



20th February, 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 3rd Quarter and Nine months ended December 31, 2025 held on Monday, February 16, 2026.

Further to our letters dated February 16, 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 3rd Quarter and Nine months ended December 31, 2025 held on February 16, 2026 at 04:00 p.m. (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

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SWATI PODDAR
Date: 2026.02.20
11:53:58 +05'30'

**Swati Poddar
Company Secretary and Compliance Officer**



**“JG Chemicals Limited
Q3 & 9 months FY '26 Earnings Conference Call”
February 16, 2026**



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

**MODERATOR: MR. DHIRAL SHAH – PHILLIP CAPITAL (INDIA)
PRIVATE LIMITED**

Moderator: Ladies and gentlemen, good day and welcome to JG Chemical Q3 and 9 months FY26 Conference Call, hosted by PhillipCapital Private Client Group. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Dhiral Shah of PhillipCapital PCG. Thank you and over to you, Mr. Dhiral.

Dhiral Shah: Thank you, Rudra. Good evening everyone. On behalf of PhillipCapital Private Client Group, I welcome all you to Q3 and 9 months FY26 earnings conference call of JG Chemical Limited. Before we begin, I would like to mention a short cautionary statement. Some of the statements made in today's earnings concall may be forward-looking in nature.

Such forward-looking statements are subject to risk and uncertainty which could cause actual results to differ from those anticipated. Such statements are based on management beliefs as well as the assumptions and the information currently available to the management. Participants are cautioned not to place any undue reliance on these forward-looking statements in making any investment decision.

The purpose of today's earnings conference call is purely to educate and bring awareness around the company's fundamental business and financial quarter under view. Today from the management team, we have Mr. Anirudh Jhunjhunwala, the Managing Director and the CEO of the company; Mr. Anuj Jhunjhunwala, the Whole-time Director and CFO of the company; and Mr. Amit Agarwal, the General Manager, Accounts and Finance.

I now hand over the conference to Mr. Anirudh sir for his opening remarks and then we will open the floor for question and answer. Over to you, Anirudh sir.

Anirudh Jhunjhunwala: Thank you, Dhiral. Good afternoon everybody and a very warm welcome to JG Chemical's earnings call for the third quarter. I would like to thank all of you for taking the time today to join us. I will begin with a brief overview of the company, followed by some key operational and strategic highlights for the quarter and for the nine-month period.

As you are aware, JG Chemicals Limited is India's largest manufacturer of zinc oxide and the country's leading zinc recycling company. We cater to a diverse range of end-user industries which include rubber, tire, ceramics, paints, pharmaceuticals and cosmetics, specialty chemicals, and many more industries.

We serve over 200 domestic and more than 50 global customers, including all leading Indian tire manufacturers and nine out of the top ten global tire companies. Our

manufacturing network comprises today of plants in West Bengal and Andhra Pradesh with a combined capacity of nearly 70,000 metric tons per annum. We offer 80 plus specialized grades of zinc oxide as there is no one-size-fits-all approach when it comes to zinc oxide and each customer has their own specification.

Our Naidupeta facility remains the key competitive advantage for us, being the only IATF certified plant globally and holding also the WHO GMP certification along with other pharmacopoeia certifications.

Today, sustainability and recycling remain core to our business model. We focus on maximizing the use of recycled zinc, which reduces costs, reduces the energy consumption, the carbon emission, and also the environmental impact. Our circular economy-led approach supports resource efficiency and also aligns well with the environmental needs and also reinforces our long-term ESG and growth strategy.

As part of our sustainability drive, we have recently commissioned a new solar power energy generation project at Naidupeta and this helps us increase our renewable energy content. This was Phase 1; further investment in renewable energy will be done to take our share of renewable power even higher. Apart from this, we also continue to explore and work on various sustainability initiatives and the company is fully committed to its sustainability goals.

Friends, now let us look at the capacity expansion and the new project initiatives that the company is taking right now. The greenfield project, which was already announced at Dahej, Gujarat, continues to progress in line with our planned timelines. This state-of-the-art facility will significantly strengthen our presence in western India and also enable us to be closer to our key customers in that region.

Work at the site is advancing well, with civil construction currently underway, and machinery installation is expected to commence over the next couple of months. We expect to commission this Phase 1 of the zinc oxide production in the first half of FY '27 itself. Once operational and stabilized, this facility will play a pivotal role in boosting our overall capacity and supporting our long-term growth strategy.

In addition to this Dahej project, we have also undertaken a brownfield expansion at our Naidupeta facility to support future demand. Our existing capacity remains adequate for near-term requirements and these expansions will further strengthen our ability to cater to the customers in future.

As part of our focus on new projects and initiatives, I am also pleased to inform you that during the quarter, we also made very significant and meaningful progress on the recycled rubber project. Pilot-scale trials for our recycled rubber project have commenced and the initial results are very encouraging. Further details on this will be made available at the opportune time. This would be a specialized product and increase the content per tyre

from the house of JG.

Let me now dwell upon the and give you a perspective on the industry scenario. As you are already aware, tyre and rubber forms a significant demand contributor as far as we are concerned. Demand momentum in the tyre industry remained healthy during the last quarter. The tyre industry has benefited from the GST-led reforms. The reduction in GST rates from September '25 has improved affordability and overall customer sentiments across both OEM and the replacement market.

Good and widespread monsoons have also revived the rural economy, supporting the two-wheeler and the agriculture tyre demand across the Tier 2, Tier 3 markets. The automotive industry continues to witness strong momentum across vehicle segments, supported by infrastructure development, improving freight movement, healthy consumer demand, and favorable financing conditions.

In international markets, the demand for radial commercial vehicles, off-highway tyres, and passenger vehicle segments remains strong, with India now emerging as a credible global sourcing base for these category of tyres.

India is well-positioned now to emerge as a leading automobile hub, which is expected to act as a key growth driver to the auto ancillary sector, supported by both domestic as well as rising export demand. The demand in the last quarter has been robust and the same momentum is being experienced in the current quarter also. Our customers today are operating on good capacity utilization. This has therefore led to leading tire manufacturers in India announcing significant capex plans of over INR12,000 crores over the next 2 to 3 years, which provides us with a strong visibility on long-term volume growth.

When tire invests in growth and capacity expansion, your company JG Chemical is a direct beneficiary. The Union Budget 2026 presented by the Honorable Finance Minister further enforces India's commitment to manufacturing-led growth.

The continued focus on capital expenditure with infrastructure allocation exceeding over INR12 lakh crores is expected to improve logistics efficiency and support demand momentum across automobile and other sectors.

Recently, with the trade agreements with EU and the US, we are hopeful that the export opportunities for some of our customers would also grow significantly, which had become subdued over the last few months, and thus we feel that these customers would now again come back to higher level of productions.

Apart from rubber and tire, we are also seeing encouraging traction in the non-rubber segment such as pharmaceutical, ceramics, specialty chemicals, and agriculture. Our focus on product customization and customer-specific solutions continue to strengthen our partnerships with them and improve our penetration in these areas.

Over the long term, we remain committed to increasing the contribution of non-rubber allocation to drive margin expansion and also portfolio diversification. Overall, as a company, we remain optimistic about the long-term growth prospects of the Zinc chemical business and our ability to gain more market share driven by strong customer relationships, product innovation, our focus on sustainability, and capacity expansion.

With this brief overview, I would now request our CFO, Mr. Anuj Jhunjhunwala, to share with you financial highlights for the quarter and the 9-month period. Over to you now, Anuj.

Anuj Jhunjhunwala:

Thank you. Good afternoon once again to everyone on the call. I will now take you through our financial performance for the third quarter and the nine month ended of the current fiscal, followed by some operational and business updates.

I am pleased to share that in this quarter, your company witnessed its highest-ever quarterly sales, EBITDA and PAT. The improved performance was driven by strong demand across most customer segments.

For Q3 FY '26, our consolidated revenue from operations stood at INR249 crores, registering a year-on-year growth of almost 19%. This strong growth during the quarter was driven by higher realization, improved capacity utilization, and increased mix of specialized orders.

These factors collectively enhanced operating leverage and supported the sequential improvement in margins. In terms of key figures, the EBITDA for the quarter was INR26 crores, the PAT was approximately INR18 crores.

Overall, the quarter reflects improved operational efficiency and stronger profitability supported by disciplined execution and a favorable product mix. On a 9-month basis, the revenue from operations was INR687 crores, EBITDA was about INR71 crores, and PAT was at INR50 crores.

As mentioned by Mr. Anirudh, the GST reductions implemented in September have led to a meaningful improvement in demand across the automobile industry, which has obviously had a direct impact on the tire segment as well. This momentum has continued in the current quarter, supported by improving customer sentiment and industry activity.

We remain optimistic that these trends will sustain in the upcoming fiscal, providing strong growth visibility for the tire industry and related value chains. In addition to this, various FTAs which have been signed between India and the West also bode well for general manufacturing industry in India.

In addition to the tire industry investments which was mentioned earlier, we are also seeing various automobile and its ancillary companies announcing new capex plans in the immediate future. All this bodes well for the general demand in India and I feel our

country is fully geared up for attracting new investments from both Indian and foreign companies going forward. And to meet this demand, JGC is also expanding its capacities to ensure that it has enough capacities available to cater to the demand which will follow.

With this, we can now open the floor for question and answer session.

Moderator: Thank you very much. We will now begin the question and answer session. Our first question comes from the line of Mohit Chugh from Subh Labh Research. Please go ahead.

Mohit Chugh: Sir, my first question is, I wanted to understand more about pricing scenario. Given OEMs have commented about offsetting the input cost pressure with volume growth and operating leverage, are we noticing some free hand in pricing to increase our margins?

Anirudh Jhunjunwala: Could you repeat your question please once again the first part of the question?

Mohit Chugh: Sir. I wanted to understand more about pricing scenario. Given the auto OEMs have commented about offsetting the input cost pressure with volumes growth and operating leverage. So we are noticing some free hand in pricing to increase our margins?

Anirudh Jhunjunwala: So as a company, we believe in responsible pricing and whether the demand is muted or is in a buoyant stage, the company has very long-standing relationship with our customers wherein any cost pressure on the company is passed on and is absorbed by our customers, and in indirect they obviously try to pass it on to their OEMs.

But having said that, I think our relationship is quite matured that where each one, you know, plays their part and we do not try to take any unfair advantage of the customer. Any cost increase on the company's side, definitely we try to pass it on to the customers, and because we operate in a premium segment, more often than not it is absorbed by our customers and it is appreciated.

Similarly, if there is any possibility of cost savings, etcetera, from our side, we also continuously try to pass it on to the customer because if the customer benefits, ultimately we benefit in the long run in terms of value and relationship.

Mohit Chugh: Okay sir, very understanding sir. Sir, my second question is on the inventory side. Like I have been noticing some price increase in zinc, so if you can throw some light on how will our margin look in quarter 4 with increasing prices?

Anirudh Jhunjunwala: See, as we have maintained before also, as a company, generally, we are agnostic to zinc prices. Whether zinc prices go up or go down does not really affect our margin profile on the core business. Because if you understand how the pricing works, basically our product is priced on the LME, which is the London Metal Exchange where zinc is quoted, and also the raw material that we buy is also based on the same London Metal Exchange.

So in effect, it's a pass-on model wherein supposing in the month of January we have

bought our raw materials basis the LME of January, in February we sell our zinc oxide basis the price of zinc on the LME in the month of January. So it's an M minus 1 model. So technically, there is no difference in or lag in the pricing mechanism.

However, when obviously zinc, when you're seeing a favorable impact on zinc prices, then we also carry a core inventory on which obviously gains can be accrued. So in the last quarter, we have seen in the last few months zinc prices going up, so obviously those gains should accrue in the current quarter on the inventory which the company carries. But generally speaking, it doesn't matter whether zinc is 3,000, 3,500, or 2,500; it doesn't matter that way.

Mohit Chugh: Okay sir, okay sir. That's very helpful, sir. And sir, my third question is on rubber plant. If you can help me explain the supply chain of used tires, basically what is the procurement channel of used tires? If you can help throw some light on it.

Anirudh Jhunjunwala: So as far as this business is concerned, the procurement of used tires would be both domestic and international. For international, it's a controlled mechanism wherein you need to take a license. And once you have the license, you can import. In the meantime, you are free to procure domestically.

Domestically, this comes through traders and dealers who are basically scrap collectors, scrap tire collectors. In fact, going forward, there is also a model wherein as we scale up and as we set up the industrial scale, we will also look at tie-ups with large tire companies wherein their rejects and their replacements would flow directly to us. So that is also a model. But yes, so it's a combination of three models: directly from the tire companies, from the domestic market, and from the international market.

Mohit Chugh: Okay sir. And a last question if I can just squeeze in. If you can provide a revenue mix between tire and non-tire in quarter 3.

Anuj Jhunjunwala: So the rough revenue mix, as we've guided earlier, it was earlier about 90% rubber and 10% non-rubber, which became 85% rubber and 15% non-rubber. I would say we are in the 83% to 85% range for rubber and the balance 15% to 17% would be non-rubber. And as we mentioned earlier, as we go forward, the mix of rubber would also reduce, not because of lesser growth in rubber, but obviously rubber will continue to have good growth, but increased, more products and more application areas which we're focusing on.

Moderator: Our next question comes from the line of Kaushal Sharma from Equinox Capital Venture Private Limited. Please go ahead.

Kaushal Sharma: As you said, sir, there is more demand challenge going ahead in zinc oxide facility of around 40,000 MTPA and that is being commissioned in H1 FY '27 as expected. So what kind of revenue potential are we expecting from this, and how are we going to ramp up

once the capacity is online? And sir, my second question is on your recycle rubber project that we are investing in recycle rubber project, so what kind of capex are we investing in this and the capacity we are putting?

Anuj Jhunjunwala: So I'll take your first question first on the revenue potential from the new projects that we're doing. So the Dahej project would have a capex of total INR100 crores and it has a revenue potential of about INR900 crores plus over a couple of phases. So in first phase, we'll obviously not be putting up the entire capex; it will be about INR45 crores-INR50 crores and the revenue potential should be in the range of about INR400-odd crores for that.

And on the rubber project, I think it's still early days; we would not like to give any guidance on the revenue potential and the capex. We are working on it and as we mentioned, it's a trial plant, it's a pilot plant right now. Once we move ahead with that, we'll share all the requisite details with the market in due course.

Kaushal Sharma: Okay sir. And sir, we are also changing our product mix like non-recycling rubber segment we are moving, so what kind of revenue mix are we expecting going ahead like 1 to 2 years? And the revenue potential are we seeing from non-rubber segment and could you please explain the EBITDA margin difference in both the segments, if possible?

Anuj Jhunjunwala: So your voice is a little muffled. But if I...

Moderator: Your voice is breaking.

Kaushal Sharma: Yup now is it -- hello?

Anuj Jhunjunwala: So I've caught on to the question that you asked. So just to clarify just to answer to his point, the revenue mix between rubber and non-rubber would change to about 70-30 I think in the next 2 to 3 years' time. That's what our internal target is.

Kaushal Sharma: And sir the EBITDA margin could you guide like in the segmental EBITDA margin how?

Anuj Jhunjunwala: So as we've mentioned earlier the core EBITDA margin of the company is around 10 to - between 10.5% to 11%. That's the basic EBITDA margin that we aspire to make. And as we you know increase the contribution of specialized products with operating leverage etcetera, this would increase to about 13% to 14% minimum in the next 2 to 3 years' time.

Kaushal Sharma: Okay sir, got it. Thank you very much sir. I'll join the queue.

Moderator: Thank you. Our next question comes from the line of Ashmita from Electrum Capital. Please go ahead.

Ashmita: Hello, thank you for the opportunity sir. Just wanted to understand that the gross margins have declined on a Y-o-Y basis. So could you elaborate what were the key drivers behind

this compression and going forward, what gross margin range should we look at?

Anuj Jhunjunwala: So if you see, as we mentioned that in our business there is a lag effect of materials flowing in, there's imports which happen, sometimes there could be a couple of months' lag between the date at which we've contracted with a supplier and the time at which the material is actually consumed.

There could be certain time differences; there could be a 3-to-4-month difference between the time of the contract and the time of actual consumption in the factory. So that's why we've always guided that rather than looking at the gross margin number on a standalone basis, it's always better to look at a lower number on a more operational efficiency number of the EBITDA or a PBT because that gives a more holistic view of the performance of the company for the particular period under consideration.

So if you see the 9-month number for last fiscal and current fiscal, our EBITDA margin is more or less in the same range barring I think 70-80 basis point difference because of a lower EBITDA in the first couple of quarters. So I think the right way to look at our business is not just on the gross margin, but on the EBITDA margin segment. Because a lot of other factors also come into play in terms of delays in usage of the material which was contracted earlier.

Ashmita: Sure, sir. Second question would be could you just share the planned capex for the brownfield expansion at Naidupeta and the incremental capacity addition? I think I missed the last participant's question, I think was related to this.

Anuj Jhunjunwala: So the incremental capex would be under INR5 crores because a lot of the common utilities infrastructure is already in place in Naidupeta and approximately the capacity expansion would be for about 4,000 to 5,000 tons approximately.

Ashmita: Okay. And lastly would be could you please provide the details on the volume growth for the quarter and 9 months for zinc oxide?

Anuj Jhunjunwala: So as a company policy due to confidentiality reasons, we do not disclose exact volume numbers. But I am happy to say that we have registered double-digit volume growth in our zinc oxide business in the current period.

Ashmita: Sure, sir. Thank you. That would be it from my side. Thank you very much.

Moderator: Thank you. Our next question comes from the line of Deep Gandhi from Ithought Portfolio Management Services. Please go ahead.

Deep Gandhi: Yup, hi sir. Sir, firstly I think you highlighted that there were some kind of inventory gains due to zinc price increase. So can you quantify the amount of inventory gain in Q3?

Anuj Jhunjunwala: As I mentioned that the zinc prices rose in Q3, so the inventory gains for that weren't

really much accrued in Q3. They would rather flow in bit by bit in Q4, I would imagine.

Deep Gandhi:

Sure. And sir, just again continuing on this question and talking more about the balance sheet. So I mean historically if I see, our cash flow conversion has been quite poor because I think our main raw material is zinc whose prices keep are quite volatile. So I mean in this environment when the zinc prices have increased quite significantly, so going ahead do you think you'll have to increase the quantum of debt in order to manage the working capital?

Anuj Jhunjunwala:

So currently if you see our balance sheet, we have over INR150 crores of cash available, cash and cash equivalents in the company. Further, if you see the cash flow generated from operations in this particular 9-month period is fairly healthy. So obviously ours is a business which requires about 100 days of working capital.

So if we increase our turnover by say INR200 crores, that means we need to have about INR60 crores-INR65 crores of incremental working capital. But if we are doing a turnover of say INR1,000 crores and with a 11% EBITDA margin, we are more than -- the cash flow that is generated from the business is more than sufficient to finance any incremental working capital requirement.

So there's absolutely no question of taking on any debt because the company anyway has surplus cash and the current cash flows and the future cash flows that we plan to generate should more than sufficiently take care of the working capital financing that is required.

Deep Gandhi:

Sure sir. And sir coming on to the new plant, can you first highlight what utilization are we currently operating at and then maybe I'll ask my other question?

Anuj Jhunjunwala:

So currently utilization would be in the late 70s of the achievable capacity and we've always mentioned that our target is to be in the 80% to 85% range, 85% to 90% max is what we like to do. And that is why as a matter of our prudent strategy, we always believe that our capacity expansions and our projects should get commissioned before our customers start commencing their new projects.

So we believe that in this current calendar year 2026, we will commission the Dahej plant, we will also increase the capacity in Naidupeta. These put together would add a reasonable amount of capacity which would cater to the incremental demand from the tire companies which will start trickling in large numbers from 2027-2028 onwards.

Deep Gandhi:

Sure. And when you mention 80%, 85%, 90%, that is basis the achievable capacity, not the name plate, right?

Anuj Jhunjunwala:

Yup, absolutely. We are most happy at 80% to 85% achievable capacity utilization; that's for a chemical plant, that is at best one should imagine for efficient running of the plant.

Deep Gandhi:

And sir what will be the difference between the name plate and achievable capacity, I

mean, is there a 15%, 20% gap or how what is the range of that?

Anuj Jhunjunwala: See we handle complex scraps, so this is zinc scrap that we are increasingly using more and more of scraps instead of virgin and scraps comes in different qualities etcetera, so the chemistry also changes. So 15% is a fair number, 15% to 20% of the name plate, that has to be struck off when it comes to running the plant efficiently.

Again, please watch out for efficiency, that is also very important. Because you might go up to 90%, 95% but then you lose out on efficiency. We are almost -- we are making more than 80 grades. So all this thing combined, I mean we are most happy if the plant runs between 80% and 85%.

Deep Gandhi: Sure sir. And sir coming on to the new plant, I mean we are quite near to commissioning now. So you might have visibility in terms of how the scale-up will happen for the first phase. So if you can broadly guide say in one year, two year how long do you think it will take for us to reach full utilization for at least the first phase of the capex and when you say it will come in H1 of FY27, will it be say towards the end of Q1, towards the end of Q2, any specific timelines you can share?

Anuj Jhunjunwala: I would say the commencement should be in Q2; that's our internal target. And in terms of full utilization, I would say about 2 to 2.5 years should be the base case scenario for a reasonable utilization and then we'll start the expansion for Phase 2. And some of the utilities etcetera common infrastructure which has already been planned keeping in mind Phase 1 and Phase 2.

Deep Gandhi: Sure sir. And last question from my side. I mean I think in the budget there was also some announcement of removal of duty on import of zinc oxide, so is that even relevant for us and do you think that will benefit our business also or are there some provisions which do not allow us to take that benefit?

Anirudh Jhunjunwala: So there has been no removal of duty on zinc oxide; there was a removal of duty on zinc scrap, zinc scrap which was the last year budget. But that does not really impact us because the item that we manufacture is zinc from which we manufacture is zinc dross. We are working with the government, there should have been removal of duty also on zinc dross because zinc dross is also a form of zinc scrap.

So ideally duty should be removed when the Honorable Finance Minister has announced that zinc scrap should no longer attract duty import; it should automatically be extended to zinc dross also. We are working with the government to ensure that this is done. As and when this is done, obviously this will be beneficial to the company because our raw material cost goes down. So it will definitely be a good thing. It should have been done in the first place; it has been a slip and now sometimes it takes a little longer to get things rectified than one would imagine.

- Deep Gandhi:** Sure, sir. That was helpful. Thank you.
- Moderator:** Thank you. Our next question comes from the line of Darshil Jhaveri from Crown Capital. Please go ahead.
- Darshil Jhaveri:** Hello, good evening sir. Thank you so much for taking my question sir. Firstly congratulations on a great set of results. Sir, I'm just a bit new to the company so pardon me for some naive questions sir. Sir, just wanted to know in terms of like our performance in Q3 we've achieved like I think the highest revenue that we've ever done, but then why have we not been able to recreate the EBITDA that we've usually had in the past? So just wanted to be able to link that up to like we should get benefits of operating leverage right? So how do we reconcile that sir?
- Anuj Jhunjunwala:** So you see, as we mentioned, there is a lag effect on inventories which keep flowing in. There's domestic material which is purchased, there's imports also. So all this causes some impact on the exact translation of a increase in prices, increase in volumes etcetera to the bottom line. I think we expect that the margin accretion which we're talking about should accrue in Q4.
- Darshil Jhaveri:** Okay fair enough sir. So and just wanted to know sir in terms of FY27 sir you know our plant is nearing full utilization. And we'll be commissioning another plant so any kind of revenue guidance that you know we can have for FY27 sir?
- Anuj Jhunjunwala:** So you know we mentioned that our internal targets are that every three to four years max we want to double our revenues. So last year we closed with about INR857 crores of top line. And I think this year our based 9 month revenue is close to INR700 crores. So I think we should be closer you know I mean if the same run rate continues we will be definitely over INR900 crores, INR950 crores of revenue in this particular financial year. And next year also we should be able to increase by a similar number given the growth plans that we have and the new products launches that we have in the pipeline.
- Darshil Jhaveri:** Okay fair enough sir. And sir just wanted to know like when we are saying that we want to increase our EBITDA going forward sir so the new plant will be catering to more value added products that's one of the bigger drivers or what would be the top two drivers of you know EBITDA margin sir?
- Anuj Jhunjunwala:** So it will obviously the new plant is you know in Gujarat it has a lot of speciality chemical companies. And a lot of speciality customers are located in and around the western region. So the new plant would definitely cater to them along with the tyre industry and the ceramic industry which is also in close proximity to the Dahej plant.
- Moderator:** Our next question comes from the line of Dhruvin Kadakia from SKP Securities.
- Dhruvin Kadakia:** Actually most of my questions have been answered just one question that remains is for this year in terms of realization per tons for zinc oxide as well as zinc sulphate what kind

of growth are we seeing and what kind of growth in realization do we expect in the coming years going forward for them?

Anuj Jhunjunwala: So you see the realization per ton of zinc oxide is directly related to the prices of zinc on the LME. And if you see on the 9 month basis there has not been much change in the price of zinc on the LME. If you see the April to December average for 24 and 25 the LME average are more or less the same so the average selling price per ton is more or less the same for zinc oxide.

Zinc sulphate prices have increased slightly because of increase in the prices of the key raw material which is zinc ash and sulphuric acid in the last couple of last three to four months these costs have increased. So obviously these have then been passed on to the customer and prices the realization per ton of zinc sulphate has increased slightly over a 9 month period. But I don't have the exact number with me offhand I can share it with you offline on zinc sulphate.

Moderator: Our next question comes from the line of Jigna Kaliwada from Coheron Wealth.

Jigna Kaliwada: Yup, I just had a couple of questions. So the first one is that you had mentioned that you are looking out for some inorganic acquisitions and you are going to announce relating to that in the coming few months. I just wanted to know what is the status of that? And the second question...

Moderator: Sorry to interrupt you ma'am your voice is breaking.

Anirudh Jhunjunwala: Your voice is not clear at all.

Moderator: Jigna can you please re-join the queue?

Jigna Kaliwada: Yup, yup sure.

Moderator: Our next question comes from the line of Dhiral Shah from Phillip Capital.

Dhiral Shah: Yup. Good evening, sir. Thanks for the opportunity. So on a YOY basis what is the growth that we have seen on the zinc sulphate side?

Anuj Jhunjunwala: On a YOY basis on the zinc sulphate side a growth is about 3% to 4%.

Dhiral Shah: So this is particularly for the Q3?

Anuj Jhunjunwala: I am talking about 9 month basis.

Dhiral Shah: And in the Q3 sir?

Anuj Jhunjunwala: Q3 would be similar I mean not much different. Maybe a percentage higher or low. I don't have the exact number offhand ready but it will be similar.

Dhiral Shah: But sir any particular reason why we have not able to grow double digit you know on a low base?

Anirudh Jhunjunwala: See while the base was low but we must also understand that prior years the zinc sulphate market was not good and the last financial was a better year so -- and the company had just started that time so we could take advantage of that. Current year the business has not grown as we would have expected on the volumes is because with the zinc prices going high the farmer community is always a little more sensitive to the zinc prices. And because of sulphuric acid and zinc both going up there is obviously a little slowness in demand.

Basically this demand has to come, but it gets pushed. So people tend to push away the use of micronutrients like zinc sulphate etcetera. They try to push it that look -- instead of putting it now, we may put it after two to three months. So as and when this comes, it will be a effect of a pent-up demand coming in, but for the time being we noticed that there was a slight slowness in the off-take.

Dhiral Shah: Okay and sir whatever expansion that we are doing on the Naidupeta side of let's say 5,000 tons, so this is on the zinc oxide side or zinc sulphate side?

Anuj Jhunjunwala: Currently it's only planned for zinc oxide.

Dhiral Shah: Okay and sir what is the utilization of zinc sulphate as on date sir? Maybe nine-month basis?

Anuj Jhunjunwala: Currently we must be utilized about 60%.

Dhiral Shah: Okay, and sir, you also mentioned that we are investing on the solar power to increase our renewable portion to the overall power cost, so what kind of saving that we might see in the coming years, and what is the investment that we are doing on the solar?

Anuj Jhunjunwala: So we've invested about INR2.5 crores or so in the first phase of solar power generation. This solar power generation is expected to commence this month, and we would be going in for future expansion of our solar power generation in both Naidupeta and in the Dahej plant.

Dhiral Shah: Okay, and sir what kind of saving we are expecting from this sir? And how much this will cater to our overall power requirement on the renewable side?

Anuj Jhunjunwala: So, our renewable power -- the share of renewable power, our target is to go up to about 55% to 60% in four years' time and with phased investments over the next three to four years' time we feel this can be done. And in terms of the saving, I would say based on our understanding and our workings, the IRR of a solar power plant basis the current power cost etcetera, that we have is close to about 18% to 20%.

So I would say it's a decent investment if we look at it from a return on investment

perspective; the return on investment is about 18% to 20% per annum. So it's a decent saving I would say.

Dhiral Shah: Okay and sir, what was the contribution on the export side on a nine-month basis as well as in Q3?

Anuj Jhunjunwala: So export share is about 13% to 14%. I would say give or take 1% on a three-month and a nine-month basis. And as we've guided earlier, exports will be in the range of 10% to 15%. Yes, the base gets higher, so the volume number in exports increases, but we don't expect this export share to become 25%-30% in the near future.

Dhiral Shah: Okay. So that's all from my side. Thank you so much sir.

Anuj Jhunjunwala: Thank you.

Moderator: Thank you. Our next question comes from the line of Kaushal Sharma from Equinox Capital Venture Private Limited. Please go ahead.

Kaushal Sharma: Sir, I just have a one follow-up question on your solar project, like, you have put one solar project. So what kind of margin improvement from this project and the capex and the size of the project in the Phase 1, and we are also putting another Phase 2 project. So what amount the capex is required, and how would it impact on our EBITDA margin sir? If you please explain it?

Anuj Jhunjunwala: So I think, I just answered this question that the first phase capex was under INR2.5 crores, and we expect that the return on investment on these projects is about 18% to 20%. So I think, the incremental profitability per year should be about INR60 to INR70 lakhs per year over the next four years, each year. So this will be the incremental profitability because of the solar project. I think I just answered this question in detail before this.

Kaushal Sharma: Okay sir got it. Thank you.

Moderator: Thank you. Ladies and gentlemen, as there are no further questions from the participants, I now hand the conference over to the management for closing comments.

Anirudh Jhunjunwala: Thank you, Rudra. Thank you to all the participants who have participated in today's earnings calls conference. I hope we have been able to answer most of your questions satisfactorily, and at the same time offered insights into our business. If you have any further questions or you would like to know something more, please reach out to our Investor Relation Managers at Valorem Advisors; they would be most pleased to answer you. Thank you and thank you once again for joining us today. Have a good day. Thank you.

Moderator: Thank you. On behalf of PhillipCapital Private Client Group, that concludes this conference. Thank you for joining us and you may now disconnect your lines.