Date: August 10, 2026

To,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai – 400 001.

Scrip Code: **541167**

To,
National Stock Exchange of India Limited
Exchange Plaza, Plot No. C/1, G Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051.

Symbol: **YASHO**

Dear Sir/ Madam,

Sub: Earnings Conference Call Transcript for Q1FY27

With reference to the captioned subject matter, please find attached herewith the earnings conference call transcript for Q1FY27 for your reference and records.

The said transcript of the earning conference call is also made available on the Company's website i.e. www.yashoindustries.com

You are requested to take the above information on record.

Thanking You,
Yours faithfully,
For Yasho Industries Limited

Rupali Sugriv Verma
Digitally signed by Rupali Sugriv Verma
Date: 2026.08.10 14:01:08 +05'30'

Rupali Verma
(Company Secretary & Compliance Officer)
Membership No. A42923

Encl: a/a

"Yasho Industries Limited Q1 FY27 Earning Conference Call"

August 03, 2026

MANAGEMENT: **MR. PARAG JHAVERI – MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER, YASHO INDUSTRIES LIMITED**
MR. CHIRAG SHAH – CHIEF FINANCIAL OFFICER, YASHO INDUSTRIES LIMITED

MODERATOR: **MS. SEJAL - MUFG**

Moderator: Ladies and gentlemen, good day and welcome to the Q1 FY '27 Earnings Conference Call of Yasho Industries Limited organized by MUFG Investor Relations.

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 this conference call, please signal an operator by pressing *,' then '0' on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Sejal from MUFG. Thank you and over to you, ma'am.

Sejal: Thank you Danish. Good evening, everyone and thank you for coming to Yasho Industries Q1 FY '27 Earnings Conference Call.

Today, we have with us from Management Mr. Parag Jhaveri - the Managing Director and CEO along with Mr. Chirag Shah - the CFO.

Before we proceed with the call, I would like to give a small disclaimer that the call may contain certain forward-looking statements which are based on the business operations and expectations of the Company as of today. These statements are not guarantees of future performance and involves risks and uncertainties which are difficult to predict. A detailed disclaimer has been given in the Company's investor presentation which is uploaded on the Stock Exchange. Thank you.

Now, I would like to hand over the call to Mr. Parag Sir. Over to you, sir.

Parag Jhaveri: Good evening, everyone and thank you for joining us today. On behalf of Yasho Industries Limited, I warmly welcome all of you to our Earnings Call for the 1st Quarter & FY'26-27.

The last quarter has been a good start to the financial year for the organization. The company achieved its highest quarterly revenue of Rs. 308 crores driven by a 42% increase in volume on a year-on-year basis.

During the quarter, the company received several approvals from key global customers in our industrial chemical segment. This helped the company increase volume offtake and enhance capacity utilization of our facilities. This increased utilization of our facilities as well as improved product mix helped increase our EBITDA margin from 17% to 24%.

The Management is confident to sustain the EBITDA margin of its current quarter going forward on account of improved product mix and better capacity utilization which is backed by commitment from key customers.

Looking at the market condition going forward, approval from key customers, long-term supply contracts, and commitment from marquee customers that the company already has in place, our company has revised our FY28 revenue target to more than Rs. 1,600 crores. The investment we have made in manufacturing capacity, product development, and customer relationships are helping our organization to scale and pursue larger growth opportunities.

The company continues to invest in R&D, which today has more than 50 scientists. Our R&D pipeline is aligned with our customers' needs, and we have projects ongoing that will help the organization continue to grow for the coming years to come.

We continue to prioritize products that can achieve meaningful scale and contribute significantly to long-term revenue growth. Accordingly, we have decided to enhance our planned capital expenditure for FY27 from Rs. 125 crores to Rs. 250 crores. The supporting infrastructure for this CAPEX is already in place. The investment will primarily be directed towards constructing two new production buildings at our Pakhajan facility which will be dedicated to manufacturing several high-potential products already developed through our R&D efforts.

Export continues to remain a key pillar of our business, contributing approximately 69% of total revenue.

We further strengthen our presence across the international market, particularly in Asia and Africa, while continuing to deepen relationships with customers in our existing geographies. Industrial chemicals remain our primary growth segment, contributing nearly 89% of total revenue during the quarter. Capacity utilization at our facilities improved to over 65%, supported by the successful ramp-up of capacities commissioned at our Pakhajan plant.

We also continue to make good progress on our long-term agreement, and the project remains on track with commercialization expected in Q1 FY28, in line with the planned execution schedule.

We remain committed to delivering sustainable value creation for our investors. Based on current market conditions, customer inquiries and commitments, we are targeting 30% to 40% annual revenue growth over the next few years.

I would like to sincerely thank our customers, shareholders, employees, business partners, lenders, and the Board of Directors for their continued trust and support.

With that, I now hand over the call to our Chief Financial Officer, who will take you through the financial performance for the quarter in greater detail. Thank you.

Chirag Shah: Thank you, and good evening everyone.

The company maintained its strong growth momentum in Q1 FY27, reporting consolidated revenue of Rs. 308 crores. For the quarter, EBITDA stood at Rs. 74.42 crores, translating into an EBITDA margin of 24.2%.

The strong profitability was driven by higher volumes, a favorable product mix, improved operating leverage, and disciplined cost management across operations. Based on the current outlook, the company will endeavor to maintain current margins going forward. Profit after tax for the quarter stood at Rs. 36 crores, resulting in a PAT margin of 11.7%.

An important validation of our progress came during the quarter through the upgrades received from both CRISIL and ICRA, which upgraded our bank loan ratings from BBB+ to A-. Our net debt to EBITDA ratio improved to 1.86x as of June 30, 2026, compared with 3.75x at the end of Q4 FY26. This reflects the combined impact of higher operating earnings, improved profitability, and disciplined financial management.

We also achieved meaningful progress in working capital management. Our working capital cycle improved from 190 days to 143 days, supported by better inventory planning, improved receivables management, and tighter control over cash deployment.

During the quarter, we incurred capital expenditure of Rs. 18.73 crores, primarily towards ongoing expansion of our Pakhajan facility. As I highlighted earlier, we have increased our FY27 capital expenditure plan to Rs. 250 crores in order to support additional manufacturing capacities for upcoming product commercialization. To fund this expansion, the company expects to raise approximately Rs. 100 crores through borrowings during FY27.

Overall, the quarter demonstrates strong profitability, improved leverage metrics, better working capital efficiency, and a significantly stronger financial position. These improvements provide a solid foundation to support our next phase of growth while maintaining a balanced and disciplined approach to capital allocation.

With that, I conclude my remarks. We will now be happy to take your questions.

Thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Meet Katrodiya with Niveshaay. Please go ahead.

Meet Katrodiya: Yes. Congratulations, sir, on a good set of numbers. My question is, firstly on this quarter, we can see the benefit of the price revision we did in April and also some due to operating leverage right? So, is it possible for us to maintain a similar set of margins going forward? And let's say, why are you so much confident on sustaining the margins because, let's say, when we see normalization in the supply chain and the pricing, then also we will be able to maintain the margins?

Parag Jhaveri: Well, first and foremost, the company achieves a better performance for the selling higher quantity rather than the better realization of the old stock. So, let me clarify that that the company has achieved this with the right product mix, capacity utilization, which has helped us to leverage our all the facilities and not with the stock, what you are concerned. So, that gives us confidence.

Number two, we do have some commitment from our marquee customers, which is helping us to confidence to give the guidance that we will be able to maintain in the coming quarters also the similar EBITDA margins.

Meet Katrodiya: That is wonderful, sir. There was an additional offtake by a customer this quarter, right? So, you mentioned in the presentation. So, was any part of this offtake was preemptive buying by customers ahead of any anticipated tariff to empty the inventory that they were like in last year or this amount of volumes can be sustained from customers?

Parag Jhaveri: I have very well said that we have a customer commitment, and we are expecting the similar growth in coming quarters.

Meet Katrodiya: Got it. So, should I assume that volumes will even grow sequentially quarter-on-quarter?

Parag Jhaveri: It should grow.

Meet Katrodiya: One last question if I can ask.

Parag Jhaveri: Yes, go ahead.

Meet Katrodiya: You have also mentioned that we are falling into Asian and African geographies, right? And this is something new for us. So, what are the developments there? How are we expecting them from this geography? And if you can explain the margins compared to US and Europe in these geographies?

Parag Jhaveri: This is still we are developing the market. We just made some inroads in this market. And we see good results and customer acceptance to us. So, that is a good sign. And the margins are at par, I can say that, or maybe slightly lower, but nothing to be an alarming low side.

Meet Katrodiya: Yes. Got it. The export rate let's say 69% to 70% of the revenue in Q1, which is unusual. Usually, the export is towards higher side on Q4 and Q1 is a little bit deeper for us. So, should we assume that export mix will change in FY27 and FY28 towards 75%-80% or how are you seeing the export mix for the business?

Parag Jhaveri: I think we were in past also said that we are expecting export to go to 70%-75% range, not 85%-90%. I don't know how did you get that number? Let's not make presumptions. We don't make assumptions. We want to be on a grounded and we don't expect anything to go beyond 70%-75% exports. Can you allow somebody else to come in line?

Meet Katrodiya: Yes, sure.

Moderator: Thank you. Our next question comes from the line of Nishita Shanklesha with Sapphire Capital. Please go ahead.

Nishita Shanklesha: Yes. Congratulations on such good set of numbers. I just wanted a better understanding on the CAPEX that we are doing. So, you mentioned that the total CAPEX amount is going to be for Rs. 250 crores for the two buildings that we are going to build at the Pakhajan facility. So, just wanted to understand what are the products that we are going to manufacture there and like what is the opportunity size for those products. Also, what will be the total capacity for this additional CAPEX and what will be the revenue potential and peak utilization of this facility?

Parag Jhaveri: Well, currently, we already mentioned about Rs. 800 crores peak utilization as of the 31st March capacity. Going forward, we already given guidance for 2028 also that we are expecting to grow more than Rs. 1,600 crores. So, peak will be very high, but we need, we will take a time to ramp up the facility too. And the product what we are going to produce is all industrial chemicals that we intend to do here. A couple of existing products where the capacity will be increased and some new products have been introduced. So, that will be produced here. And as far as the capacity is concerned, I am not sure what capacity that we stop disclosing the actual capacity of the plants.

Nishita Shanklesha: Right. And we expect this facility to be operational by Q1 FY28?

Parag Jhaveri: Part of it will be FY28 and part will be somewhere in the last quarter of FY28. So, it will take a time because construction of building and then the machinery erection and stabilization will take at least from here minimum 15 months.

Nishita Shanklesha: Right. So, we are doing this in two phases. So, the 1st Phase will be operational by Q1, FY28 and the 2nd Phase will be operational by Q4, FY28. Is that understanding correct?

Parag Jhaveri: Yes, that's true.

Nishita Shanklesha: Right. So, if you can distribute the CAPEX also, like in the 1st Phase, how much CAPEX are we going to incur?

Parag Jhaveri: In the 1st Phase about Rs. 100 crores and 2nd Phase will be Rs. 150 crores.

Nishita Shanklesha: Okay. Yes. So, that is it for my side. Thank you so much.

Moderator: Thank you. Thank you. The next question comes from the line of Parth Agrawal from Bastion Research. Please go ahead.

Parth Agrawal: Thank you for the opportunity and congratulations on the good set of numbers. I have two questions. So, one is obviously you said on the margin that is sustainable level, but Parag Bhai, we have been asking this question for a long time and you always said it's between 17%-18% to 20%, but this quarter it's at around 20%-24% and you are saying that sustainable. So, I just want to understand what has really changed because historically we have always been said that this is the kind of range we were operating at.

Parag Jain: The first and foremost thing that changed is our leverage. The capacity utilization, which was at the 50% at the company level, it has gone to 65% with an increased capacity. Last year also we did some CAPEX. So, that has helped. Number two, the customer offtake has happened and the number three, the product mix has changed at some level. So, these three factors have helped us and the underlying factor is our strong R&D support to bring this product online and also to optimizing the, you know, the processes. So, that is, multiple factors are helping us to improve the margin, and we feel that now we should be able to maintain this margin going forward.

Parth Agrawal: Got it. And also, the new capacity that you are putting in, I remember that you have done some R&D sometime back and you said that a new molecule was under development and you will make an announcement around that soon. So, is this the new capacity that we are doing for that new molecule that is finally coming to the commercial stage?

Parag Jhaveri: Yes. Few are the new molecules and few for existing products.

Parth Agrawal: Got it. And is it on the Lube Additive side or is it more on Rubber Chemicals or something?

Parag Jhaveri: It will be on the Industrial Chemical side. Sorry to say that.

Moderator: Thank you. Our next question comes from the line of Pujan Shah with Molecule Venture. Please go ahead.

Pujan Shah: Hi, sir. Thanks for the opportunity. So, my first question pertains to the previous participant. So, just to understand, as we have been developing the new molecules, we always been expecting molecules size of around Rs. 50 crores to Rs. 100 crores. So, are these new molecules have been in the range or it has been more than that?

Parag Jhaveri: Initially, it will be in that range only. Once we will start pushing in the market, we will see how the response comes and then we will look further to increase the capacity or not. But to begin with, yes, that's the revenue what we are expecting from this new molecule.

Pujan Shah: Okay. Got it, sir. And so, we always, due to our Brownfield CAPEX, we were stating our asset turn would be around 2.5x to 3x as we commissioned our new plant in the same facility for at

Pakhajan. So, should we consider it in the same range of commissioning of Rs. 250 crores of CAPEX?

Parag Jhaveri: I think, yes, we will like to keep it 2.5x of the CAPEX. So, we should get the revenue. So, yes, that should be the fair assumption.

Pujan Shah: And capacity utilization for the new CAPEX will be around 65%-70% in FY29?

Parag Jhaveri: FY27, we are expecting to ramp up to 75% utilization.

Pujan Shah: No, no, I am talking about the new facility, which will come up.

Parag Jhaveri: New facility, yes, but see, end of the day, it will become as a combined capacity. We will not have a new or old capacity. Everything will become one capacity. So, we want to maintain a healthy run rate of 70%-75%. Then that gives us a boost to make further investment. Unless and until there is no point making investment. So, we start looking at a new investment once we cross 60%, 65% looking at. Before we touch the roof, we want to have additional capacity available already for us. So, that was our reason to start construction of the two buildings simultaneously. We know that the first building and third building are going to fill completely. And fourth building will have a number of products, which is in pipeline, somewhere at the approval level or some other level. So, we don't have to wait another 15 months for the capacity to come up.

Pujan Shah: Got it, sir, got it. And sir, in the new agreement, what we have been entering in FY28, are we seeing any green shoots from other MNC players also to get a contractual agreement for a long term or we are getting any inquiry for which we can have a stable revenue run rate like what we have in the MNC agreement?

Parag Jhaveri: I have already stated in my earlier opening remarks, that company has a commitment from many more marquee customers on a long-term supply arrangement. So, the one which we disclosed where the financial involvement is there. In the subsequent agreement, there is no financial involvement . So, we don't have a practice to disclose that. And also, we have a kind of NDA in place. So, we can't name the customer.

Pujan Shah: And my last question would be, have you seen any incremental capacity being added by any Chinese player which can impact our realization going forward? Do you see any dumping kind of a situation altogether or we are very sure about our realization will be stable from here on?

Parag Jhaveri: Well, again, again, I don't know. I am repeating again and again this answer. That's of 12 billion to 15 billion addressable market, we are aspire to become $200-$300 million. I don't see that as a challenge. And always the customers are looking for an alternate supply chain. So, that's not a challenge. We are not aiming immediately to go to $0.5 billion - $1 billion revenue. We are just talking about $200-$300 million revenue.

Pujan Shah: Got it, got it. Sir, last time we have talked about a price hike of 10% to 15 % which we are going to pass through. So, have we passed through that price hike because we have said that volume growth of 42% while our revenue has achieved 60% YoY. So, have we passed on the price hike or we are still retaining to keep our customers engaged?

Parag Jhaveri: No, generally we don't do that. We are very firm on our quarterly pricing with customers wherever we are quarterly pricing. So, that has helped us in the March prices as well. It has helped us in negotiation for the Q1 negotiation or wherever we have a 6-month negotiation. So, we had a lot of hint that which direction the raw material prices are going. And we could negotiate better with our customers.

Pujan Shah: Got it. And similar price has been there, right In April to June as well?

Parag Jhaveri: Yes.

Pujan Shah: So, there is no frequent change.

Parag Jhaveri; If you don't mind, can you come in a queue? So, let someone else also get a chance.

Pujan Shah: Sure, sure. Thank you.

Moderator: Thank you. Next question comes from the line of Amar Maurya with Lucky Investment. Please go ahead.

Amar Maurya: Hi, sir. Thanks a lot for the opportunity. Sir, what would be our revenue contribution from Pakhajan plant in this particular quarter?

Parag Jhaveri: Good question. Honestly, I need to check that. But it's a growing. Quarter-on-quarter revenue contribution is growing from the Pakhajan plant. Since I have only company-wise number, I don't have a unit-wise number.

Amar Maurya: But then when you say that this year as a whole, we are going to have a 75% kind of utilization level, that you are talking about the Pakhajan plant, correct?

Parag Jhaveri: No, I am talking about the Yasho.

Amar Maurya: Okay.

Parag Jhaveri: I am talking about the Yasho industry's capacity utilization. I am not talking about the single unit capacity utilization.

Amar Maurya: But then any idea, sir, how the Pakhajan plant utilization would be in this year as a whole?

Parag Jhaveri: Well, Pakhajan is doing quite well, very well. And that is supporting the overall growth of the company's utilization.

Amar Maurya: Okay, but then at the end of this year, we will be at 70% kind of utilization for a Pakhajan?

Parag Jhaveri: Again, I will say about Yasho at company-level utilization. I will not use the word Pakhajan.

Amar Maurya: Because our Vapi is more or less 95%-98%.

Parag Jhaveri: You can make assumptions. You can make assumptions. I will not make statements.

Amar Maurya: And is it like this quarter we have seen a 42% kind of volume growth, correct?

Parag Jhaveri: Yes.

Amar Maurya: So, there is a 17%-18% of price increase, so this price increase is likely to sustain?

Parag Jhaveri: Sir, this, as I said earlier, we pass through price every quarter-on-quarter. Generally our prices are based on raw material costing with our long-term suppliers or the marquee customers. It's not a market-driven price, but it's a formula-driven price. So, price goes up, we get better realization and price goes down, we have to reduce the price. It's as simple as that. Very simple theory here.

Amar Maurya: So, in this case, what happens here your EBITDA per kg remains constant or your EBITDA percentage remains constant?

Parag Jhaveri: EBITDA percentage remains constant, not per kg, but the percentage.

Amar Maurya: Percentage remains constant. Fine, fine. Done Thank you.

Moderator: Ladies and gentlemen, in order to ensure that the management will be able to answer all the questions from the participants, we request you to kindly limit your questions to two questions only per participant. If you have a follow-up question, please rejoin the queue. Our next question comes from the line of Disha Chamriya with Trinetra Asset Managers. Please go ahead.

Disha Chamriya: Am I audible, sir? Yes. Thank you so much for the opportunity. My line was disconnected, so maybe the question might have been answered, but can you tell me what is the utilization level across the key manufacturing facilities during Quarter 1?

Parag Jhaveri: You are not clear, or you have a lot of background noise. Can you just repeat your question, please?

Disha Chamriya: Yes. My question is, what is the utilization level across the key manufacturing facilities during Quarter 1?

Parag Jhaveri: It's about 60% to 65%.

Disha Chamriya: Got it. And one more question about the specialty product portfolio that we have. What is the revenue contribution from the product commercialized in the last 18 to 24 months, and what is the contribution that you think will be from these products in the next two to three years?

Parag Jhaveri: Well, I think we have gained over the last two years almost about 30% revenue contribution come from a new product line. So, we have grown from Rs. 600 crores to today Rs. 850 crores in last year. All that came from the new chemistry. And then we are expecting to ramping up further. So, we see whatever the growth will come is always only come from the new product chemistry. It will come from there. No doubt we launched this sometime product from a different plant, and then we scale it up depending on the market response. So, it's difficult to say how quickly, how soon, but whatever new realization will come will definitely come from the new chemistry only.

Disha Chamriya: Got it. And last question is from the medium-term growth perspective. Beyond this FY27, which business verticals like anti-oxidize or lubricant, aroma chemicals, specialty intermediaries, which one of these do you see as the largest contributor in the incremental revenue and profitability?

Parag Jhaveri: I think all our industrial chemical range will give us incremental growth. And we do expect to grow more than 90% in coming quarters.

Disha Chamriya: Got it, sir. Just one last question. Could we have top 5 or 10 contributors of our revenue number?

Parag Jhaveri: You mean to have a product-wise?

Disha Chamriya: No sir, revenue-wise.

Parag Jhaveri: I don't have customers' name. Sorry. Thank you.

Disha Chamriya: No, no. Top 5 customer contribution to the revenue, sir.

Parag Jhaveri: Well, top most customer will have a contribution of about 7% of the revenue.

Disha Chamriya: Got it.

Parag Jhaveri: Thank you, sir. Thank you.

Moderator: Thank you. Our next question comes from the line of Ajay with Nivasha. Ajay has left the queue. We will move forward to the next participant. Our next question comes from the line of Jainam Mandrecha with C9 Family Office. Please go ahead.

Jainam Mandrecha: Thank you for giving me the opportunity. Congratulations on good set of numbers. My question was I wanted to understand that lubricant as a business is very ICE-dependent. What my understanding is there is a huge use case of lubricants in ICE-specific vehicles. And now as EVs are sort of ramping up, this segment has some sort of terminal risk. But I just wanted to understand like in last quarter, also you have mentioned that we are moving more towards new opportunities. So, can you help me understand what percentage contribution is coming from these new opportunities and how does content or value per kg improves or how does that change once you move from existing product profile to product profile specific to these products, these applications?

Parag Jhaveri: Well, number one, there are only few new products that have been launched. So, the major growth is coming from an existing product. A new product will start adding, giving us revenue. But the churning of the product portfolio is helping us in the growth of the company. I can say that. And that will continuously, the product mix and also the growth in existing product. Once we utilize more and more capacity, the margin will be further improvised we expect that. When we leverage from 65% to 75% utilization, automatically the margin should improvise because that will cut down our costs. So, we expect that to continue.

Jainam Madrecha: Yes, sir. But I wanted to understand. This was a question for understanding to what sort of our business is dependent on ICE specific vehicles or ICE specific applications?

Parag Jhaveri: Well, honestly speaking, EV could be fit after 15-20 years. So, in 10 years' horizon, we don't see that as a threat.

Jainam Madrecha: Okay, sir. Next question is what we are seeing is there are huge amount of capacities coming in India across package players. Be it Infinium, be it Lubrizol. Like everyone is expanding capacity aggressively. But we are expecting our business to grow more on the export side. So, I just wanted to understand is it that all these domestic opportunities that are coming up, we are able to grab those opportunities and then we are able to get into the export business, which is sort of creating an opportunity in the export more than the domestic opportunity.

Parag Jhaveri: Well, it's always a different product which is sold in some other part of the world which may not be sold in the country. It all depends on the customer, what they want to buy from us. So, we cannot say that what we are looking. But we are seeing a more traction on an export side than the domestic side. But saying that also, our domestic sales are growing. It is not declining. Only the percentage shift is happening. But year-on-year there is a growth in domestic sales too. So, domestic sales is not flat. It's growing, but growing at a slow speed compared to the export sales.

Moderator: Our next question comes from the line of Rohit Sinha with Sunidhi Securities. Please go ahead.

Rohit Sinha: Yes. Thank you for taking my question, sir. One question. As you have indicated that (+30%) kind of growth you are seeing for the next 2-3 years. So, just wanted to know how the price volatility plays a role in this growth percentage which we are talking?

Parag Jhaveri: Well, again, let me address that now future growth is coming more from commitment from the customer rather than the spot selling. So, we are moving towards the contractual long-term supply agreement side more and more than the spot growth where the customer comes and buys on a weekly basis, monthly basis. So, here the margins remain stable because there is a formula on what we are working. So, that should remain stable to a more or so, but you can predict what will happen down the road in one or two years. But the kind of contract we are getting in has a formula and that is helping us to maintain our margins.

Rohit Sinha: And, sir, these contracts which we are having especially for the export market. What is the normal timeline when these contracts get revised on a December end or March ending kind of?

Parag Jhaveri: So, these contracts are maybe ongoing. We call it an evergreen unless and until we both decide to split. And here the pricing is three months or six months as well. And there are some fixed tenure contracts which are for two years, one year, like that also. So, we have multiple ways for the customer to decide how they want to proceed on the contract.

Rohit Sinha: Okay. And on the margin side, as you indicated that because of the better utilization, we have this sort of margin expansion, and this is looking sustainable. So, does that mean that further improvement in the utilization level might have some room for further margin expansion? Not in the near term, maybe next 1.5 years to 2 years?

Parag Jhaveri: Again, this is kind of our effort to achieve a better thing, but one can't promise. Tomorrow, how those things will play out in the market. What new crisis will crop up, no one knows. Since we are more and more getting into the global market, so we have to align with it. And we need to keep our eyes open. So, I don't want to say that, but I will say that we would like to maintain this market rather than to grow this margin. For me to maintain this margin for the next two or three years is very crucial. Then we will talk about going further from there.

Moderator: Thank you. Our next question comes from the line of Shivam Vashi with Inga Ventures. Please go ahead.

Shivam Vashi: Hi, good afternoon, sir. First up, congratulations on a great set of numbers for the quarter. So, your numbers suggest that whatever work you have been doing in terms of R&D also, over the last couple of years has paid off. And just picking up from your last quarter presentation where you mentioned that a good amount of investment was done in the R&D facility that has come up at Pakhajan plant. So, I just want to understand, can you share some few thoughts on your R&D? How from here on you will go about with new investments also done in the R&D?

Parag Jhaveri: Well, I think R&D is the backbone of the company. Not from today, but from the past. But we started investing more and more for the last five, six years in R&D. And looking at the opportunity, we have decided to scale up our facility at Pakhajan today. We have shut Vapi also. And we have diverted all the efforts to the Pakhajan facility. So, we will keep on investing there. We just started a pilot facility at Pakhajan to support R&D because the scaling up is very crucial.

So that we also invested quite a good amount of money. And we will not stop over there because there are a lot of good opportunities, the demand, the requests coming from customers for different chemistry. So, I think we are geared up for that. We are very well placed today in industrial segment, bear it with rubber, lubricant or some performance chemicals. All the segments, people has a request, new chemistry, something getting obsolete or something getting banned. So, our team is working continuously on that kind of a request and chemistry what is coming on our desk.

Shivam Vashi: So, sir, you mentioned you on getting new requests. It is the existing set of customers' request, and also do you find new customers, new inquiry, new set of customers telling you that is there. Can you work on new product line? A completely new set of customers come to you or it is only existing customers who largely interact with you at the R&D level?

Parag Jhaveri: No, a lot of time new set of customers comes looking at our chemistry profile, the process profile, what we understand, what we are doing. Based on that, a lot of times new customers come to us for the request. And that helps us to grow wider, spread our wings much more efficiently and help to maintain the steady growth.

Shivam Vashi: From this, is it safe to assume that the new marquee customers that you have mentioned, that you have acquired has come because of all these efforts that you have mentioned?

Parag Jhaveri: Absolutely, absolutely. They were looking at us, they were talking to us after they saw our Pakhajan facility. Then we invested into the R&D facility, the strength of our turnaround, everything is helping us to grow the business.

Shivam Vashi: Okay, great. Thank you so much, sir. This helps. Thank you.

Moderator: Next question comes from the line of Lovish Soien with Burman Capital Management. Please go ahead.

Lovish Soien: Hi, thank you for the opportunity. Sir, actually I wanted to just understand the margin expansion that we have seen this quarter a little better. I was seeing that the mix of industrial segment and exports are fairly stable over the last few quarters. So, is the margin expansion due to the fact that new industrial products that we have launched, are they better margin than the older products that we have or is it something entirely different?

Parag Jhaveri: No, you are right. The couple of products which we have launched in the last 12 months has a better margin and the offtake has increased. So, that is helping us to grow and improve the margin and also the capacity utilization. There are multiple reasons, but the major reason is the new product. And second is you are utilizing the facility to the optimal level on that side.

Lovish Soien: So, can you help us understand what could be the differential, I am not asking for any particular numbers, but if you can help us understand. If let's say X was 100 was the profit in old products, what could be the profit in our new products? Just to help us understand the scale of potential that we can have from these products.

Parag Jhaveri: Maybe about 10-12% difference.

Lovish Soien: So, you are saying that margins in these are 10%-12% better than the older products?

Parag Jhaveri: Yes.

Lovish Soien: And sir, I think you also mentioned that with long-term customers you are able to have better arrangements. And the share of the revenue that you have in the spot pricing is coming down. So, can you help us understand how much would that be this quarter versus let's say last few quarters because that could also be a significant margin improvement over the next few quarters as well.

Parag Jhaveri: I think in the past we used to be in the range of about 30%-40%. We have grown to more than 50% today as a long-term quarterly base or 6-monthly or yearly base pricing customer.

Lovish Soien: Understood. And I think sir, I heard that you mentioned that industrial chemicals would be 90% of revenue going forward. Just wanted to understand if I heard that correctly.

Parag Jhaveri: Yes, that's true. See, here also, besides this margin, also helping us our two subsidiaries which is getting settled very well. Europe, we started before three years I think so. And now we have two of our own employees stationed there. They are helping to grow business and establish. Now people know that the Yasho's European people are running the show. And in USA, we started at the wrong time. We had a tariff issue, tariff is gone. So, USA subsidiary is also picking up quite well on the sales side. So, this effort is also giving a boost to growth.

Lovish Soien: Got it, sir. Thank you, sir, for the opportunity to answer. All the best for the future. Thank you.

Moderator: Thank you. Our next question comes from the line of Amar Maurya with Lucky Investment. Please go ahead.

Amar Maurya: Hi, sir. Thanks a lot for the opportunity again. Now, your guidance of Rs. 1600 crores, does not include these two buildings which are going to get commission in FY28, right?

Parag Jhaveri: No.

Amar Maurya: One is at the starting of the year. So, typically when you say Rs. 100 crores of Q1 1st Phase CAPEX, so normally you have 2x kind of asset turn. So, that is the kind of revenue potential for the building one?

Parag Jhaveri: Yes, somewhere of that scale.

Amar Maurya: Got it. And for these two buildings, you already have the customers identified. Things are contracted there as well, right?

Parag Jhaveri: Customers identified and commitments are there.

Amar Maurya: So, basically once the facility comes, it can go to a minimal utilization very fast given that the customers are already lined up.

Parag Jhaveri: Yes.

Amar Maurya: So, typically then in this case, your guidance will increase. There is an upside risk which we have because of these two facilities commissioning and utilizing faster, right?

Parag Jhaveri: Absolutely. So, that's the whole key thing, how quickly we can start construction and commissioning the plant. That's very, very good for us. Very, very good for us. And you can see the growth coming from FY29. Real growth coming from FY29.

Amar Maurya: Correct.

Moderator: Thank you. Our next question comes from the line of Aman Thadani with Solidarity Investment Managers. Please go ahead.

Aman Thadani: Thank you for the opportunity and many congratulations to the Yasho team for a great set of numbers. So, my first question is that in the investor presentation, you had alluded that there was some additional offtake from existing customers and that additional offtake will keep on continuing over the next few quarters as well. So, it seems a bit structural in nature now, which indicates that Yasho is gaining credibility very fast. So, just wanted to understand that whom are we gaining market share from? And a follow up to that would be which export market is really driving this growth?

Parag Jhaveri: Well, honestly, whom I am gaining, I don't know. Okay, whom we are replacing, I don't have any clue. But yes, I can say that the market what we are gaining is in the USA, which we were a bit slow because of the tariff issues last year. So, once tariff has gone, our sales to the US has increased sizably. Also, our sales in different territories like the Middle East and other, our Europe is also growing quite well. So, all the territories where we were present has started growing very well on that part of it. And also, we are making inroads to the couple of Asian and African market, which was dominantly controlled by our Asian major players. So, yes, we are gaining the traction there also.

Aman Thadani: Got it. So, my second question is now given the war situation, and the macro is really uncertain. So, are you facing any inventory procurement risk? And how do you think about keeping sufficient inventory level so that maybe production doesn't get disrupted because this quarter, I think the working capital has really come down. So, just wanted to understand from that angle from you.

Parag Jhaveri: I would say honestly then the inventory base came down, probably we did not have sufficient raw material coming in. We are facing a genuine supply issue on our raw material side. Also, we are facing an issue on our export side where we don't get the booking of our containers. So, we sometimes have to wait for three weeks, four weeks' time as that becomes a longer period gestation. So, there is not enough ships available, not enough booking available. So, it's a challenging time for us. And we are working hard to ensure that we have sufficient raw material in our factory. And our team is, I will say, working hard, but they are struggling a lot for day to day, which was not the case. Also, our logistics team is struggling in getting export container booking, which is also a challenge lately. So, there are a lot of challenges. That is why I have thanked my team that they really worked hard in this difficult time and helping us to ensure that we fulfill our customers' requirements.

Aman Thadani: Got it. I will get back in the queue and many congratulations again to the team. Thank you so much for answering the questions. Thank you.

Moderator: Our next question comes from the line of Subhanu with 3 X Capital. Please go ahead.

Subhanu: And great set of numbers. I have just a couple of clarification questions. Like, sir, you revised your CAPEX guidance from Rs. 125 CR to Rs. 250 CR. And you want Rs. 1,600 crores revenue guidance without excluding the next Rs. 125 CR guidance. Am I right?

Parag Jhaveri: Yes.

Subhanu: And what will be the total revenue potential of total Rs. 250 CR CAPEX guidance?

Parag Jhaveri: 2.5x.

Subhanu: Okay, great. And what was the revenue growth in Q1 FY27 in the domestic market?

Parag Jhaveri: About 10%.

Subhanu: That means our total growth comes from export market.

Parag Jhaveri: Yes, sir. I won't say total growth. Major growth comes from export market.

Subhanu: Okay. And my next question on our delivery time. In the last call, you mentioned our delivery time increased by around 8 to 10 weeks. And what was that delivery time in last July?

Parag Jhaveri: Same.

Subhanu: Same?

Parag Jhaveri: Yes.

Moderator: Our next question comes from the line of Dakshesh Gupta, an Individual Investor. Please go ahead.

Dakshesh Gupta: Yes, sir. Sir, first of all, congratulations on the great set of numbers. Really applaud that. I wanted to ask, as you ramp up your utilization from 60% currently to 75% in the year ahead, is the 24%, 25% possibility of margins?

Parag Jhaveri: I think we should be able to maintain this margin for FY27. We will try our best to maintain this margin.

Dakshesh Gupta: And sir, just a follow-up on an earlier participant question. As you said that Pakhajan facility 1st Phase will come online from Q1 of FY28. And Rs. 1600 crores of guidance do not include the additional revenue that we get from it. Am I correct?

Parag Jhaveri: Yes.

Dakshesh Gupta: And so, is it fair to assume that using 50% of the capacity of the Phase-1 in FY28, we should be able to get Rs. 100 crores revenue from it in FY28?

Parag Jhaveri: We will try our best to get that. We will try our best to get that.

Dakshesh Gupta: And sir, just wanted to ask another question that we have our customers lined up for the new facilities that will be coming online. We do not have to search for customers to fill our capacities. Am I right?

Parag Jhaveri: Up to 60%-65% we have customers. To balance, we need to search.

Dakshesh Gupta: Of the complete Rs. 250 crores CAPEX, 65% we are booked.

Parag Jhaveri: Yes, sir.

Dakshesh Gupta: Okay, sir. Congratulations and hope that you will perform better. Thank you, sir.

Moderator: Thank you. Next question comes from the line of Rikin Shah with the Boring AMC. Please go ahead.

Rikin Shah: Hi, thanks for taking my question. Congrats on an amazing set of numbers. My question is, I am trying to understand the broader stories or growth landscape from yours. So, we have invested a lot of our time and R&D and effort in the industrial side, and we are finally reaping the benefits of that. But a few years down the line, when we truly make that space of achieving 200-300 million size in the lube additives market, what sort of investments or things we are doing today to tackle newer chemistries or other areas of growth apart from the Lube Additive side.

Parag Jhaveri: Well, this Rs. 250 crores is not meant for lube alone. It will be meant for the mix of chemistry, which is a part of our industrial chemicals. So, for us, lube is no doubt a significant segment, but it is not the only segment. So, we are putting emphasis on a lot of different chemistry. Similar chemistry process-wise, we are working on it. So, R&D is always working on a new opportunity which comes on our desk either through new customers or from a set of existing customers, we can do that. So, we very much believe in the diversification of our range that can help us to sustain in case something happens in one of the segments, other segments keep us floating. And that has helped the company to grow in the last 30 years. We started with specialty, then went to food, aroma, rubber, lubricants. Again, now we split into two. So, that keeps on growing. And that's why diversification helps us.

Rikin Shah: That's all from my side. Thank you. Thank you.

Moderator: Ladies and gentlemen, that was the last question for today. I now hand the conference over to the Management for the closing remarks. Thank you and over to you, Team.

Parag Jhaveri: Thank you very much, ladies and gentlemen, for attending today's call. I appreciate the time. Have a good day.

Moderator: Thank you so much, sir. Ladies and gentlemen, on behalf of Yasho Industries Limited, that concludes today's conference call. Thank you for joining us and you may now disconnect your lines.