sir, I think in the Q4 call you said API revenue could reach 92–100 crores. I think in this quarter it was around 18 crores. How do you see the ramp-up across the quarters? Is there any seasonality? When can we reach a quarterly run rate of 25–30 crores in the API business?

Management: This quarter we have done 21 crores. In the second and third subsequent quarters, we expect to do well, and we hope to achieve our budgeted targets.

Rupesh Tatiya – Long Equity Partner: Are there any products driving this?

Management: There are some new molecules, such as {? Fascentan ?}, {? Just-A-Pain ?}, and Bempedoic acid. There are other molecules where we can achieve higher margins, and there is good business as well. Our revenues will definitely increase, and margins will also improve.

Rupesh Tatiya – Long Equity Partner: The second question is regarding the revenue guidance of approximately 650–675 crores. To achieve that, we need a quarterly run rate of 160–170 crores. In this quarter, we came in fairly short at 120 crores. Were there any issues that you faced during the quarter, and is there any change in the guidance, or will we see a significant ramp-up starting in Q2?

Management: From the second half onward, revenues will increase. This is as planned, including what we had planned for Q1. There was only a small variation; otherwise, we are on track.

Rupesh Tatiya – Long Equity Partner: So there is no change in the guidance of 650–675 crores?

Management: Yes, there is no change.

Rupesh Tatiya – Long Equity Partner: How about margins? Margins were 13% in Q4 and are now above 13%. Will we still reach 18% for the full year?

Management: Yes. As planned, we are more or less on track.

Rupesh Tatiya – Long Equity Partner: What would be the drivers for margins to increase from 13% to 18%? In some quarters, you would have to achieve a 20–21% margin. Are there any one-off expenses, will gross margins improve, or will there be an operating leverage benefit? Could you give us some drivers that will take the margin to 18–20%?

Management: Fixed costs will remain constant, and we expect revenues to increase while indirect costs remain as they are. That is the reason margins will also increase. Once revenue increases, fixed costs will not change, and margins are expected to improve. This is a natural phenomenon: revenues will increase, and we expect quarter-on-quarter improvement in revenues as well.

Rupesh Tatiya – Long Equity Partner: Okay. And, sir, what were the—

Operator: Sorry to interrupt, Mr. Rupesh, but can you please rejoin the queue? Thank you. I request all participants to restrict their questions to 2 questions per participant. For more questions, please

Report is AI-generated and may contain inaccuracies.

Sigachi Industries

rejoin the queue. The next question is from the line of Ankit Gupta from Bamboo Capital. Please proceed.

Ankit Gupta – Bamboo Capital: Thanks for the opportunity. On the MCC side, could you discuss the demand from smokeless tobacco and snuff? We have been reading that snuff contains almost 60–70% MCC. How is the demand from that segment? Are we catering to this segment, and how do you see growth from this segment for us as well as for the industry?

Management: Thank you, Ankit, for this question. The smokeless tobacco industry is at a very nascent stage. Firming up a demand schedule and assessing the possibility of growth in that segment is still at a very early stage. I would not really be able to speak with certainty or give you a commitment on what we expect over the next 3–4 quarters or perhaps the next couple of years.

However, I see a reasonable shift in the tobacco industry from traditional smoking tobacco to smokeless tobacco. For that, the formulation and titles require cellulose MCC. There is reasonable demand moving in that direction, but it would be difficult to give you future guidance on it.

Ankit Gupta – Bamboo Capital: Are we supplying to the industry, and how much sales contribution does it make to our overall MCC segment?

Management: I think it would be difficult to provide that information because we supply to many formulations. Similarly, we do not have upfront data on how much quantity we supply to the tobacco industry through our distributors. Almost all of it is exported; none of it is in India. The exports are primarily through distributors. Distributors take it to different formulations based on supply–demand gaps and requirements. It would be difficult to quantify, but I can tell you that it is a reasonable amount.

Ankit Gupta – Bamboo Capital: What we read is that this industry itself is growing at 40–50%.

Management: I believe that gradually the smokeless tobacco industry will taper down and have steady growth. Maintaining growth of 30–40% would, in my view, be unrealistic.

Ankit Gupta – Bamboo Capital: The second question was on the CCS side. We will not be making the key raw material for this, which is CMC, and will procure it from China. How much cost advantage does CMC provide? What kind of margins do we expect in the CCS segment if we procure CMC from China, which I believe is the largest supplier?

Management: If somebody is making a product at a better price and lower cost, and we can obtain it at a good price, we should probably buy it from them rather than trying to integrate ourselves all the way up to the CMC stage. China, of course, has lakhs and lakhs of tons of CMC capacity in place. It would be futile to add additional CMC capacity in-house when we would have only a couple of thousand tons of CMC production and our cost would be much higher than what we can buy from China. Therefore, it makes business sense at this stage to procure it from a large CMC player.

Ankit Gupta – Bamboo Capital: Could you discuss how the CCS market is shaping up? What we understand is that it is largely dominated by large excipient manufacturers such as Rockets and other players. Could you discuss the realizations, the margins we are targeting, and how you see

Report is AI-generated and may contain inaccuracies.

Sigachi Industries

growth in this segment?

Management: We are already entrenched in the supply chain. We are already present in the pharmaceutical excipient supply chain. Just as Microcrystalline Cellulose is a binder, CCS is a disintegrant, and both functionalities are essential for tablet making. That makes it easier.

When our customer is already purchasing MCC and other complementary excipient products from other players, they will be more than happy to consider Sigachi, as an established Indian player, for additional excipients. That is how the whole supply chain will develop.

In addition, in terms of margins, CCS is much healthier than MCC. The chemistry here is much more complicated than the cellulose chemistry of MCC, which provides us with that benefit.

Ankit Gupta – Bamboo Capital: Can we assume that margins here can be in the range of 25% plus, even if we import CMC from China?

Management: Absolutely, Ankit, you are right.

Ankit Gupta – Bamboo Capital: How will we compete with—

Operator: Sorry to interrupt you, Mr. Gupta, but can you please rejoin the queue? Thank you. The next question is from the line of Nalin Shah from NBS Brokerage. Please proceed.

Nalin Shah – NBS Brokerage: Good afternoon. Let me offer my congratulations to the management. After such a big disaster, you have come back and restarted normal operations. We are very happy to see the company coming back.

Management: It is due to the blessings and goodwill of all our customers.

Nalin Shah – NBS Brokerage: Always there. Thank you. My question is a very broad one. At some point during this period, you had said that, since you would be returning to normalcy and restarting operations, you were planning to reach somewhere around 650 to 650–700 crores of top line and approximately 85–100 crores of bottom line.

My first question is whether we are near that level and whether we will be able to achieve it. I believe these were the numbers before the disaster. Will we be able to reach that level in the current year or perhaps next year? Please provide some clarity on that.

My second question is whether we have been compensated for the loss of property and so on through the insurance cover. What amount have we either received or are in the process of receiving? This would help us understand our operations better.

Management: Thank you, Nalin, sir. Regarding your first question, in the last earnings call we gave guidance of 650–675 crores. More or less, we are on track, and we hope to achieve the target. In the coming quarters, there will be quarter-on-quarter improvement, and revenues will increase. As fixed costs remain constant, margins will also increase. We are more or less on track.

Nalin Shah – NBS Brokerage: Can we achieve the pre-disaster level, whatever the best performance was that you had posted? Should we reach that level in the current year?

Report is AI-generated and may contain inaccuracies.

Sigachi Industries

Management: Yes, sir. That is the guidance we have given. We are on track. As we estimated, at the end of the first quarter we would be at this level, and we have planned the quarters accordingly. We are on track quarter by quarter.

Nalin Shah – NBS Brokerage: Okay.

Management: Coming to your next question relating to insurance, the assessment has been completed and sent to the insurance company. The debris and the e-auction have been completed, and that process is ongoing. They have requested a few additional reports, and those reports will also be submitted this week. There is an indication that in this quarter, perhaps before the end of September, we will receive either the full claim with some discount or some {? ad hoc ?} amount. That is the latest estimate and information provided by the company.

Nalin Shah – NBS Brokerage: Congratulations to you, and best of luck for the new phase.

Management: Thank you very much.

Operator: Thank you. The next question is from the line of Amit Thora from {? Gnat ?} Consultancy. Please proceed.

Amit Thora – {? Gnat ?} Consultancy: Good afternoon, gentlemen, and thank you for the opportunity. A few of my questions have been answered, so I will keep it brief. What was the utilization for this quarter?

Management: Overall utilization at the company level was 76.8% this quarter. At the Dahej unit, it was 76.5%, and at Jagadia it was 77.16%. The average was 76.8%. In the next quarter, it will increase. It will increase quarter-on-quarter. At the same time, we are planning to increase capacity through debottlenecking. That is all.

Amit Thora – {? Gnat ?} Consultancy: We are already almost halfway through Q2. You would have a fair idea of how things are progressing, and your body language also shows that you are quite confident about achieving the full-year number that you guided in Q4. We are definitely looking forward to that number being reported.

The second question is regarding the fact that we have a large loss in our P&L. Why do we have this tax liability? I wanted to understand that.

Management: That is MAT, sir—Minimum Alternate Tax. Based on that—

Amit Thora – {? Gnat ?} Consultancy: Okay.

Management: It has come after setting off also, but this loss can be set off against future years. But minimum MAT—

Amit Thora – {? Gnat ?} Consultancy: I have 2 more questions, and I will join the queue again. The promoter had said something about buying from the open market. Whenever the time is right, I hope that commitment remains.

Management: Regarding the promoter, we never said that we would buy in the open market. Never.

Report is AI-generated and may contain inaccuracies.

Sigachi Industries

13 August 2026

Amit Thora – {? Gnat ?} Consultancy: The forfeiture of the warrants has happened, sir. That was my mistake. My apologies. The forfeiture of the warrants has happened, and if there is any way that the promoters are looking to buy anything from the open market, considering where we are and what we are going to achieve, I just wanted to ask whether that could be answered.

Management: If there is anything, we will make an announcement, sir.

Amit Thora – {? Gnat ?} Consultancy: One last feedback, sir. You are giving your results very quickly, and there is very little time to analyze them between the results and the conference call. I am new to the company, so I am not aware whether this has been the trend. If you could change this slightly, it would give us some understanding of what questions we can ask and help us be better prepared.

Management: Yes, sure.

Amit Thora – {? Gnat ?} Consultancy: It was just 10 minutes before the call started, and the presentation was given. The presentation had an agenda item on guidance, but I did not see the guidance mentioned anywhere. During the call, you mentioned it. This is just feedback: if you could provide a little more time—

Management: The only point is that, as per statutory requirements, we have the various meetings, including the NRC committee and Audit Committee meetings, followed by the Board meeting. These matters are discussed at length. Therefore, only after the Board meeting concludes can we prepare the report and provide it immediately. That is the reason.

Amit Thora – {? Gnat ?} Consultancy: Please give us some time, at least 1 more hour between the end of the Board meeting and the conference call. Since it is at 4:30, we could keep it at 5:30. It would not change anything; it would simply give us more time to analyze the information. That is all.

Management: Yes, okay. We will see.

Amit Thora – {? Gnat ?} Consultancy: Thank you, and all the very best, sir.

Management: Thank you.

Operator: Thank you. The next question is from the line of Deepak Chokhani from {? Read Capital ?}. Please proceed.

Deepak Chokhani – {? Read Capital ?}: I am sorry, I missed the answer on insurance. By when are you expecting it? Did you say December?

Management: No, September, sir. As per the latest information, in September either the full claim with some discount or an ad hoc amount will be received.

Deepak Chokhani – {? Read Capital ?}: Are we planning any capital raise in the near future, given the capex that is coming? Sorry, I—

Management: At the appropriate time, once that is finalized, we will make an announcement, sir.

Report is AI-generated and may contain inaccuracies.

Sigachi Industries

13 August 2026

Deepak Chokhani – {? Read Capital ?}: My last question is regarding the Dahej plant expansion. Last time you mentioned that it would happen by Q4 of this financial year. In the opening remarks, I heard Q2 of the next fiscal year. Is that correct?

Management: Yes. In the last earnings call, we said Q1 FY28, but it is slightly on the edge, either at the end of Q1 or the beginning of Q2. That is why our project team confirmed Q2. That is the reason we mentioned Q2 FY28.

Deepak Chokhani – {? Read Capital ?}: Do you anticipate any further delay beyond that?

Management: As of now, based on the recent meeting, that is the expectation. We will mostly complete it by that time, Q2 FY28.

Deepak Chokhani – {? Read Capital ?}: I believe there is approximately 100 crores of further capex to be incurred. You can correct me on that. How do you see that funding coming in?

Management: It will either come from bank finance or possibly through a preferential issue. Once that is concluded, we will make an announcement.

Deepak Chokhani – {? Read Capital ?}: Perfect. Thank you, sir. All the best.

Management: Thank you.

Operator: Thank you. The next question is from the line of Darshil Jhaveri from Crown Capital. Please proceed.

Darshil Jhaveri – Crown Capital: Hello. Good evening, sir. Thank you for taking my question. Congratulations on a great set of results.

I wanted to understand the margin trajectory. Last year, we said margins were around 18–20%. Since we have currently achieved 13%, even if our revenue ramps up by Q3 and Q4, will we reach 18%? Are we referring to an exit run rate of 18%, or can the full-year consolidated margin be 18%?

Management: We expect the full-year consolidated margin to be 18%.

Darshil Jhaveri – Crown Capital: That would mean that our Q3, Q4, or H2 margin should be somewhat above 20% for the numbers to reconcile, correct? That is why I was a little skeptical about that point.

Management: Once revenues increase, that is possible, and we expect to remain on track as projected. In Q1, we achieved the revenue and EBITDA margin that we had expected. In the coming quarters, they will increase. More or less, we are on track, and we hope to achieve this.

Darshil Jhaveri – Crown Capital: That is really great to hear. In terms of capex, could you say how much capex you are going to incur in FY27 and FY28, and how much of it is yet to be spent?

Management: In FY27, we are going to incur more than 100 crores. In FY28, there will be another 150–200 crores.

Report is AI-generated and may contain inaccuracies.

Sigachi Industries

13 August 2026

Darshil Jhaveri – Crown Capital: So there will be 300–400 crores. Will we rely on internal accruals and borrowings for this, or are we planning a fund raise?

Management: We can borrow as well as raise preferential equity. We will make an announcement once that is finalized.

Darshil Jhaveri – Crown Capital: Fair enough. That is all from my side. Thank you.

Management: Thank you, sir.

Operator: Thank you. The next question is from the line of Ankur, an individual investor. Please proceed.

Ankur: Good evening, sir. Most of my questions have already been answered. One thing I am still not sure about is whether there is any new capacity or anything new that we are going to make in the coming 9 months. I am still not sure how we can achieve the target of approximately 600–650 crores in revenue.

If our utilization is already at 75%, is this still workable? If 75% of capacity is utilized and we are generating revenue of 120 crores, how does the math work out to 650 crores?

Management: Thank you, Ankur. The remaining capacity utilization will also take place, and we are increasing capacity through debottlenecking. We will add one shifter, some blenders, or other small pieces of equipment, and then increase capacity. We will identify idle time and reduce the gap so that we can increase production.

We are also expecting a better product mix. We are focusing on a change in the mix toward co-processed products, where we will get higher margins, and we will obtain more business of that kind. That will give us higher margins and allow us to increase both revenue and margins.

Our API business is also moving toward high-margin products. That is the reason we expect to achieve revenue of 650–675 crores and an EBITDA margin of 18%. We hope to achieve this.

Ankur: I understand that the insurance amount takes time because, following the unfortunate incident, the company has many regulatory procedures to complete before disbursing the amount. If it continues to be delayed beyond September, will the capex we are proposing, up to 150 crores, be affected?

Management: We have various options available. We can raise funds and take a term loan. As of now, the company is debt-free and does not have any term loan. We can take a term loan, raise preferential equity, or even issue preferential warrants. We will finalize these options and then make an announcement.

Ankur: My only concern regarding preferential equity is that, the last time we issued preferential shares, some promoter shares were forfeited because the amount was not deposited on time. Preferential shares would require the same process again, with promoters or non-promoters depositing the money on time. That is my only concern.

Report is AI-generated and may contain inaccuracies.

Sigachi Industries

Management: In that case, bankers are also ready to provide funding. As of now, we do not have a term loan, and the banks are ready to fund us. Last time, some misplanning took place at the last moment because of unexpected holidays. We hope that this will not happen again. Of course, we have not finalized any option, but once we do, we will make an announcement.

Ankur: Thank you for answering my questions, and all the best for the coming months. We really hope that the turnaround comes soon.

Management: Thank you.

Operator: Thank you. The next question is from the line of Gautam Karwa, an individual investor. Please proceed.

Gautam Karwa: Good evening, sir. How are you? One question was regarding the considerable delay in the insurance claim. Because of this, perhaps you are facing some problems with capex. By when do you expect to receive the insurance amount? Will it come in parts, or what amount are you expecting?

Management: Thank you, Mr. Karwa. Since this is a high-value insurance claim, they are taking a lot of time, and there has been a delay. According to the latest information, the assessment has now been completed, and the re-auction has also taken place. Based on the latest information, we expect the claim to be settled in full by September, or at least an ad hoc amount will be received by September.

Gautam Karwa: With some discount?

Management: Yes. If the claim is settled, there would be some discount. That is the indication: it would be settled with some discount.

Gautam Karwa: The second question is that your Q4 March 26 sales and your current sales are approximately similar. However, when we look at the cost of material, purchases of stock, or changes in inventory, it appears that your usage of stock material has decreased in this quarter. What happened? Has efficiency improved, or what happened such that raw material consumption or stock has decreased?

Management: Efficiency has improved, and consumption is on the lower side. It relates to margins and also depends on the sales mix. There is a slight variation, not a very large one, but that is positive, and we expect this positive consumption trend to continue in the coming quarters.

Gautam Karwa: If sales remain at this level, achieving your target of 650-675 crores will become difficult.

Management: We hope we are on track and will achieve it. As projected, our turnover was expected to be at these levels in Q1, and quarter-on-quarter turnover and revenues will increase. Margins are also expected to improve.

Gautam Karwa: Thank you.

Management: Thank you.

Report is AI-generated and may contain inaccuracies.

Sigachi Industries

13 August 2026

Operator: Thank you. The next question is from the line of George from Equity Intelligence. Please proceed.

George – Equity Intelligence: Good evening, sir. I wanted to understand your API business in more detail. Could you explain your top 3 molecules and whether you have added any new molecules in the current year compared with last year? Also, could you share an update on your Cystic Fibrosis product and when we can expect revenues to start?

Management: We have new API molecules such as {? Sparsentan ?} and {? Bempedoic acid ?}, which provide higher margins. This quarter, we achieved approximately 21 crores of top-line revenue. In the coming quarters, there will be quarter-on-quarter improvement, and we expect to achieve more than 100 crores, approximately 100–110 crores, or even more than that. As of now, we can comfortably achieve this.

George – Equity Intelligence: Was there an inventory de-stocking issue in {? Bempedoic acid ?}? I was listening to some other companies with similar products. Is that issue still present, or what is the outlook?

Management: No, that issue is not present. These are new molecules, and there should not be any inventory stocking. We produce and sell them. There is no need to hold inventory either, based on—

George – Equity Intelligence: What about your Cystic Fibrosis product?

Management: That product is also there, but even before that, the current products themselves will fill the capacities. The Cystic Fibrosis product is also progressing, and we expect revenues perhaps next year or at the end of the year. There are inquiries and orders coming in, but we are busy with the current products. In the next quarter, we will have more clarity on this.

George – Equity Intelligence: Okay, sir.

Management: Thank you.

Operator: Thank you. The next question is from the line of Rahul Desami from MLP. Please proceed.

Rahul Desami – MLP: Thank you for the opportunity again. I have a few questions. First, how big is the CCS market in India and globally? Could you share it in terms of value and tonnage? Secondly, since this is a first-time product for us, how quickly will utilization of this product build, given that customers may need to verify and approve our products and setup?

Management: Thank you.

Management: Rahul, the CCS market in India is estimated at about {? 100 million dollars ?}. The average realization is in the range of 1,200–1,500, and on certain occasions and for certain specific grades, it also reaches higher than that. You can therefore estimate the kind of tonnage involved.

In terms of customers changing suppliers, there is a specific pharmaceutical process that is followed. Customers formulate the product and then place it under stability testing. However, because we are already closely connected with our pharmaceutical customers, are part of their supply chain, and are an approved vendor, I believe we will be able to accelerate the process and

Report is AI-generated and may contain inaccuracies.

Sigachi Industries

bring customers over to us.

Rahul Desami – MLP: Very clear. My second question is whether we are going to use cotton pulp or wood pulp to make this CCS, and how realizations and margins vary between the two.

Management: We would not be using cotton pulp or wood pulp because one of the input materials at a certain stage of the process is carboxymethyl cellulose.

Rahul Desami – MLP: I am referring to cotton- or wood-pulp-based CMC. That is what I mean.

Management: That is dependent on my supplier. I would specify a particular grade of CMC, and that is what I would give to my supplier. The supplier has to manufacture it in line with that specification. That is the supplier's responsibility.

Rahul Desami – MLP: Okay, understood. One last question regarding MCC: given that we have established that realizations are increasing, is demand in MCC high enough that, when our capacity comes online, perhaps in Q2 FY28, utilization can ramp up quickly and we can scale up the facility rapidly because we already have our existing customers?

Management: Yes, Rahul, we believe that we can scale up utilization of the proposed new facility much faster, primarily because we have been in the supply chain for the last 30 years, selling across 65 countries and selling the same product through an established supply chain. I do not believe there will be a challenge in that. Scaling up is not really an issue.

Rahul Desami – MLP: To confirm the CCS pricing, you said you would price the product at 1,200–1,500. My understanding was that multinational companies sell at those prices, while local players sell in the triple digits.

Management: It is a matter of supply chain, regulatory requirements, customer willingness to pay, and many other factors. There is always a range. We will of course work to price it at the best point at which the customer is willing to pay us.

Rahul Desami – MLP: Fair enough. Thank you very much, sir. That is all from my side. Thank you.

Management: Thank you, Rahul.

Operator: Thank you. The next question is from the line of Rupesh Tatiya from Long Equity Partner. Please proceed.

Rupesh Tatiya – Long Equity Partner: Thank you. I have 2 follow-up questions. On MCC, if I divide 82 crores by 241, which was the realization, the volume comes to around 3,400 metric tons, which is approximately 75% capacity utilization. Given that we are going to 30,000 metric tons in 3–4 quarters, I thought the capacity would be running at full utilization. It could be running at 95%, perhaps even above 100% with some trading quantity and so on. I am not able to reconcile this 75% capacity utilization with such a large expansion. Could you help me understand this?

Management: We did not fully understand your question, Rupesh. Could you repeat what you are looking at?

Report is AI-generated and may contain inaccuracies.

Sigachi Industries

13 August 2026

Rupesh Tatiya – Long Equity Partner: We are going from 18,000 to 30,000 metric tons. I was thinking that we would already be selling 16,000–18,000 tons, perhaps even 17,000–18,000 tons, and that demand would be so strong that we might also be buying some trading quantity and selling it. However, our capacity utilization is only 75%, and we are undertaking such large capex.

Management: That is right, Rupesh. In FY25, we sold nearly 20,000 tons. We sold 20,000 tons, so we had a reasonable share of the market, and our capacity at that time was around 22,000–24,000 tons.

Unfortunately, thereafter we had an incident at our Hyderabad facility, where we lost 6,000 tons of capacity. That is how we are now working our way back to the best capacity possible at our other 2 facilities for this product. This is another reason we believe that, when we add double the capacity that we lost, we will be able to regain market share.

Rupesh Tatiya – Long Equity Partner: Why are we not at full utilization of the existing 18,000-ton capacity? You were already selling 20,000 tons earlier, whereas if I annualize the current Q1 number, it is around 14,000 tons. Are we not able to win back market share, or is there some supply-side issue?

Management: There is neither a supply-side issue nor a market-share issue. The plant does not turn around that quickly. I wish it were like speeding up on a highway, but it is not that easy.

Every time you increase production, there is a possibility that the product mix changes. With a change in the product mix, there may be a shutdown, a restart, and cleaning validation that needs to be completed. Many factors are involved.

When we have a particular product mix, the product may sometimes add more value because average realizations can reach 600–700 for the same grade of MCC. There are therefore many combinations involved in balancing capacity utilization, realization, and, ultimately, margin.

Rupesh Tatiya – Long Equity Partner: At least by the Q4 exit, should we be at a quarterly run rate of 4,500 tons? Is that a fair assumption?

Management: A Q4 exit run rate of 4,500 tons would mean 18,000 divided by 4. At this moment, 4,500 tons is the declared capacity. We might probably be at 95% of that, but by the time I reach 4,500 tons, my theoretical capacity may have reached approximately 5,000 tons.

As a typical process plant, we keep debottlenecking to identify where the bottleneck is and provide some additional capacity at that point. Therefore, our run rate will definitely be above 95–96% as we get closer to the year-end.

Rupesh Tatiya – Long Equity Partner: The second question—sorry, one more question. Hello?

Management: Yes, please continue.

Rupesh Tatiya – Long Equity Partner: Regarding capex, in the last call, I believe the MCC capex was given as 106 crores and the CCS capex as 93 crores, which is approximately 196 crores. Now you are saying 100 crores of capex this year and 150 crores next year, totaling 250 crores. There is a gap

Report is AI-generated and may contain inaccuracies.

Sigachi Industries

of 60 crores. Is there some additional product or project, or has the cost of capex increased?

Management: Are you referring to next year? The 106 crores is for the 12,000 metric ton MCC capacity, and the 93 crores is for the CCS project. This year, we will incur around 100 crores. We have already incurred some amount in the previous quarter and the previous year as well. That is the reason we will incur 100 crores this year, and the project will be completed in Q2 FY28, as we mentioned. Some amount will also be incurred next year so that we can complete both projects, MCC and CCS.

Rupesh Tatiya – Long Equity Partner: No, my question is that MCC plus CCS comes to 200 crores, and you said that 100 crores of capex will be spent this year and 150 crores next year.

Management: There are other plans as well, which we will announce.

Rupesh Tatiya – Long Equity Partner: What will the additional 50 crores be spent on?

Management: There will be further capacity expansion.

Rupesh Tatiya – Long Equity Partner: In which area?

Management: In other areas, and in this area as well. In MCC, we have to keep increasing capacity every 2–2.5 years to meet customer demand.

Rupesh Tatiya – Long Equity Partner: Okay. And one final—

Management: We will also make an announcement once that is finalized.

Rupesh Tatiya – Long Equity Partner: I will wait for an update on this. One final question—

Operator: Sorry to interrupt you, Mr. Tatiya, but can you please rejoin the queue?

Rupesh Tatiya – Long Equity Partner: Yes, sure.

Operator: Thank you. I request all participants to restrict their questions to 2 questions per participant. For more questions, please rejoin the queue. The next question is from the line of Dasu Goenka, an individual investor. Please proceed.

Dasu Goenka – Individual Investor: Hello? Hello?

Management: Yes, sir, please continue.

Dasu Goenka – Individual Investor: Thank you for your time. My first question is regarding compensation for the victims. Have we transferred the entire amount and paid the entire amount to them, or are there still some pending matters?

Management: Thank you, Mr. Dasu. So far, we have paid 42 lakhs to each beneficiary of the deceased. The matter is before the court, and since we cannot comment further on it, we hope there will not be any further liability. Let us see.

Dasu Goenka – Individual Investor: But the compensation announced was 1 crore.

Report is AI-generated and may contain inaccuracies.

Sigachi Industries

Management: That was announced by the state government. In the recent hearing, the honorable judge called all the inspectors of factories and representatives dealing with workmen's compensation, PF, and ESI, and asked what the maximum compensation payable under the statute would be. However, that is—

Management: Mr. Goenka, this matter is under judicial consideration at this moment, and it would be inappropriate to deliberate on it.

Dasu Goenka – Individual Investor: That is okay. I just want to understand whether we have fulfilled our obligation in this regard.

Management: We have provided for the entire amount in the books, and we have fulfilled and paid our obligation. In any event, we have to abide by the court of law.

Dasu Goenka – Individual Investor: My other question is regarding the business continuity insurance of 25 crores, out of which 15.5 crores was the amount to be received from the company. Is that money also coming in the September quarter?

Management: Yes, but not by September. It will take another 3–4 months. We are expected to receive 16.5 crores. Even though the policy is for 25 crores, we are eligible to receive 16.5 crores.

Dasu Goenka – Individual Investor: By when do we expect the CCS facility to become fully operational?

Management: The CCS facility will come into operation only in FY28.

Dasu Goenka – Individual Investor: Thank you very much for your time, and best of luck.

Management: Thank you, Mr. Dasu Goenka.

Operator: Thank you. The next question is from the line of Darshil Jhaveri from Crown Capital. Please proceed.

Darshil Jhaveri – Crown Capital: Hello. Thank you for allowing me to ask another question. I wanted to understand the revenue breakdown. This time, nearly 70% of revenues came from MCC. If this trend continues, then from 650 crores in total revenue, approximately 450 crores would need to come from MCC. At full capacity utilization of 18,000 tons, even at our current realization, I do not think we would reach that number.

Could you help reconcile how we will reach this figure over the next 3 quarters? Could you break it down? What is our current average realization, and our utilization is not at 100%, correct? Even in Q4, we are saying it will be 95%. How will we reach the 650-crore figure? API could contribute 100 crores, and assuming trading and other O&M operations contribute another 100 crores, 450 crores would still have to come from MCC, which is beyond our capacity. How could you help me understand this?

Management: Right now, the realization rate is 241 rupees. Our current capacity is around {? 19,800 ?}. There is 18,000 tons, another 1,600 tons is being added, and there will be further increases. As we said, API and O&M will contribute more, and MCC will also reach full capacity utilization in the

Report is AI-generated and may contain inaccuracies.

Sigachi Industries

13 August 2026

coming quarters. Therefore, the revenue—we have already worked—

Management: It is progressing as planned, and we hope to achieve the target.

Rahul Desami – MLP: But even if it is—

Management: The realization is 241 rupees, and in the coming quarters, if there is 100% utilization and we further increase capacity through debottlenecking of MCC capacity, revenue will increase. That is the reason we expect to achieve the target.

Rahul Desami – MLP: Even if I take 19,000 tons—

Management: There are currently 18,000 tons plus 1,600 tons, so 19,600 tons is already available. We will increase it further.

Rahul Desami – MLP: There are 19,600 tons available for three-fourths of the year, which comes to 14,700 tons. If I multiply that by 241, it comes to 350 crores, and we will not be at full capacity. That is why I wanted to ask about it.

Management: If you multiply 19,600 by 241, it comes to approximately 472 crores. In the first quarter, utilization was only 75%, so there was a shortfall. However, API and O&M will contribute more than 200 crores, or around 200 crores. More or less, we are reaching the target. Other products are also there. If you add all these items, the numbers match. Please recalculate.

Rahul Desami – MLP: Fair enough. That is all from my side. Thank you.

Operator: Thank you. The next question is from the line of Rahil Dasani from MAPL. Please proceed.

Rahil Dasani – MAPL: I have 2 questions. On the MCC side, are we seeing more growth from the export market or the domestic market? Where are we seeing more traction right now?

Management: In MCC, we usually operate mainly in the export market. There is also good demand domestically. Wherever margins are available, we are pushing. We also do not want to lose customers, which is another reason. However, most of the business will continue to be export-oriented. Mostly exports.

Rahil Dasani – MAPL: For MCC, are we primarily targeting pharmaceutical applications, or are we targeting nutraceutical and other applications as well?

Management: Sales mostly take place in exports through the distributor channel. From the distributors, most of the products go to formulators, food companies, different supplements, and nutraceutical applications. We do not have much visibility on the exact end use. However, the formulation contribution would obviously be higher.

Rahil Dasani – MAPL: The same question for CCS: is the facility we are planning intended more for exports or for the domestic market?

Management: It is intended more for exports, Rahul. We are already receiving orders from customers for the supply of CCS, and these are export customers.

Report is AI-generated and may contain inaccuracies.

Sigachi Industries

13 August 2026

Rahil Dasani – MAPL: Are you saying that even without the capacity, we already have orders or are receiving inquiries?

Management: They are asking us because the MCC customer also requires CCS along with MCC. In the same application, both a binder and a disintegrant are required. Inquiries are coming from foreign customers and export customers. That is the reason we expect the business to be more export-oriented.

Rahil Dasani – MAPL: Why are these customers approaching us even before we have the capacity? Is there a shortage in the market right now, or is there some other reason?

Management: Our marketing team has indicated that we are in the process of setting up the CCS facility. The same customer also requires CCS along with MCC. Rahul, I would add that this is what is actually called goodwill.

Rahil Dasani – MAPL: Fair enough. Thank you for that.

Operator: Thank you. The next question is from the line of Rupesh Tatiya from Long Equity Partner. Please proceed.

Rupesh Tatiya – Long Equity Partner: Thank you for the opportunity once again. I have a longer-term question. When I look at MCC players, in FY16, 2016, 2017, and 2018, everybody was making margins of approximately 12–13%. Then, for a long period from 2019 to 2026, margins increased to approximately 20%.

What I want to understand is what happened. What were realizations before 2019, and did realizations increase significantly after 2019? Is that why margins structurally increased for the entire industry, or did something else happen? Did industry consolidation take place? Were capacities closed in developed markets such as Europe, allowing us to gain market share? What happened?

Management: It is a long answer. If you are comfortable, I think we can explain it, because it is a combination of almost everything you mentioned.

First, there has been industry consolidation. The global number-one leader was acquired by another player in the food and nutrition market. In fact, the global number-one leader was acquired twice and changed hands twice. That is one factor.

There was also a reasonable level of consolidation in India. One of the players was acquired by another European player, so ownership changed hands.

The second factor, and the most relevant one, is that there has been a reasonable level of innovation over the last 10 years or so, and the product mix has changed. The number of customers using cheaper grades of MCC has reduced, while the number of formulators using more sophisticated, relevant, and innovative MCC has increased. This allows their formulations to accommodate different APIs, tablet them more effectively, and maintain better stability.

Report is AI-generated and may contain inaccuracies.

Sigachi Industries

Innovation has therefore increased, and the product mix of a typical MCC player has changed, resulting in improved average realizations.

Rupesh Tatiya – Long Equity Partner: That was very concise, sir. My final question is regarding CCS in end-pharma formulations. Could you name 3–4 large-volume pharmaceutical products or formulations in which CCS is used? I understand that it goes into DC grade, but could you name the top 3 or 4 large pharmaceutical formulations where CCS is used?

Management: That would be a very difficult question to answer, Rupesh, because we would need to understand the volumes of various large tablets sold in the market, and we are not really aware of or adept at that level of detail.

What I can tell you is that you, I, and all of us end up taking Disprin. Once it is placed in water, it behaves like an effervescent tablet, disintegrates, and disperses. That particular property is imparted by CCS. Therefore, CCS becomes integral to any formulation.

Rupesh Tatiya – Long Equity Partner: Thank you for being so generous with your time and answers, sir. Thank you very much.

Management: Thank you, Rupesh.

Operator: Thank you. The next question is from the line of Amit Vora from Ginar Consultancy. Please proceed.

Amit Vora – Ginar Consultancy: Thank you for taking my follow-up. My question is about realizations. You mentioned that realizations are around 241. What are the current realizations now that we have entered the quarter and are already halfway through it?

Management: They are more or less the same, but there will be a small increase toward the end of the quarter. There will be quarter-on-quarter improvement. There will not be much variation between the beginning and the end of this quarter.

Amit Vora – Ginar Consultancy: Are we seeing any working capital stress? What are the receivables on the books as of the end of June? Could you provide the working capital debt figure?

Management: Receivables are gradually improving and coming down. Our aim is to bring them to around 90 days. Later, we will bring them down to 80 days and then 75 days.

Amit Vora – Ginar Consultancy: What are the receivables currently? What is the number?

Management: Currently, they are above 90 days—93–94 days.

Amit Vora – Ginar Consultancy: I think I am done with my questions. Thank you very much.

Management: Thank you, Mr. Vora.

Operator: Thank you. As there are no further questions from the participants, I now hand the conference over to the management for the closing remarks. Over to you, sir.

Sigachi Industries

13 August 2026

Management: Thank you. As we conclude, Q1 FY27 reflects steady execution against our strategic priorities. H2 is progressing well. Our API R&D capabilities are now fully operational, and our differentiated product portfolio is growing, with launches such as HiCell SMCC Nutra.

Our strategic direction remains unchanged: expanding capacity, deepening our product mix, and delivering consistent, profitable growth through disciplined execution. We look forward to updating you on our progress next quarter. Thank you, everyone.

Operator: Thank you. On behalf of Go India Advisors LLP, that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you, everyone.

Note: {? ... ?} indicates a figure or name where audio clarity was insufficient for confident transcription. Verify against the source audio or the company's published filings.

Report is AI-generated and may contain inaccuracies.