JG CHEMICALS

13th August, 2026

To,
National Stock Exchange of India Ltd,
Exchange Plaza, C-1, Block-G
Bandra – Kurla Complex,
Mumbai – 400051
NSE Code – JGCHEM

To,
BSE Ltd.,
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai – 400001
BSE Code – 544138

Dear Sir(s)/Madam,

Sub: Transcript of Earnings Conference Call for Financial Performance for the 1st Quarter ended June 30, 2026 held on Monday, August 10, 2026.

Further to our letters dated August 10, 2026 and pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions of the SEBI Listing Regulations, we are enclosing the transcript of the earnings conference call for the Financial Performance of the 1st Quarter ended June 30, 2026 held on August 10, 2026 at 11.00 Hrs (IST).

This information will also be available on the Company's website at www.jgchem.com.

This is for your information and records.

Thanking you,

Yours faithfully,

For **J.G.Chemicals Limited**

SWATI PODDAR
Digitally signed by SWATI PODDAR
Date: 2026.08.13 11:20:33 +05'30'

Swati Poddar
Company Secretary and Compliance Officer

"JG Chemicals Limited
Q1 FY27 Earnings Conference Call"
August 10, 2026

MANAGEMENT: **MR. ANIRUDH JHUNJHUNWALA – MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER – JG CHEMICALS LIMITED**
MR. ANUJ JHUNJHUNWALA – WHOLE-TIME DIRECTOR AND CHIEF FINANCIAL OFFICER – JG CHEMICALS LIMITED
MR. AMIT AGARWAL – GENERAL MANAGER, ACCOUNTS & FINANCE – JG CHEMICALS LIMITED

MODERATOR: **MR. NAVIN AGARWAL – SKP SECURITIES LIMITED**

Moderator: Good morning, ladies and gentlemen. Welcome to the JG Chemicals Limited Q1 FY27 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode. There will be an opportunity for you to ask questions after the management's opening remarks. Should you need assistance during the conference call, please signal an operator by pressing star, then zero on your touch-tone phone. Please note that this conference is being recorded.

I will now hand the conference over to Mr. Navin Agrawal, Head, Institutional Equities at SKP Securities Limited. Thank you, and over to you, sir.

Navin Agrawal: Good morning, ladies and gentlemen. My apologies for the delayed start, it was on technical grounds. It's my pleasure to welcome you on behalf of JG Chemicals and SKP Securities to this financial results conference call. We have with us Mr. Anirudh Jhunjhunwala, MD and CEO; Mr. Anuj Jhunjhunwala, Whole-Time Director and CFO; Mr. Amit Agarwal, General Manager, Accounts and Finance.

We'll have the opening remarks by Mr. Anirudh Jhunjhunwala, followed by a Q&A session. Thank you, and over to you, Mr. Jhunjhunwala.

Anirudh Jhunjhunwala: Thank you so much. A very good morning to everyone and a warm welcome to JG Chemicals' earnings call for the first quarter of the financial year 2027. We sincerely appreciate the time all of you have set aside to join us today.

However, before I begin, I would like to take a moment to express our deepest condolences on the sad and very untimely demise of Shri Ashok Bhandari-ji, Independent Director of our company, who passed away on 3rd August 2026.

Mr. Bhandari was an integral part of the company's leadership and made valuable contributions through his wisdom, experience, and guidance. His passing is an irretrievable loss to the company. On behalf of the Board and the management, I extend our heartfelt condolences and deepest sympathies to the bereaved family.

As we begin the new financial year, I am pleased to share that the company has started on a very strong note. JGC delivered its best-ever quarterly performance in Q1 FY27, continuing the strong momentum established in FY26. We witnessed strong demand across our end-user applications with revenue, EBITDA, and PAT each reaching all-time new highs quarterly. This performance reflects disciplined execution and favorable demand conditions, and we are also seeing this momentum continue into the current quarter as we sail through that.

Let me take you through the key operational and strategic developments. By way of a brief introduction of our company, JG Chemicals Limited is the largest zinc oxide manufacturer in India and also the country's largest zinc recycler. Globally, we count ourselves amongst the top five zinc oxide producers. Our product today finds application across a wide spectrum of industries including rubber, tire, ceramics, paints, coatings, pharmaceuticals, cosmetics, agriculture, electronics, EVs, and also a wide range of specialty chemical applications.

Today, our customer franchise extends to more than 200 domestic customers and over 50 international customers. And we are proud today to supply to every Indian major tire manufacturer and also to 9 out of the top world's 10 global tire companies. Our manufacturing is anchored at our facilities in West Bengal and Andhra Pradesh, which together today command an installed capacity of close to 70,000 metric tons per annum.

With the addition of Gujarat project targeted for commissioning in Q3 FY27, and once both phases of the Dahej plant are on stream, our combined zinc chemical capacity will exceed 1,15,000 metric tons per annum, a scale that would position us amongst the top three zinc chemical producers globally.

Let me now take you through some other strategic developments of the quarter. As far as product development and R&D is concerned, tailor-made product development remains the cornerstone of our business, with over 90 specialized grades of zinc oxide developed to meet diverse customer requirements.

During this quarter, we introduced a new grade, which is called the LabPure zinc oxide, a high-purity grade for analytical reagent application. We also introduced JG-ZRA, a zinc oxide rubber activator designed for specific non-tire customer requirements with strong demand and export potential.

We are also at an advanced stage of acquiring a patent for another chemical jointly developed with the premier research institute in India, offering improved processability, superior cure characteristics, and also easy handling.

Further strengthening our innovation capabilities, recently the R&D center at our Naidupeta plant was inaugurated, supporting new product development, polymer testing, and enhanced product quality across the rubber, cosmetic, agriculture, and other end-user industries.

Coming to sustainability, our Naidupeta facility continues to be a structural differentiator, being the only IATF certified zinc oxide facility and also holding WHO GMP accreditation along with several Pharmacopoeia certifications. Sustainability and circularity remain deeply embedded in our operations, with our recycled zinc-led model well positioned as the tire industry sharpens its focus on green chemicals.

Phase 1 of our Naidupeta solar power project is operational, with further ESG initiatives under evaluation. The brownfield expansion at our Naidupeta facility is also progressing well in parallel, and we expect to commission that also in the Q3 of the current financial year.

Coming to recycled rubber project, the recycled rubber project has now been branded as JG TUR, which means tire upscaled rubber. The pilot trials have received a very good response from our key customers, and we are working with them to further enhance product development and optimization. In parallel, the company is also working on a detailed commercial plan for the project with capex, capacity, timelines, and revenue potential, which shall be shared at an appropriate time.

Coming to the Dahej greenfield capacity expansion in Gujarat, the company is progressing well with its 40,000 plus MTA zinc greenfield chemical facility in Dahej. The civil work is in advanced stages and equipment installation is already underway. With an investment of about INR100 crores, the estimated revenue potential will be INR900 crores.

Phase 1 of the zinc oxide production is targeted for commissioning, as I mentioned, in Q3 FY27. Once operational and stabilized, the facility will strengthen JGC's presence in Western India, enable deeper penetration into high-growth non-rubber segments such as ceramics, specialty chemicals, pharmaceuticals, and agriculture. This will support further margin expansion through higher value-added products and improved product mix.

Recently, the company has also proposed to incorporate BDJ Materials and Metal Trading FZCO in Dubai, UAE, which upon incorporation will become a wholly owned subsidiary of BDJ Oxides Private Limited, a material subsidiary of JG Chemicals, and consequently a step-down wholly-owned subsidiary of JG Chemicals Limited.

The entity will focus on sourcing raw materials for the principal and also help in sale and distribution of finished goods in the global market, further strengthening the company's global reach and distribution capabilities for both selling and sourcing.

Let me now share our perspectives on the industry that we operate in. As far as demand is concerned, our customers, the tire and the rubber, remain the largest pillar of our business, and demand momentum across the tire industry remained robust through the previous quarter and Q4 ending FY26, and this has continued into the current quarter also.

As per ATMA, the Q1 FY27 saw volume growth across major vehicle categories: passenger vehicles growing up to 26.6%, two-wheelers 16.5%, commercial vehicles 16.48%, and three-wheelers more than 11% year-on-year.

Strong demand from OEMs coupled with healthy replacement demand is expected to support future growth. We are also seeing a trend of several large OEMs expanding their production capacity in India to serve both the domestic and the export market.

As far as the tire industry capex is concerned, Indian tire majors are expanding their capacities to cater to this demand, with approximately INR25,000 crores of capex already announced by leading tire manufacturers, and to this, roughly today 25% of the tires produced in India are being exported. When the tire industry invests, JG Chemicals is a direct beneficiary, and our customers today continue to operate at high capacity utilization, which is very encouraging.

As far as raw material security is concerned, despite the ongoing global supply chain disruption, which has been quite severe over the last quarter because of the war, etcetera. However, JGC's scale, financial strength, and the long-standing supplier relationships have ensured that your company has had uninterrupted supply of raw material, enabling us to maintain a continuous supply to our extremely wide customer base.

As far as the non-rubber applications are concerned, outside the rubber and tire, we continue to see encouraging traction in the non-rubber segment such as pharmaceuticals, ceramics, specialty chemicals, and agri. Our focus on product customization and customer-specific solution continues to strengthen these partnerships.

However, a more meaningful step up of our non-rubber share will come once the Dahej facility is commissioned, given that a significant portion of non-rubber consumption is concentrated in Western India, particularly the Gujarat belt.

Taken as a whole, we remain extremely confident about the long-term prospects of the zinc chemical business, supported by our deep customer relationships, continuous product innovation, and sustainability-led approach. Going forward, our focus will remain on expanding our product portfolio, deepening our presence in domestic and global markets, diversifying customer application across end-user industries, and also ramping up our zinc sulphate business and expanding into new geographies.

Together with our capacity expansion roadmap, these initiatives position JGC strongly to drive sustainable growth, enhance value creation, and capture a significant share of the opportunity that lies ahead.

With these opening remarks, I would now request our CFO, Mr. Anuj Jhunjhunwala, to take you through the financial highlights of the quarter. Over to you, Anuj.

Anuj Jhunjhunwala: Thank you. Good morning once again, everyone. And I will now walk you through our financial performance for the first quarter of the current financial year. I am pleased to share that in this current quarter, your company witnessed its highest-ever quarterly sales, EBITDA, and PAT.

For Q1 FY27, our consolidated revenue from operations stood at INR315.7 crores, registering a year-on-year growth of 44.8% and increasing 10.3% sequentially over Q4 FY26. This strong performance during the quarter was driven by favorable demand conditions across our end-user applications and supported by disciplined execution.

We are continuing to witness strong demand in the current quarter as well and expect higher sales in the current quarter. These factors collectively enhanced operated leverage and supported the movement in EBITDA margins as well.

The EBITDA for the current quarter was INR36.3 crores with a margin of 11.5% as compared to 10.64% in the corresponding quarter last year. The PAT for the quarter was INR26.1 crores with a PAT margin of 8.27% as compared to 7.52% in Q1 FY26.

As we had mentioned earlier, the ongoing geopolitical conflict had impacted global supply chains for Zinc Dross, which is our primary raw material. But the company's strong supply chain relationships have ensured continuous supply of its key raw material and fulfilling all its customer requirements.

We remain optimistic that the demand momentum will sustain throughout the year, and with the new greenfield Gujarat plant and the Naidupeta brownfield capacities getting commissioned in Q3, JGC remains well-entrenched to cater to the increased demand going forward.

Thank you, ladies and gentlemen, and we would like to now open the floor for the Q&A session.

Moderator: Thank you. We take the first question from the line of Harsh Motika from SKP Securities Limited. Please go ahead.

Harsh Motika: Good morning, sir. Congratulations on a record quarter. Sir, while we do see that the revenue has grown by 44-odd percent Y-o-Y, can you please point out how the utilization stood during the quarter and what sort of volume growth did we witness across our product categories?

Anuj Jhunjhunwala: So, the utilization levels are in early 80s right now as we speak. And the volume growth was in double digits for the current quarter.

Harsh Motika: Sir, when you say double digits, is it across categories or is it largely for zinc oxide?

Anuj Jhunjhunwala: Across categories. When we say this, it's generally across categories.

Harsh Motika: Okay. And sir, as far as EBITDA is concerned, we again had a record EBITDA this quarter and a great margin at 10.6%. But how much of this can be attributed to the inventory gains that the management had been pointing out for the past quarters and how much of this is reversible?

Anuj Jhunjhunwala: So, you see, we have always maintained that in our industry, the EBITDA margins would be in the range of 10% to 12%, and going forward, we will have higher margins because of higher value-added products. And even in the current quarter as we speak, the share of specialized applications and higher-priced customer orders had increased.

So, it is a function of operating leverage, it is a function of higher-priced and higher-margin orders, and plus a small amount of inventory gains which accrued during the current quarter. I would say, structurally, our EBITDA should be in this range going forward, and as we have just highlighted a short while back, with the launch of newer products and more customized applications, the margin should inch up going forward.

Harsh Motika: Okay. Thank you, sir. And sir, on the capex side, so the Dahej plant is supposed to come up in Q3 of this year, as per the presentation. So, sir, should we expect this to come up early in Q3 or will it be more towards the end of the calendar year?

Anuj Jhunjhunwala: I would say, it will be sometime in November would be a good estimate.

Harsh Motika: Okay. Thank you, sir. I'll join the queue again for questions.

Moderator: Thank you. We take the next question from the line of Vinit Thakur from Plus91 Asset Management. Please go ahead.

Vinit Thakur: Good morning, sir, and congratulations for getting good sets of numbers. I have few set of questions. How has you started seeding the ceramic market ahead of the hedge commission?

Anirudh Jhunjhunwala: Yes. So, as we mentioned earlier also, the company has been seeding the ceramic market for the last year or so, or maybe slightly more. And we are well -- we've already established good customer relationships.

Now, it is only dependent on the facility there. Once the facility starts, we expect that the ramp up of production to the ceramic business should go up quite quickly. So, we have already started to seed the market and we are seeing encouraging results because customers there are also looking for us to set up a facility there and service them more closely.

Vinit Thakur: Okay. And how long does customer approvals typically take in ceramic industries? And how is the ceramic approval process compared to the tire industry?

Anirudh Jhunjhunwala: So, as we mentioned earlier also, we have already started to seed the market. So, customers are aware of us. Relationships have already been established. And as far as your specific question, which relates to the difference in the approval process between say, a tire and a ceramic approval process is fairly quicker. It should be roughly in the range of 1 to 3 months. It should be possible, more so because we have already established customer contact from before.

Vinit Thakur: Okay. And approval process comes to the tire industry?

Anirudh Jhunjhunwala: Tire industry remains to approximately 5 years. Approval process is in the tire industry.

Vinit Thakur: Okay. Thank you. I will join the queue again.

Moderator: Thank you. We take the next question from the line of Disha from Sapphire Capital. Please go ahead.

Disha: Hello? Am I audible, sir?

Anuj Jhunjhunwala: Yes, please.

Disha: Yes. Thank you so much for this opportunity. So, sir, you mentioned the volume growth this quarter has been double-digit. So, sir, we've seen a fair increase in our realizations. So, do we expect these realizations to sustain, and when do we expect this normalization to begin?

Anuj Jhunjhunwala: I think the new normal in terms of realizations because the prices of all commodities have increased. Zinc is also gone up in Q1, and I don't see any reason why commodity prices would go down in the near future. I would say this would be the new normal going ahead.

Disha: And sir, what was in the -- will it be possible for you to quantify the inventory gain that we had this quarter?

Anuj Jhunjhunwala: No, it's difficult for us to quantify this number, but I would say it's not been that significant. I mean, the margin improvement is a function of a lot of other factors which I outlined earlier.

Disha: Because of the higher-price orders and the increase in the specialized applications, I think these were the reasons?

Anuj Jhunjhunwala: In the current quarter is also seeing the same traction.

Disha: Okay, okay. That is very good to hear, sir. So, sir, the Dahej plant which you're expecting to come up in November, just wanted to understand a bit more on the ramp up. What sort of utilization are we targeting for this year and for the next year?

Anuj Jhunjhunwala: This year if you assume about 3-4 months of utilization, obviously the utilization numbers would not be very high vis-a-vis the capacity. But I would say when we talk about next financial year, which is the first full year of operations, we should be looking at minimum 50% to 60%.

Disha: And the next in FY27, we'd expect to reach the peak?

Anuj Jhunjhunwala: Yes, I mean, ideally yes, by then we would start the Phase 2 expansion.

Disha: Okay, okay. So, any sort of color if you could provide us to how much capacity you'll be adding, or is it too early to comment on that at this time?

Anuj Jhunjhunwala: No, we've already indicated that the total capacity that is being added is about 40,000 tons, and in the first phase, it would be in the range of 15,000 tons to 17,000 tons.

Disha: Okay, okay. And sir, with this, the margin expansion that you said because of the higher value-add products, expect the margins to go up to 13% to 14%. Can we expect to reach this mark by FY29?

Anuj Jhunjhunwala: Yes, I think so.

Disha: Okay, okay. That is it from my side. I'll get back in the queue. Thank you.

Moderator: Thank you. We take the next question from the line of Bimal Panchal from Bimal Panchal & Associates. Please go ahead.

Bimal Panchal: Hello.

Anuj Jhunjhunwala: Hello, Bimal. Please go ahead.

Bimal Panchal: Yes. Good morning, sir. Yes, congratulations for the good set of numbers. One of the prominent shareholders is Massachusetts Institute of Technology. Can you tell us how they have acquired shares of our company?

Anuj Jhunjhunwala: Could you repeat your question again?

Bimal Panchal: One of the prominent shareholders in FII category is Massachusetts Institute of Technology. So, can you just tell us how they have acquired, what is the story behind how they acquired?

Anuj Jhunjhunwala: They were one of the anchor investors in the IPO. So, they have been invested in the company since day one.

Bimal Panchal: They are anchor investors, okay. Okay, now, what will be the payback period for the Dahej project and what is expected ROI?

Anuj Jhunjhunwala: Usually in our company, we always look at a payback period of 3 to 4 years, and I think in our past, in the past, we have always been able to achieve that. So, going forward, our target for the Dahej plant as well as other capex plans that are currently being contemplated is in the range of 3 to 4 years, mostly.

Bimal Panchal: And what is expected ROCE from that?

Anuj Jhunjhunwala: So, ROCE would be in the mid-20s. So, basically if you want a payback in 4 years, So, you have to generate a return of 20%-25% annually; only then will you get the payback in four years.

Bimal Panchal: Okay. And what is the company's volume growth outlook for the current year?

Anuj Jhunjhunwala: As we've indicated, the volume growth has been in mid-teens for the current quarter.

Bimal Panchal: Okay, right. Okay, there are some questions, I will come again. Thank you, bye.

Moderator: Thank you. We take the next question from the line of Deepesh J Sancheti from Maanya Finance. Please go ahead.

Deepesh J Sancheti: Hi. Am I audible?

Anuj Jhunjhunwala: Yes, please.

Deepesh J Sancheti: Yes. Okay. How much additional capacity will be unlocked through the Naidupeta debottlenecking, and what is the capex being done for the same? And how much is left to be done?

Anuj Jhunjhunwala: So, the total capacity being added is about 5,000 tons. On the exact capex figure, I'll need to check because a lot of utilities, etcetera, have been already been created beforehand, and over the last few years, we've been building certain capabilities every year. So, exactly the number I'll need to check and come back to you.

Deepesh J Sancheti: Okay. And what is the utilization which is expected at Dahej in FY28, and how quickly can Dahej ramp up to its fully achievable capacity?

Anuj Jhunjhunwala: So, I just mentioned in the previous question that in FY28, we expect a utilization of 50% to 60% minimum, and the following year, we expect to be in the in the 70s range, and by then we would start the expansion of Phase 2. So, every year, we'll keep on adding capacity depending on market situation.

Deepesh J Sancheti: Right. And with these higher prices of zinc specifically, how does it affect our EBITDA margin, or what is the effect of this volatility?

Anuj Jhunjhunwala: We are neutral to zinc prices, if you ask me honestly. So, whether zinc is at 3,000 or 3,500 or 3,600, it really doesn't matter to us.

Deepesh J Sancheti: Right. And how do you plan to leverage the certificates to expand into pharma and specialty chemicals?

Anirudh Jhunjhunwala: So, our plans, over the years we've acquired these certificates, and once our foray happens into Gujarat, with the Dahej facility also, we would have these certifications. So, basically these certifications create a differentiation factor. So, when the customer in India, he does not have option to deal with zinc oxide producers with these certifications.

So obviously the level of confidence increases. More so, these certifications also come in use for global exports, because those companies are surely looking at these, and these are the minimum benchmarks they create to approve a supplier.

Deepesh J Sancheti: Right. And what is the percentage of exports of your total sales?

Anirudh Jhunjhunwala: Today, it would be between 10% and 15%.

Deepesh J Sancheti: And going ahead, maybe FY28, FY29, once the capacities actually come in?

Anirudh Jhunjhunwala: Similar, about 15% and try to inch up.

Deepesh J Sancheti: Right. Thank you so much.

Moderator: Thank you. We take the next question from the line of Jayam Birawat from YES Securities. Please go ahead.

Jayam Birawat: Thank you so much for the opportunity. Couple of questions from my end. Firstly, how much capacity is expected to come in the Phase 1 of the Dahej project, and what will be its contribution to the margins once it's operational?

Anirudh Jhunjhunwala: Phase 1, as I just mentioned in the previous question, would be in the range of 15,000 to 17,000 tons per annum, and the revenue potential would be in the range of INR300 crores to INR400 crores, and the EBITDA margins that we expect to generate from that project would be in the 11% to 12% range.

Jayam Birawat: Okay, okay. And can you please help me with the capex number for the Q1 and how much capex will be done in the remaining 9 months of FY27?

Anuj Jhunjhunwala: I'll come back to you offline on the number. I don't have the number readily available with me on the exact capex which has been done in this current quarter.

Jayam Birawat: Okay, okay. And for the 9 months of '27? Remaining 9 months?

Anuj Jhunjhunwala: I'll come back to you offline on both these numbers.

Jayam Birawat: Okay, okay. No worries. Secondly, I wanted to understand what EBITDA margins can the company achieve as the share of value-added products increases going forward?

Anuj Jhunjhunwala: So, going forward, our target would be to get to an EBITDA margin level of about 14% to 15% with the higher share of value-added products that we are foraying into now.

Jayam Birawat: Okay, okay. And the last question from my end, what's the company's long-term strategy for increase in the contribution from the non-rubber applications segment?

Anirudh Jhunjhunwala: So, as we've always maintained that rubber and tire continue to be our mainstay, and this is a good segment to operate in. So, the company would be taking all efforts to increase and keep harnessing the potential of this sector. But at the same time, the Indian market is witnessing and also throwing open a lot of other sectors which is which are more value-accredited.

And the company, is this Gujarat facility is very well positioned to capture that demand. So, moving forward, with the starting of the Gujarat facility, this segment will grow probably at a much faster pace than the rubber and the tire, and hence the overall contribution of non-rubber segment will be higher than what it is today.

Plus, the company is also foraying into new products, like we just mentioned, which is about devulc rubber, etcetera. So, these would obviously be in the tire and the rubber segment, but it would be a completely different line of the business, so it will be very different from zinc oxide. So, those, as I mentioned, rubber and tire will grow, but because other segments are also growing very well in India, our overall share of that segment will increase going forward.

Jayam Birawat: Okay, okay. Thank you so much.

Moderator: Thank you. We take the next question from the line of Vinit Thakur from Plus91 Asset Management. Please go ahead.

Vinit Thakur: Yes. So, what are the key operational challenges in scaling a ceramic business? And at what utilization levels did JG consider further capacity expansion?

Anirudh Jhunjhunwala: So, there are no real challenges for the ceramic applications, because as I mentioned, we're already seeding the market, and it's a grade which is not difficult considering our expertise in the zinc oxide manufacturing. We've been doing this for decades, and the product portfolio that we currently have, we are making much, much higher grades than the ceramic grades, so this will not be a challenge. And as we've always maintained that once we hit the late 70s and early 80s is the time when we start looking at further capex.

Vinit Thakur: Okay. And what is the expected customer mix at Dahej facility?

Anirudh Jhunjhunwala: Sorry? Come again.

Vinit Thakur: What is the expected customer mix? Hello?

Anirudh Jhunjhunwala: So, we will continue to cater to the tire industry, the ceramic industry, the agriculture, the specialty chemical. It'll be a mix of everything, because Gujarat has very large customers in all segments. But tire would be about 60% of it, and 40% would be others. Just to give you an indication, two of the largest tire companies in India are located at a distance of less than 10 kilometers to 15 kilometers from our plant. So, obviously tire would continue to be an important contributor.

Vinit Thakur: Okay. Thank you.

Moderator: Thank you. We take the next question from the line of Deep Gandhi from Ithought PMS. Please go ahead.

Deep Gandhi: Yes. Hi, sir. Congratulations on great numbers. So, first is, I mean, as you mentioned that the reason for margin improvement was higher share of non-rubber this year. So, I mean, if you can quantify what was the percentage share of non-rubber in this quarter, and the same number for last quarter and last year same quarter? So, just to understand the delta?

Anuj Jhunjhunwala: This quarter, the share of non-rubber would be close to 18% or so. I don't have the exact number available for the previous quarter, but as we've guided earlier, gradually this number is inching up. Every quarter, year-on-year we see the non-rubber share increasing because the, the markets are getting created in India, the demand from those segments is coming fresh. So, we are seeing that increasing going ahead.

Anirudh Jhunjhunwala: One thing which we would like to mention, which probably we haven't touched base here, is that, every crisis throws over an opportunity. The last quarter was definitely a difficult quarter in terms of the geopolitical situation, the cost push that happened in terms of energy, raw material, etcetera. So, these are the times, when the tough get going. And I think as a company, we've taken very strong initiatives over the last 3 months in order to cut cost, in order to, more cost optimization.

So, those efforts have also yielded results, and the inch up in the margins that you see in the current quarter, a good part of that is also due to the cost initiatives that the company has taken. And the good part about these initiatives are that once it's on board, these are more sustainable in nature, and these last through, and they are not dependent on any, short-term gains. So, these accrue over a longer period of time and continue to do so.

Deep Gandhi: Sure. And sir, I mean, in this quarter, there was almost 6%-7% increase in zinc prices on a quarter-on-quarter basis. And if I look at the zinc prices, they've further increased from June to August, I mean, the increase is almost 6%-7%, further 6%-7% increase. So, I mean, can we expect higher inventory gains in Q2 compared to the number which we saw in Q1? Q1 you mentioned the, it was very miniscule, but in Q2, can we expect higher inventory gains?

Anirudh Jhunjhunwala: As we said that the numbers are a mix of various things, and without saying too much about it, I would like to say that the current quarter is also experiencing similar margin profile and numbers that should come out.

Deep Gandhi: Okay. And sir, I mean, third is on the rubber recycling project. So, if you can give us some more clarity, I mean, if you can share some tentative numbers around the capex, what potential you are seeing, and what are the timelines? I mean, because we've been -- I think we've been very positive about it for last 2-3 quarters now, so if you can give us some more clarity here?

Anirudh Jhunjhunwala: As we've mentioned to you before that any product development, or if you were even trying to introduce a new producer to the tire and rubber sector, it is usually not a very short-term project. This takes time, but because we already have very established relationship with our customers, our process is moving fast. Customers have tried our material from the pilot scale, they've been happy.

They've suggested, we're working very closely with them in order to, formulate the product which is as per their requirement. So, hopefully, these things are now done, and now we would be looking at working parallelly for setting up the commercial scale. And we hope that in the next 12 months, we should be able to commercially start this project, and then the ramp up should be good, because there is an eminent need for the tire business and the tire industry in general to look for recycling alternatives.

So, this product that we are doing currently is a very, very good option in terms of the tire industry to increase their recyclable content. Zinc oxide what we do is anyways recycled, so they are very happy that whatever zinc oxide they use, we are now targeting 100% recyclable content. This rubber that we are developing is also from 100% recycled rubber.

So, this will also be a great initiative for the tire industry in terms of their ESG commitments and their commitments to increase the recyclable content. So, we expect faster traction in this product because it's simple, when the customer needs something, the things move faster than when you need the customer.

Deep Gandhi: Sure, sure. And sir, last question on the two guidance's. So, I mean, till last quarter, we had guided that in FY28, the utilization of Dahej plant will be 65%-70%, but we've slightly reduced it to 50%-60% now so, clarity on that. And secondly, on the margins, our guidance was 13%-14% EBITDA, but we've slightly inched that up to 14%-15%. So, I mean, if you can help us understand what is driving the changes in both these guidance's?

Anirudh Jhunjhunwala: The guidance as far as the next financial year is concerned, we are still maintaining close to 50% to 60%. Obviously, we had earlier envisaged the project to start in the first half of the current financial year. Now, it is starting in the third quarter. So, accordingly, we like to give a conservative approach. So, we should, we would still be targeting close to 60%, but for conservatism, let us put it at between 50% and 60%.

Deep Gandhi: And sir, on the margins?

Anirudh Jhunjhunwala: Margins as our CFO just mentioned, it would be approximately close to 14% EBITDA because stronger products are being developed, and over the last quarter, we've also invested, as we said, and come out with one or two new products, and another product is also on the anvil in which we are expecting the patent to come very soon. So, these products would obviously lead to higher realization and hence the small increase in the EBITDA percentage that we are targeting.

Deep Gandhi: Okay, thank you. All the best.

Anirudh Jhunjhunwala: Thank you.

Moderator: Thank you. We take the next question from the line of Ashish Soni from Family Office. Please go ahead.

Ashish Soni: Sir, higher EBITDA, you said it will be contributing from the new Dahej plant, for which particular sectors will it be applicable, and any customer profile you can share?

Anuj Jhunjhunwala: EBITDA would be on a consolidated company level, and due to operating leverage and various other factors that we've guided. It's not that Dahej plant is the only plant where the EBITDA margin would be 14%-15%. Overall, the margin mix on a consolidated basis would inch up to that number.

Ashish Soni: So, that's fine, but which sectors will be contributing more to that, is what I, or the products in for which sectors, is what I am interested in?

Anirudh Jhunjhunwala: Pharma, specialty chemicals, cosmetic, certain electronic applications, these would be the sectors which would lead to higher margin profile.

Ashish Soni: And Dahej facility full capacity utilization by FY29 is the realistic assumption?

Anirudh Jhunjhunwala: We would inch up to close to 80%, and that is where we would go in for the next phase of expansion.

Ashish Soni: Okay. And again, it will be on more higher value-added products, is that understanding correct?

Anirudh Jhunjhunwala: Yes. Our expansions, our product mix is always a mix of all the things. It is not that the entire product will be only on higher margin, it will be a mix of all products.

Ashish Soni: Okay. And your Naidupeta plant is IATF approved, so what does it help you, and which particular, because it's one of the only global what I read from your PPT, so where does it help you actually in what sort of end-user customer industries?

Anirudh Jhunjhunwala: So, this is mainly helpful in the tire business. So, it is a requirement for the tire companies to be IATF tier-1 suppliers to the automobile companies. For the tier-2 suppliers, it is currently not mandatory. But, however, any tire company when it's evaluating its vendor base, they appreciate a supplier of theirs being IATF.

So, this gives them more confidence, and I think this is one of the reasons why they are able to place larger share of business on us, because they see that being an IATF is not a easy thing, because ultimately, they themselves are IATF and they understand the rigors behind it. So, they appreciate us being there.

Ashish Soni: Okay. So, thanks and all the best for the future.

Anirudh Jhunjhunwala: Thank you.

Moderator: Thank you. We take the next question from the line of CA Garvit Goyal from Serene Alpha. Please go ahead.

CA Garvit Goyal: Hi. Am I audible?

Anirudh Jhunjhunwala: Yes, please go ahead.

CA Garvit Goyal: Hi. I have two questions. One is to understand particularly on the on the new capex that that we are expecting to be to be commercialized in Q3, right? I just wanted to understand how fast can we ramp up on that that facility?

Anuj Jhunjhunwala: In Q3, the project would get commissioned, and we expect to reach a utilization level of 50% to 60% in FY26, and FY27, we expect to reach up to about 80%, 70% to 80%, and by then, we would have started the Phase 2 construction as well for the project.

CA Garvit Goyal: Okay. And you mentioned the current growth momentum is likely to be there in the current quarter. I just wanted to understand about its sustainability in the coming quarters, maybe in Q3 and Q4, how do you look at it?

Anirudh Jhunjhunwala: Structurally, India is doing well, the automobile business is doing well, and hence, the tire and rubber is doing well. Apart from that, even whether you take the ceramic business, you take the pharma business, or you take any other business, today as an economy, India is doing well in terms of manufacturing, and the demand in terms of even the consumer products is very good.

So, we are we are very hopeful that this demand scenario should continue in the next part of the year also. I mean, after the GST reforms, etcetera, I think as a country, we have structurally moved ahead, and I think the demand scenario is quite good and very favorable currently.

CA Garvit Goyal: And just one more clarification, maybe I missed earlier, you must have covered it. The current quarter margins which are at 11%, do you see them to sustain?

Anirudh Jhunjhunwala: As we have mentioned that the momentum which has come in the last quarter should continue in the current quarter as well.

CA Garvit Goyal: No, I'm asking from the perspective of organization, the way we are going, right? The kind of product mix we do have, looking at that, are these margins structurally going to be there maybe for this year and next year? That's what I'm trying to understand.

Anirudh Jhunjhunwala: The current year, we expect the margins to remain this, and in going forward in the following years, as we've mentioned, we expect margins to inch up further, because by then, Gujarat would be in its full year of operation, and on a standalone basis, the Gujarat plant would be higher margin business. So, blended EBITDA should also go up.

CA Garvit Goyal: Got it, got it. Thank you, thank you, sir, and all the best for the future.

Anirudh Jhunjhunwala: Thank you very much.

Moderator: Thank you. We take the next question from the line of Shreyans Jain from 3A Capital Services. Please go ahead.

Shreyans Jain: Hello. Am I audible, sir?

Anirudh Jhunjhunwala: Yes.

Moderator: Shreyans, I'm sorry to interrupt you, but your audio is not too loud. Could you please use your handset?

Shreyans Jain: Yes. Is it better now?

Moderator: Please go ahead.

Shreyans Jain So, has the current geopolitical scenario where sourcing has become difficult helped market leaders like us, and have we observed shift from unorganized to organized market?

Anirudh Jhunjhunwala: So, you very rightly pointed out, I mean, every crisis also throws an opportunity, and you've rightly hit the nail on the head, that for an established player like us who has muscle power in terms of financial strength and also the supplier reach, this situation has helped customers place more confidence on us vis-a-vis maybe the, I would not say unorganized, but slightly less organized, and to a certain extent, also the unorganized segment, because this current quarter was characterized by a lot of supply chain constraints.

So, obviously, our customers were working very well, their plants were running at almost full capacity. So, obviously, their confidence in dealing with a vendor like JGC goes up quite a bit because they know our reach in the global market.

Shreyans Jain: Great to hear that. So, my next question is, are we looking to sell our products directly to ceramics, pharma, specialty chemical players, as we did in tire, or will we sell our products via distributors?

Anirudh Jhunjhunwala: Our aim is always to be direct to the customer, and we will continue to do that, and I would expect close to 90% of the new sales also to be driven directly from us directly to the customer.

Shreyans Jain: Okay. And, could you please provide a capacity breakup of 15,000 to 18,000 that we are expanding between zinc oxide and zinc sulphate and other allied chemicals?

Anirudh Jhunjhunwala: Currently, the 15,000 to 18,000 which Anuj just mentioned some time back is purely zinc oxide that we are talking of.

Shreyans Jain: Okay. And, one last question, could you please provide revenue breakup between zinc oxide and zinc sulphate in FY26?

Anuj Jhunjhunwala: So, the revenue for zinc sulphate is less than 5%. I don't have the exact number with me, but it's less than about 5 to 6% of the overall sales.

Shreyans Jain: Okay, it was helpful. Thank you so much and all the best for the future, sir.

Anirudh Jhunjhunwala: Thank you so much.

Moderator: Thank you. We take the next question from the line of Deep Gandhi from ithought PMS. Please go ahead.

Deep Gandhi: Yes. Thanks for the opportunity again. So, sir, as you were mentioning that we are already at 80% utilization and the new plant is only going to come in November, so I mean, in Q2 and part of Q3, are you confident of seeing double-digit volume growth, or the growth will be slightly more driven by value?

Anuj Jhunjhunwala: When we say 80%, we mean 80% of the achievable capacity, so we still have room to, you know, increase our capacity from the 80s to the 100% level. So, we're not talking about on the installed capacity, talk about the achievable capacity. So, I think we should be easily able to ramp up our capacities and ramp up our production as and when required from the customers, and through debottlenecking, and through improved efficiencies, the productivity per lines have also been increased in the last few years.

Deep Gandhi: Sure, sure. And, sir, just last question. I mean, we've talked about quite a few new products in this quarter's presentation like Lab Pure, ZRA. So, if you can give us some sense about the market size of this product, what is the export potential, and what kind of margins do we make in such kind of niche products?

Anirudh Jhunjhunwala: So, these products would be mainly targeted to the non-tire customer, and for exports also to the non-tire rubber applications as far as ZRA is concerned. These products are slightly higher margin accretive because there are not many people making this, and this is fulfilling certain needs of the customer, I would let's put it this way, that this is fulfilling certain issues which the customer faces in its operational process, and we would try to solve their identify and solve their problems.

So, when you're solving somebody's problem, it is always a happy scenario for both the seller and the buyer. So, in that sense, these products should be the -- again, they are niche products, they will take time to ramp up, but we expect that once it enters a customer's home, then it remains sticky in nature and the customer will be kind of compelled to use this going forward.

Deep Gandhi: Okay, okay. Thank you.

Moderator: Thank you. Ladies and gentlemen, we take the last question from the line of Lakshmikant, an Individual Investor. Please go ahead

Lakshmikant: Hello. Am I audible?

Moderator: Yes, please go ahead.

Lakshmikant: Thank you very much for this opportunity. I have a couple of questions like, what will be the strategy for development of products such as zinc sulphate? What will be the future growth plan with regarding such specialized products which you think will be driving the growth of the company?

Anirudh Jhunjhunwala: Zinc sulphate is one of those products that you are speaking about. As far as zinc sulphate in particular is concerned, the Southern India market continues to be attractive. There are no large players in that market, and so we will continue to grow that business in South India. At the same time, as you may be aware, that one of the raw materials for the zinc sulphate, which is the major raw material, is a byproduct of our zinc oxide business.

So, structurally, it is important for us to do this also in Western India. So, going forward, we will also try to capture the market in the Western India because of easy availability of raw material through our own process of zinc oxide in the Dahej plant. So, this business will continue to grow along with the zinc oxide business.

And this gives us gives us complete circularity. So, in terms of whatever waste our zinc oxide business generates gets consumed internally for our zinc sulphate business. So, inherently, the raw material advantage in our zinc sulphate business from day one starts because it's a waste from our previous process.

Lakshmikant: So, what role will R&D and customized products play in getting market share, you see?

Anirudh Jhunjhunwala: See, I will be honest that products like the ZRA, products that we are working on in which we are expecting the patent very soon, and also TUR, etcetera, these are all result of our R&D efforts, and going forward, we are strengthening our R&D team further. So, as and when you create differentiated products which are more higher technical technology in nature, then those are definitely going to be more sticky with the customer. So, our focus, I would say, in the last 1 to 2 years has increased on more R&D capabilities, and hence, we will continue to focus on this.

Lakshmikant: So, you mean to say the specialized and high-performance products will continue to drive future growth of the company, right?

Anirudh Jhunjhunwala: Absolutely, that is what the aim is today.

Lakshmikant: Okay. Okay, thank you very much. Thanks for taking my question, and all the best.

Anirudh Jhunjhunwala: Thank you very much.

Moderator: Thank you. Ladies and gentlemen, with that we conclude the question-and-answer session. I would now like to hand the conference over to Mr. Anirudh Jhunjhunwala for the closing remarks.

Anirudh Jhunjhunwala: Ladies and gentlemen, thank you once again for joining us today and for your continued interest in the company. I would like to thank our Board of Directors for their guidance, our employees for their dedication, our customers for their continued trust, and our investors for their unwavering confidence in the company. If you should have any further questions, please feel free to reach out to our investor relations team at Go India Advisors. We appreciate your participation and look forward to speaking with you again next quarter. Stay safe and have a good day ahead.

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