



Indian Emulsifiers Limited

PERFORMANCE | SUSTAINABILITY | INNOVATION | CHEMISTRY

November 13, 2025

To,
The Manager,
National Stock Exchange of India Ltd.
Exchange Plaza, Plot no. C/1, G Block,
Bandra-Kurla Complex, Bandra (E) Mumbai - 400 051

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Sub: Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015- Transcript of Earnings Call dated Monday, November 10, 2025 at 02:00 pm (IST)

Pursuant to Regulation 30 read with clause 15 of Para A of Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached herewith transcript of earnings call held on Monday, November 10, 2025.

Please take the above information on record.

Thanking You,

Yours faithfully,
For Indian Emulsifiers Limited

Yash Tikekar
Managing Director
DIN: 02206485



Indian Emulsifiers Ltd.

H1FY26 Earnings Call of Indian Emulsifiers Limited

Event Date / Time: 10/11/2025, 02:00 PM

Duration: 01 Hr 16 Mins.

CORPORATE PARTICIPANTS:

Mr. Yash Tikekar

Managing Director

Mr. Parth Raorane

Confideleap Partners

Moderator: Ladies and gentlemen, good morning and welcome to the Indian Emulsifiers Limited H1FY26 conference call hosted by Confideleap Partners. As a reminder, all participants' line will be in listen-only mode and there will be an opportunity for you to ask the questions after the presentation concludes. Please note that this conference is being recorded. Before we begin, I would like to point out that this conference call may contain forward-looking statements about the company which are based on the belief, opinion, and expectation of the company as of the date of this call. These statements do not guarantee the future performance of the company and it may involve risks and uncertainties that are difficult to predict. I would like, I would now like to hand over the floor to Mr. Parth from Confide Leap Partners. Thank you, and over to you, Parth.

Parth: On behalf of Confidently Partners, I warmly welcome you all to H1FY26 earnings call of Indian Emulsifiers Limited. The company will be represented by Mr. Yash Tikekar, who's the managing director. Now, I hand over the call to Mr. Yash. Thank you, and over to you, sir.

Yash Tikekar: Hi. Good afternoon. I am Yash Tikekar, the managing director of Indian Emulsifiers Limited. We are pleased to report a strong performance reflecting our operational efficiency, customer focus approach, and disciplined execution across all business segments. For the first half of '26, revenue stood at 76.98 crores, marking a 55% increase over H2FY25. Profit before tax grew by 58% to 12.39 crores, while profit after tax increased by 63% to 10.26 crores. This performance

demonstrates the benefit of improved utilization, a richer product mix, steady demand across key end user industries. (coughs) Our Australian subsidiary, Southern Emulsifier Solutions (PTY) Limited, successfully executed its first order during this period, a significant milestone that marks our entry into the high-potential mining emulsifier market in Australia. The subsidiary is expected to generate approximately 75 crores in revenue over the next 36 months, trending our international footprint and diversifying our revenue base. In line with our long-term expansion strategy, we have further acquired additional land at Lotte Parashuram MIDC to establish a new state-of-the-art facility which will enhance our scale and observation flexibility. We have further developed a new range of polymers and phosphonates tailored for w- industrial water treatment industry, expanding our specialty chemical portfolio into a newer industry vertically. Our focus continues to be on operational excellence, product innovation, and strategic efficiency. Looking ahead, Indian Emulsifiers remains committed to its mission of building a high-growth, innovation-driven, specialty chemical enterprise that consistently delivers value to customers and partners. Thank you.

Moderator: Just a quick reminder for everyone, if you have a question, please raise your hand using the reaction panel. Now, I would like the participants to raise their hands accordingly. First we have Mr. Bhavesh Rathore. Uh, sir, you may now ask your question. I have unmuted you.

Bhavesh Rathore: Yeah, I'm audible?

Bhavesh Rathore: Yeah. So, thank you for this opportunity. So, I realize that revenue grew by 55% and PAT is around 60 to 65% over this half-yearly basis.

Bhavesh Rathore: So, what was actually the key drivers behind this? Is it for the revenues, uh, what we have derived from the internal source of, uh, kind of products, or s- have you any new execution over there?

Yash Tikekar: Uh, see, basically what is there is, see, uh, we have continual development and new products that, uh, keep getting commercialized and, uh, uh, the, uh, the, uh, operations of those products start. So, ideally, the revenue increase is based on, uh, improved capacity utilization, newer capacity coming online, newer products getting commercialized, and a wider number of customer base getting targeted. So, it is a combination of multi-cell factors, so it is not one single, uh, particular factor. And with respect to bottom line, it is, uh, pretty much, uh, uh, a part of, uh, the basic, uh, range of, uh, bottom line that we expect to continue for the next 24 to 36 months.

Bhavesh Rathore: Okay. So what portion of revenue growth came from the volume expansion versus the improved realizations of any product mix?

Yash Tikekar: Uh, see, basically- (clears throat) ... the pricing range of our products is pretty much, uh, in line with what has happened in the last, like, you could say six months to a year, and what we expect to continue. So, it's not that the, uh, the price per kilo of a particular product has drastically increased because of which the revenue has increased. The revenue has increased because the quantum has increased, the business has increased, the number of products have increased.

Bhavesh Rathore: Okay. So you mean ki we have increased by... in volumes as well as in new customer engagements, right?

Yash Tikekar: Y- yes, yes, yes.

Bhavesh Rathore: Can you provide the what is the major driver over there? Is that the price change or new customer engagement or the volumes itself on a priority basis?

Yash Tikekar: Um... No, no, no. See, basically what is there, na, ki we have continual approvals going on in newer customers, newer markets. So- Mm-hmm. ... every couple of months there are newer approvals that's come in. See, ideally in our business, there are three ways of growing the business. One is primarily more volume allocation at the same customer, number of, uh, more products to the same customer, then newer customers in the same particular industry vertical and newer industry verticals. So these are pretty much the four, five permutation combinations that are there with which the business grows on a month-to-month basis, and we are actively working on all these different permutation combinations due to which every couple of months there is newer additions that support the revenue growth.

Bhavesh Rathore: Okay. And how does we manage our raw material and cost fluctuations, uh, during the supply chain in- inefficiencies?

Yash Tikekar: Uh, see, basically what is, there is key, in terms of cost, there is pretty much symmetry with respect to our customer and us. So generally, any price that does change, whether it's the input in terms of increase or decrease, it pretty much gets passed on with, like, to the customer if there is an increase or it is a decrease. That sort of a thing. So generally what is, there is key, there is no major impact, uh, in terms of, uh, price fluctuation directly and o- other than in the short run.

Bhavesh Rathore: And what will be the average range of this price fluctuation?

Yash Tikekar: Uh, see, generally what is, there is key, most of our pricing is pretty much, uh, linked to some, uh, you could say indicator. Whether it is, for example, crude, whether it is palm oil or any other, you know, agricultural commodities or some... So every raw material has a source. So whether it may be agro, it may be petroleum, it may be synthetic. So ideally there would be key factors that drive those particular, uh, price points. So who- So any fluctuation- ... averages out? Yeah, so it is not any major fluctuation, like other than COVID, if you see overall fluctuation during the course of the year, normal fluctuations would be anywhere between like, like single-digit-only changes. Nothing, uh, major.

Bhavesh Rathore: Okay. Okay, I'll get back in queue again.

Yash Tikekar: Yes, yes.

Moderator: Participants may also post their question in the Q&A section. Now we have Mr. Kedar. Uh, sir, you are unmuted to ask the question.

Kedar: Yeah. Uh, am I audible?

Kedar: Yeah. Yeah. Thanks for the opportunity. So I had a few questions around your, uh, rights issue that you have recently announced.

Kedar: So I think you, in your, uh, previous interaction, you had said that you would require debt for future expansion or you would rely on debt. So why, you know, to go for equity?

Yash Tikekar: See, ideally what is there is we had said that we would always do any form of, uh, capital expenditure in the terms of a combination of equity and debt. So ideally, what is there is for this, uh, expansion that we are doing right now, the phase one of it, we have decided to go with an equity component. For the phase two and further expansion, we would definitely review debt. So it would always be a combination. So for example, the land we had already procured from our internal accruals. Mm-hmm. So there would always be combination of multiple factors as well as the other operational aspects that come in during the, you know, working of the cash flows and, uh, that part.

Kedar: Okay. So phase two, the debt part you mentioned, that will be approximately how much? Like have you- No, no. ... decided on that?

Yash Tikekar: See, see, basically right now what is there, now the, the, the thing that we are doing right now, phase one, that we are expecting about, uh, uh, the, uh, theoretical capacity to be within 400 to 500 metric tons once the entire thing is live. So, but we will have scope for expanding it to upward of 1,000 metric tons. So that additional capacity that we would require after about, you could say 10, 12, 14 months, that would be when we would consider the debt factor and various other, uh, permutation combination to fund that.

Kedar: Okay. Okay, got it. And, uh, on the price of the rights issue at rupee 80.

Kedar: When you announced the price was close to say 160 or so. Why announce it at such a big discount? Like usually this doesn't happen, right? Like at a 50% discount of the, uh, market price. Why? How would you decide?

Yash Tikekar: No, I, I, I, I... Ideally, the average price was in the range of 125, 30 in that particular range. I don't know the exact price bracket, but it was always in that range. So in terms of shareholder benefit, ideally there has to be some discount in terms of that which is beneficial to the shareholders. And we had positive feedback from our shareholders that it is, you know, all our shareholders are with us and, uh, you know, they would participate. And rights is always from, you know, focusing on the shareholders other... rather than, you know, a select few.

Kedar: No, that's, that's fine. I think I was under the impression that when you announced the share- uh, rights issue, the price was close to... No, it was up for the 150. See... No, no. See, particularly, see the price range that is factored in would be an average. So it won't be of a particular day or a particular week. It would be a little longer period of time that the average- Yes. ... would have been developed. So the average would definitely not be the 150, 160 mark.

Kedar: Okay. So you're saying the, uh, whatever the, as per SEBI pricing rules, uh- Yes. Yes. ... the price will be close to 100, 120. That's what you're saying?

Yash Tikekar: Yeah, basically the entire working by the team is done as per the SEBI and, uh, the exchange guidelines. So the entire pricing, uh, of the average pricing, the RE working and everything is as per the norms.

Kedar: Okay. Understood. And, uh, will the promoter group will also be participating in this rights issue?

Yash Tikekar: Yeah. Yes, yes. The promoter would be participating in the rights issue.

Kedar: Okay. And also, like recently you extended the date. So what was the, like what was the need? I think there were quite a few days before that you had announced. What was the- No. ... need to extend the date?

Yash Tikekar: No, no. See, see primarily what happened is initially when we had, uh, factored the timeline for the thing, so the... generally if you see the time period is up to 30 days. So initially, we had done a period that was based on, uh, earlier calculations, but the factoring of the Diwali holiday and the long, uh, bi- basically this year if you'll see, the Diwali holiday was very long. So primarily, that factoring was not done, uh, perfectly. That's why we, uh, extended it as per the norms.

Kedar: Okay. Because when the issue started also, it was in the Diwali week. Yeah, but when you decided on the issue, that time- Yes. ... you didn't consider it, basically?

Yash Tikekar: No. See, basically, so many holidays were not factored in to that extent, hence, uh, we extended it between... as per the guidelines and the norms.

Kedar: Okay. Okay. Got it. And, uh, as far as the guidance is concerned, you have mentioned in your PPT around 150 to 200% growth in FY '26. That would be over FY '25, so that means, uh, around 250 crore of revenue you will have to do in FY '26. And in the first half, you've done around 75, 80 crores, so you're confident of meeting this target?

Yash Tikekar: See, basically, what is there is in the presentation, uh, the, uh, the, uh, growth, growth that we've put in is, uh, the capacity that has come online. So that capacity would position us for this particular growth. And we're definitely expecting that with that additional capacity and reaching, uh, good utilization levels by the end of this month and from next month onward, we should definitely, in terms of, uh, revenue growth, if you would factor it, what would be definitely upward of 100% is what we are minimum looking at.

Kedar: Okay, so minimum 100% growth, uh, for FY '26 revenue?

Yash Tikekar: Y- yes. Yes. Yes.

Kedar: Okay. And what would be the margin? Like, it would be 19, 20%, current levels, or-

Yash Tikekar: See, s- s- see, ba- basically what is there is the current product mix that we have, the average EBITDA margins is between about 19 to 21, 22 is the range that is there. Obviously, it varies on a month-to-month basis with slight changes on various factors, but that range we expect to continue.

Kedar: Okay. Got it. Right. Uh, I will come back in the queue. Thanks.

Moderator: Next we have Mr. Deepak Poddar. Sir, now you can introduce yourself and ask the question.

Deepak Poddar: Hello? Hello.

Moderator: Yeah. Am I, am I audible?

Deepak Poddar: Yes. Hello? I guess there is some glitch there. Uh, Deepak, sir?

Moderator: Yeah, I'm audible now?

Deepak Poddar: Yes. Yes.

Moderator: Yeah. Uh, thank you very much, uh, for this, um, opportunity. Look, just first up, wanted to understand on the capacity front. I think earlier you were at 650 metric tons per month of capacity, so what would be our current capacity?

Yash Tikekar: See, basically our new capacity that has come, that is taking us to about 1,000 metric tons, so it has already started coming online and we would start utilizing the entire thing by the end of the month.

Deepak Poddar: And when was this commissioned?

Yash Tikekar: Uh, basically, our capacity started in September and it has been progressively getting commissioned, so the entire, uh... you could say that the full-fledged capacity and the utilization would start by end of November.

Deepak Poddar: Okay. Okay. Uh, so, so, uh, okay. Okay. So, so I mean, uh, we started in the month of September, so ideally your utilization level of this capacity would have been very small, right? In a negligible form. Uh, would have been? First of... Uh, would be very negligible in the first half, and your contribution in the first half- Yeah. ... your new capa- capacity would have been very negligible. Mm-hmm.

Yash Tikekar: Yeah. But see, basically what is there, whatever came online in September did, uh, contribute towards, you know, churning that is there. So it definitely contributed to the first half of the year.

Deepak Poddar: Okay. Okay, um, understood. And, uh, regarding the right issue, I think, uh, promoters own about 40%, right? Uh, yeah, 48 point something. Forty- so, so, so... and the right

issue is of 49 crore, uh- Yes. ... so ideally, how much of our share we would be, uh, looking to participate? I mean-

Yash Tikekar: See, see, basically the promoter would be participating. The exact value would be, like, you know, privileged information, so, you know, that is something that I would not be able to tell right now.

Deepak Poddar: Okay. Okay. And, um, secondly on the receivable part, I mean, we saw big jump in receivables in the first half. Yes. You know, receivables from 30 crores have gone to, I think, uh, some 58, 60 crore, doubled in six months. So, so, so what led to that?

Yash Tikekar: Uh, see, basically what is there, na, kee in terms of our, uh, very business growth that is there, on an average across industry segments, there is a debtor cycle of about 75 days, 90 days, depending the credit terms of the industry that are there. And since we are penetrating newer customers, entering newer industries, the debtor... like, the credit period that is existing in the industry is something that we have to accept. So in the initial stages, right now when we are growing, we would be takers of the credit terms of the industry. Similarly, what happens is that in terms of realization, for example, some bigger companies pay- make payments once a week. If it is an export, it would be from the date of, uh, the BL. So these multiple factors, so some cases the company would take it from the GRN date, so that would be a couple of days with the transport. So ideally the... You could say the average debtor cycle that would be there, that is currently there also, it comes to about 115 odd days. That is, uh, 115, 120, 110. So that is the average debtor cycle that is existing. Obviously, there is scope of efficiency there that would be achieved as we start, you know, growing to a certain scale in the particular industry wherein we would be able to, you know, negotiate better with com- customers and improve that.

Deepak Poddar: Okay. Okay, good. A- a- and what were the CapEx, uh, in- involved in this capacity expansion? Uh, the- the new one? Yes. Yeah.

Yash Tikekar: See, basically the new one right now that we are doing with the rights, in that we are expecting, uh, to have, uh, uh, the co- the construction to be around six crores and the machinery to be about 11.36, uh, crores. So around 17, 18 crores? Yes. The thing is the- Around- ... land and all, a- we had already purchased. We're looking for additional land also adjoining to it, so that also we are working on it. So ideally, what we are trying to do is create, uh, you could say a skeletal system in terms of having potential to scale it up to about 1,000 metric tons in the future. Okay. So at least have that base infrastructure, at least on a skeletal level, and have this capacity come online. So this new CapEx, 17 to 18 crores, so- so- so where will it take our capacity to? Uh, see, the additional capacity that we are working on right now, it would be theoretically in the range of 400 to 500 tons. So ideally- 400 to 500 tons. ... yes. So once that entire capacity will come live, we should reach about, uh, this 1,000 plus that 400 to 500. So it'll be about 1400 to 1500 range. Again, like I'm saying, theoretical, because there is certain permutation combination that would happen in terms of change of product basket that would definitely deliver some sort of efficiency. Even if you see, uh, in this first half of the year also, we have had certain better efficiency in terms of capacity utilization with certain permutation combination and capacity... uh, sorry, in terms of campaigns, as well as what we have done is we've tried to improve our turnaround of the inventory. So if you see there is an improvement, uh, sorry, a reduction in inventory levels. So inventory days

have also gone down. So primarily that has also helped, uh, with the churn in terms of better capacity utilization and efficiency.

Deepak Poddar: Understand that. So last couple of things. Uh, this, uh, new CapEx will come by when?

Yash Tikekar: Uh, we are targeting a timeline of say, early to middle of next year, but, uh, over the next three to four months, we would be in a better position to know the exact timeline. So ideally closer towards February or March, we would be able to give an exact, uh, you know, timeline, but we are targeting to have it, you know, some part of the capacity at least come online early next year.

Deepak Poddar: Understand. What is the CapEx involved in this, uh, 650 to 1,000? Uh, which- which CapEx? Uh, that 650 metric ton to 1,000 metric ton. So that expansion, uh, what was the CapEx involved there?

Yash Tikekar: Uh, that was from the IPO proceed that we had done, so that was approximately 21 odd crores that were there.

Deepak Poddar: O- okay. Tha- that will be it from my side.

Moderator: All right. Next we have Mr. Rajesh Jain. Sir, you may unmute and ask your question and introduce yourself.

Rajesh Jain: Yeah, hi. Uh, yeah, this is Rajesh. Uh, hi. Uh, sir, I have a few questions. Uh, the first one is again on the receivables, where your receivables are around, uh, 45% of your last 12-month sales. So are you... Uh, I want to know that post-September end, how much of the receivables you have collected, and out of the total receivables, uh, how much are more than six months old?

Yash Tikekar: Uh, see, uh, basically, let me address that question in three parts. One part is the receivable that is there on a particular, uh, period, let's say a quarter or a month, ideally would reflect pretty much the average growth of business that is there in that particular quarter or that month. So in terms of since the revenue is growing, like our revenue has grown more than 55%, uh, in H1, so compared to H2 of last year or H1 of last year, there would definitely be an increase, number one thing, in proportion to that. Secondly, like I explained earlier that our average debtor days is coming to about 115, 110 days. That is on an average. So the recovery is regular on a monthly basis based on that average days. So there is a continuous churn and there's no, like, debtors that we have that has beyond six months. So generally there is no bad debtors or there is no money stuck in that sense. So there is a regular churning of, uh, recovery and the debtors that continues.

Rajesh Jain: Okay, so your annual report of, uh, financial year '25 mentioned around six crores of d- trade receivables as more than six months old. So, uh, that has... uh, that is still pending or, uh-

Yash Tikekar: N- no, no, that- that's- that's, uh, recovered.

Rajesh Jain: Okay. And, uh, out of this, uh, 58 CR receivables as of September end, and today- Yes. ... we are on 10th November, so- so how much of that- Yes. ... would have got collected by now?

Yash Tikekar: Uh, I would have to check that. But like I said, on a proportional level, you have that... if you say, for example, if you divide it by say, four months example, or 115 days, whatever is the outstanding figure, so 30-day churn would be... recovery would be equivalent, you know, plus minus 10 to 15% of that.

Rajesh Jain: Okay. Okay. And so, uh, the next question is your tax rate is around 18, 19%, right? So, so are you getting any exemptions? And if yes, then, uh, till, till when will the low tax rate last, and- Uh... ... uh, and, and what- Yes. ... would be a steady state tax rate for next few years?

Yash Tikekar: No, no. Ba- basically, it's not a exemption. What was there is I think in the year 2019 or 2020, there was an option in terms of for manufacturing companies, for the selection of the tax bracket, I think it was around 19 or 20% that was there. So that was selected by us that time. So there was certain... I'm not sure about the tax factor, like, you know, that's not my scope that much. But on broadly what I'm aware of that, that was, uh, once it was selected, it was to continue unless and until some new rules and regulations change. So it was not for a particular period, it was primarily selecting that particular slab for manufacturing MSME. There was some promotional thing in 2021. I don't know the exact year, but, uh, that's initially when we started our operation.

Rajesh Jain: Okay. So you're saying that, uh, for the near future, at least you are not, uh, you don't- Yes. ... see it, you know, not continuing. Basically, it will continue for the near term- Yes. Yes. ... over the next few years.

Yash Tikekar: Yes, yes, yes. Unless and until there is some revision in terms of, you know, the tax brackets or structures.

Rajesh Jain: Okay. So my next question is, uh, you disclosed that your Australian subsidiary was incorporated around May 2024 and- Yes. ... till September 2025, it did not start operations, and post-September, it executed its first order.

Rajesh Jain: So, so, uh, I just wanted to know why it took more than 15, 16 months to start the, uh, to, uh, to get the order there? What headwinds do you face there?

Yash Tikekar: Oh... No, no. See, so basically what is there, na ki in terms of this particular industry, ideally what happens is normally with any customer, the average approval process is about 6 to 12 months. Primarily because what happens is at the initial stage, it is tested in a laboratory. So in a laboratory, the emulsifier has basic specification check. Then there would be a stability check. Once that is through and the performance is gauged, then they move to field. Once it moves to a field trial, then the field trial, there is an actual, uh, batch that is taken, there is an actual blast that is conducted. So all these particular things require lot of resources that are invested from the customer end. Secondly, it requires a time cycle that is there at the customer end, because at mines and all, a lot of blasts are lined up. So for them to introduce a new product, get the testing done, it

is a process. So it's not that the subsidiary did not have operations for a year. The operations were ongoing in the part of marketing and customer approvals. The approval and the customer started coming online with our execution of the first order, like, uh, two and a half months ago. So that's when it started. So every... what we expected... that's why if you see the projections for our subsidiary also, we're projecting 75 crores over the next three years. Ideally, that timeline could become shorter as well, but that is the higher end of the spectrum that we are expecting because we expect these customers that we are working with, their approvals and their, uh, process of procurement to start in phases over the next couple of months. So right now, we already lie with two customers. Both these will contribute a good amount right now, and the others are also in the final stages of the field approvals.

Rajesh Jain: Okay. So my last question-

Moderator: Thank you, Rajesh. Sir, please- Okay. ... join the queue. We'll have the next participant. Next we have Mr. Harshit. Sir, you may unmute yourself and introduce.

Harshit: Hello? Am I audible?

Moderator: Yes, yes.

Harshit: Uh, thank you for the opportunity, sir. Sir, I just wanted to ask what kind of revenue and EBITDA are you targeting for FY '27 and '28?

Yash Tikekar: See, FY '27 and... See, EBITDA levels, uh, and bottom line levels would be... We are expecting it to be on the similar, uh, levels that are there right now. So if you take EBITDA, it would be about 19 to 21, 22% range. Similarly, for the bottom line, the similar range would be maintained. In terms of revenue growth, like I said, next year we are expecting upward of 100% minimum. And beyond that also we expect high growth to continue in that levels because our capacities are also coming online. Like you can see, we are already putting in additional capacity for next year. And the specific industry verticals that we are working on, the approval processes, the orders, the commercialization is moving as per plan. So we do expect to have a good tangent of growth over the next 36 months, which would be in higher digits only, like I'm, uh, giving the guidance for the coming year as well.

Harshit: All right, sir. Thank you.

Moderator: Next we have, uh, Avantika. Uh, ma- ma'am, you may unmute yourself and introduce.

Avantika: Hello? Hello. Hi. Am I audible?

Avantika: Uh, my first question was around the capacity utilization. At 12,000- Yes. ... tons, what is our capacity utilization? And, uh, once this new capacity comes in w- with the rights issued, I, I understand it's 500 tons in incremental. How much would be the capacity utilization there that we are expecting?

Yash Tikekar: Uh, see, basically what is there is key right now, the capacity that is come online, we are expecting to start utilizing, uh, at, um, ma- maximum levels by next month onwards. So we would definitely be in upward of 90% would be the targeted utilization, which we expect to happen.... and the reason to put the additional capacity for next year, the 400 to 500 ton theoretical capacity is because this capacity will start getting maxed out in a couple of months. Primarily, that's the reason that capacity needs to come, uh, be available for us. And when that capacity also comes, so over a few months, that also starts reaching very, uh, high operational utility levels, is what we are projecting.

Avantika: Understood. And this is 500 tons, right, with the rights issue- Yeah. ... you're expecting 500 tons?

Yash Tikekar: Yes, between 400 to 500, the theoretical basket of products that is there. So that would- Got it. ... be the range. But then definitely there is scope for better efficiency also if the product volumes of certain products increase, so again, the theoretical value will change. So right now- Got it. ... so the thousand that we are talking about may have a higher utility, uh, utilization primarily would be depending on the product basket. So in some cases, what would happen is that if we have, uh, larger volumes of certain, uh, group of products, the campaigns are longer, that particular month, we may even have a capacity availability theoretically which may be more than 1,000. So again, it would w- work on the, you know, monthly and the quarterly product basket. But this is the range that we are l- looking at.

Avantika: Understood. Uh, my next question was around, uh, our related parties. I see there are four, uh, related parties, Chemical Brothers, YST Life Sciences, et cetera. Uh- Yes. ... are they in the similar business as Indian Emulsifiers?

Yash Tikekar: Uh, see, see, primarily what is there is key, uh, they're all in the same industry per se, you know, on a broad grouping of chemistry. But, uh, in terms of kind of products, industry application, and the machinery required, like for example, Chemical Brothers is a trading enterprise, but, uh, YST Life Science is a manufacturing enterprise. So ideally, the product groups, the different products, everything is very different between the, uh, companies. And I'll give you a simple example. For example, in YST Life Sciences, like, uh, the inter-company tie- uh, you could say the transaction that is there, what happens is, like for example, YST Life Sciences produces a product called Polysorbate 80, for example. So that requires an ester that is ethoxylated. So the ethoxylation facility, the chemistry, and the application for agro, for example, that is what YST is doing. But today what is they, do, uh, what is the thing is that the ester that is required for the ethoxylation, so basically the raw material of YST, is one chemistry that Indian Emulsifier produces. Mm-hmm. Similarly, what is there is there are certain formulated products wherein, uh, Indian Emulsifier may require a propoxyate, for example, for a cleaning product to have foam suppression, but that is something that is not produced by Indian Emulsifier, but that is produced by YST Life Sciences. So ideally, these transactions are primarily because the chemistries are different. The product applications are different, but somewhere, the kind of chemistry that is being done by one company is required as a raw material for the other to a certain extent. So if you see the percentage of the transactions are quite less, but in terms like if it was a big multinational, you would have different, you know, units of all these chemistries in a big massive facility. But in our

case, what is there is okay, it is different companies, different, uh, kind of products, different industries that are there.

Avantika: Understood. So they have... so there's no overlapping of chemicals between these companies- N- no, no, no, no- ... emulsifiers and these oth- other companies?

Yash Tikekar: See the, see the chemistry and you could say like... I'll give an example. For example, the highest temperature of reaction that Indian Emulsifier does is 230 degrees. The highest temperature YST Life Sciences does is 110 degrees. So inherently, the reactors, the heating medium, the reactions are completely stark opposite.

Avantika: Understood. Um- So just to put it in a simple- Okay. S- ... thing is like, for example, if Indian Emulsifier makes sugar, say YST is making salt. So ideally, it may find use somewhere, may overlap in terms of an industry. But ideally, both of them are inherently different in terms of the, you could say, the chemistry, the performance, and the overall manufacturing process.

Avantika: Understood. Um, from a corporate governance perspective, wouldn't it be a good idea to have all of them under the same listed company or is there any plan to do so in the future?

Yash Tikekar: Uh, see, we have not touched upon, uh, that part right now, because we're focused on the company individually. But that is something that we have not, you know, looked into as yet.

Avantika: Understood. And, uh, my last question was on the receivable days. You explained many of my questions with the previous participants. Uh, what is the outlook going forward in the sense when do we see the days come down in the future?

Yash Tikekar: Uh, see, in the future also, we expect, like I said, key, you know, currently, at least for the next two to three years, we would be taking payment terms that are already existent in the market. Underst- So in such cases, what is there is the efficiency improvement would be maybe like, say, moving from 115 days to maybe 100 or 95 days or 90 days. So that kind of efficiency is possible in the short run. In the long run, definitely it could be a lot different. So that's when we could definitely have more control on, uh, the, the, the credit periods.

Avantika: Got it. And just one last question, uh, the related party from Emulsifiers to the other, uh, related parties is not more than 10% of revenue or is it much more?

Yash Tikekar: Uh, no, no, it's- it's a small percentage. Uh, it would be declared in the thing. I would have to have to look at the- Understand. ... exact figure, but... I have the March end figure. I was just checking for the latest of you, that's all.

Avantika: Yes. Thank you.

Moderator: Thank you. Next we have Mr. Aayush Shah. Uh, sir, you may unmute and introduce yourself.

Aayush Shah: Uh, hello? Am I audible?

Moderator: Yes, tell me. Mm-hmm.

Aayush Shah: So sir, my question is, uh, regarding, uh, sir, the water treatment, uh, plant, uh, that you have, uh, recently, um, your new verticals, can you please explain me detail about the total market potentials and which type of, uh, water treatment are you targeting, sir?

Yash Tikekar: Uh, see, basically I'll just give you a broad, uh, thing of what we are doing right now. See, basically, uh, water treatment is of, uh, on a broad level, is of two different types. One is your municipal water treatment that is there, which is, you know, using water that is there. Secondly is industrial water treatment wherein water has to be treated within a particular industry. So for example, let's take the example of a power plant. So a power plant requires a lot of water that is utilized that may be for its cooling purposes, maybe for its heating purposes or various other factors. So this water has to be treated in such a way so that it does not impact the operations of the plant. So for such particular application what happens is, there are organizations that take up contracts from these big, uh, comp- uh, organiz- like facilities that require water treatment. So what we are doing is we have developed a range of products which are polymers and phosphonates that go into formulation of these products that are used in the power pla- Like for example, in the industrial water treatment segment. So as stage one, we are only making products which would be used as raw materials in the formulated product that would be used in the facility. Stage two, in the coming years, what we are looking at is moving one level up to the formulating part and participating in, you know, the actual tendering and taking contracts for these facilities. But in stage one, it would be B2B that we are looking at, and initially as per our analysis and what we have looked into, the B2B currently has slightly higher margins compared to actually the B2C part of it, because there the tendering factor comes in. Lot of big companies are, you know, larger tenders are there, there could be competition in that part of it. So we've identified this particular, uh, segment that is there right now, and it would add as a vertical to our existing vertical that we are working on.

Aayush Shah: Mm-hmm. Okay, sir. Uh, sir, my next question is, uh, regarding, uh, sir, uh, why the auditor is only paying so much less? If I have to quote the number, it will be in two lakhs, I guess. So need some clarification in that. You are 200 crores company and auditor is paying this much less.

Yash Tikekar: No, no, I- I didn't understand.

Aayush Shah: Uh, sir, why auditor is paying, uh, very less amount, sir? Or I guess only two lakh they are, uh, ge- uh, getting paid.

Yash Tikekar: Uh, no, no, no, I'll have to check it. Uh, the audit fees are as per market, uh, levels only.

Aayush Shah: Uh, and sir, uh, about your c- Uh, because last year I think it was five lakhs that were there, the audit fees, or maybe around that range.

Aayush Shah: Okay, sir. Uh, sir, about, uh, the Australian subsidiary, uh, sir, uh, uh, uh, it- it is only related to mining, uh, exp- uh, explosive now?

Yash Tikekar: Yes, yes, yes, yes.

Aayush Shah: And in previous con call you have mentioned that it will be in the phase, uh, two phase. First phase, uh, f- uh, in first phase you will produce here and you will take, uh, uh, the goods to the Australian warehouse and from there you wanna do the business. And second phase- Mm-hmm. ... you wanna, uh, manufacture in Australia. So I want to know about the second phase. Uh, have you started or it is yet to be commenced, sir?

Yash Tikekar: No, no. See- see basically the phase one that is there right now that we are doing this, uh, the distribution model that is there. So if the distribution model is like, you know, works to the level that we expect it to work, we would not be pushing for manufacturing at least for the next three to four years. Because what happens is, for a organization of our size currently, setting up a facility in a totally different developed country would ideally come with its own set of challenges. So initially, if we can have a good margin business, good set of customers, w- which is easily manageable through the distribution model, in phase one, we would do com- continue that till the point that we have substantial volumes that it would make a very cost-efficient way of producing there.

Moderator: Okay, sir. Thank you, Mr. Aayush. Uh, next we have Mr. Zahir. Sir, you may unmute and introduce yourself.

Zahir: Hello, sir. Hello.

Moderator: Uh, so first of all, congratulations on your result.

Yash Tikekar: Thank you.

Zahir: Uh, my question is like, uh, y- your m- company has entered into a new ind- uh, vertical, like industrial water. What are the future areas and sectors the company is working on?

Yash Tikekar: Uh, see, what is there is we do have continual development that is going on. So right now if you see, we already have seven to eight different verticals that we are working in. So as a new vertical, water treatment is something that we've been working on since a year, year and a half, which is what we have started, uh, you know, moving towards commercializing right now. New verticals we would be... like, we are working on, but ideally it needs to reach a particular level. So by next year, we should have a fair understanding of which other vertical we can, you know, target. So ideally, what is there is an existing vertical, we have more continual development in number of products. And in terms of a vertical, that is a completely different shift that is there. So that would, uh, happen. So another additional vertical would take some time, so most probably by next year, we would have some additional, uh, information there. So we have ground work going on, but unless and until we, uh, we have the exact chemistry in place, the facility in place, the market, you know, at least in terms of what we are targeting locked in, it would be too premature to, you know, get into the ones which we're working on right now.

Zahir: Yes. Yes. I understood. So, uh, in Australian facility, there was two phases, right? Phase 1, phase 2. On last con call, you're guided for 43% gross margins. Y- Uh, no. Uh, so- Uh, see, basically, what, what was the guide... basic concept was that... See, right now here, we have a gross margin levels which vary between 28 to about 32, 33% range, depending on the product basket. So the Australian subsidiary would be adding an additional 15% to the gross margin. So the gross margin from, say, here till the end customer there goes to that 45% range. But the bottom line over there is something that we would have better understanding by March, because by then we would be moving a lot of product, so we would have better understanding in terms of costs with respect to, uh, the freight, the transportation, uh, the storage, all those multiple factors.

Zahir: Yes, sir. Uh, then my next question is, could you clarify on the extent of participation, the promoter intent to participate? Like specifically, are they planning to subscribe fully-

Moderator: Uh, sir, uh, can you please join the queue? We are- Yes. Yes, ma'am. ... patients.

Moderator: Thank you. Next we have Mr. Manikam Ravichandran. Sir, you may unmute and introduce yourself.

Manikam Ravichandran: Am I audible?

Manikam Ravichandran: Okay. Uh, good afternoon, sir.

Yash Tikekar: Good afternoon.

Manikam Ravichandran: My question is just to clarify on the capacity part.

Manikam Ravichandran: So in the investor presentation, we have reached 150 to 200% capacity more.

Manikam Ravichandran: To clarify... So last year we had 2,400. We reached 7,600 in May or June timeframe this year.

Yash Tikekar: Yes, sir.

Manikam Ravichandran: And then 7,600 to 12,000 reached around August, September timeframe. Right, sir?

Yash Tikekar: Y- yes, sir.

Manikam Ravichandran: So in that sense, uh, it is 150 to 200% on the capacity without the CAPEX which is being, uh... you know, by rights, which will be added- Mm-hmm. Yes, sir. ... which is around 500 tonnes, sir, means- Yes, sir. ... 6,000 tonnes, metric tonnes per annum, right?

Yash Tikekar: Yes. Yes, sir. So approximately maybe, uh, next year, middle, 18,000 metric tonnes, which means the capacity compared with last year, maybe more than 250%. But I- Mm-hmm.

Manikam Ravichandran: My question is precisely that we have now capacity 150% to 200%, we have already, uh, CAPEX done and it is, uh, capacity utilization will start from November, as you said. Right, sir?

Yash Tikekar: Yes, sir. Yes, sir.

Manikam Ravichandran: Okay. Okay. That's all. I just want to clarify, uh, the capacity now available and with the rights will materialize 6,000 metric tonnes per annum, maybe middle of next year.

Yash Tikekar: Yes. Yes, sir. Yes.

Manikam Ravichandran: Thank you very much, sir. And all the very best, sir.

Yash Tikekar: Thank you.

Moderator: Next we have Mr. Kedar. Sir, you may unmute and introduce yourself.

Kedar: Yeah, thanks for the opportunity again. I'm Kedar Kailani from NAN Partners. Uh- Yes. Um, my, uh, another question would be like, can you give some color on the Australian company that, um... which company is it? Uh, is it a big company in Australia or, you know, anything of that sort?

Yash Tikekar: Uh, no. See, basically if you take the mining explosive segment in Australia, so there are about six to eight companies that control majority of the entire mining explosive segment. And then you have, uh, the second rung of companies that con-... Uh, there also, again, the numbers would not be more than about 8 to 10 that contribute the remaining part of the market. So what we are focusing right now, and we are working with is the A segment of companies that are there right now. And in this also, what is there is right now we are at stage one working a lot on the, uh, eastern, uh, uh, uh, region companies, uh, the sites that are there. So basically what happens is even one company, for example, would have multiple sites across Australia, and Australia is such a conc- co- continent where there is no in- in- internal transport between East to West. So ideally, you have to focus in terms of segments in which region also of what mines do you want to work with. So initially, right now, we are looking at only northern and eastern part of the country. Western Australia something we are working, because again, in the, uh, mine to mine, there are difference in terms of products that have to be ordered, uh, uh, offered. So that is something that would start, uh, work on by next year.

Kedar: Okay, so you said, uh, one of the bigger ones, right? Bigger of the six companies.

Yash Tikekar: Yeah. See, currently right now we are working, uh, with four among the top six to seven of them.

Kedar: Okay. Can you share names of any of them, if it's possible?

Yash Tikekar: See, ideally, that would be a little, you know, confidential in terms of, uh, in terms of the clients- Okay. ... as well, so.

Kedar: Okay, okay. Got it. No issue, sir. Uh, and next question.

Moderator: Hey there, Ashwin. You may join the queue now. Okay. Thank you. We have Mr. Damodar. Please, uh, sir, unmute and introduce yourself.

Damodar: Uh, hello? Can you hear me?

Moderator: Ye- yes, sir.

Damodar: Uh, sir, uh, first of all, uh, how is the demand? Because we have done, done very extremely well on the top line growth. So if you could share something about which segments have contributed to the growth, and are you seeing any secular growth trend in the coming months also?

Yash Tikekar: Uh, see, uh, s- um, primarily what is there is the, the industry that we're working on and the market. So the potential for upside is very large compared to where we are today. So today, to put into perspective, even if you take any particular vertical that we are working on, we are not even contributing that much on a global level or, uh, in that particular market wherein we are, you know, driving, uh, you could say, re- like retaliatory pressure from existing suppliers. So ideally, the potential is very large. There are initial segments that are there that we are targeting. So we do expect to have a very large growth potential that is there that can be achieved in the next couple of years, until the point where we reach somewhere where there would be retaliatory action, you know, that sort of a thing. But we are diversifying ourselves across multiple verticals. So that potential of growth, the ability to grow and, you know, supported with the newer products, that, you know, curve would definitely continue, and there is enough opportunity that is there.

Damodar: Uh, the reason I asked this question is you're again- Yes. ... planning for almost another, you know, over a period of next two to three years, 1,000 metric ton per month capacity.

Yash Tikekar: Yes, yes.

Damodar: So, so you have a clear visibility of growth for the next three years, so that's the reason you're giving me-

Yash Tikekar: Y- yes. Yes, yes, yes, yes. Okay. See, primarily what is there is key, uh, there are two fa- parts to it. One, we expect the capacity requirement to come up and have the capacity maximization right now. Secondly, what is there is key, uh, the next 24 to 36 month, whatever we are talking, is pretty much what we see with what is in hand. So it may be either additional allocation at a particular customer, newer product coming, getting approved and starting at a particular existing customer, or some newer customers where approval is important but the business isn't going to start. So we are not pretty much projecting our capacity or capacity utilization from an addressable market perspective, rather from a perspective of what market access we currently have.

Damodar: Okay, fair enough. So this 1,000 metric ton per month capacity, how much revenue approximately it can generate?

Yash Tikekar: Uh, see, ideally on a range, if we go to look at it, it should be about upward of 200, between 220 to 260 sort of a thing. So it-

Damodar: So that means, uh, so the reason was if there is any delay in commissioning your, uh, the new CapEx, so that will not hamper your, uh, FY '26 or and to some extent '27 growth targets?

Yash Tikekar: Yes, definitely.

Damodar: Okay. Sir, second question is about the land acquisition. Could you able to acquire the land and how big is that? Is it in Mahad or Raigad?

Yash Tikekar: No, uh... No, no, it's in the Lote Parshuram. Same MIDC that we are there in right now.

Damodar: Okay. How big is that?

Yash Tikekar: So, uh, right now we are close to a acre, but there is an adjacent lot also that we are acquiring. So together, we would have a larger facility.

Damodar: Uh, how much capacity you can add there, including that one- Uh- ... you are looking, you know?

Yash Tikekar: No, no. See, right now what we are putting up is close to between 400 to 500 tons, and it would have a potential to go up to 1,000 over there.

Damodar: With this one acre only?

Yash Tikekar: No, no, no, with the additional land as well.

Damodar: Okay. So, so that is there so that you can always do?

Yash Tikekar: Yes, yes, yes.

Damodar: Uh, so there you said when you do with this phase one and phase two of almost 1,000, at each stage after the new CapEx is commissioned, you're giving us a, an idea that, you know, it may take two to three months to run at full capacity utilization, correct?

Yash Tikekar: Yes, yes. See, it would be varying. See, what happens is now, I can give you an example. When we start a particular capacity coming online, we have a batch process. Correct. So it's not a continuous plant. Correct. So reactor will start coming live. See, today what happens is if you wait for all the reactors to start, you're unnecessarily wasting time. Correct. So what you focus on is starting individual reactors coming online, so that way the capacity comes online faster and there is lesser downtime for, uh, getting the capacity live.

Damodar: Okay, fair enough. Sir, this 1,000 metric ton-

Moderator: So, Mr. Damodar, sir, we are running behind. Madam, last question. Last question, madam. 1,000 metric ton also can generate this 220 to 260 crores of turnover, correct?

Yash Tikekar: Yes, yes. Okay. Thank you very much, sir- And- ... uh- ... there is scope for better efficiency there also, like I said. It would again differ on the product combination and the product basket. So if say, in couple of months, we have higher volumes of certain set of products, it would increase the theoretical capacity. If we have more number of products with a little similar volumes, the theoretical capacity may have a little change again.

Damodar: Okay. Thank you very much, sir, and wish you all the best.

Yash Tikekar: Thank you.

Moderator: Next we have Mr. Deepak. Uh, sir, you may unmute and introduce yourself.

Deepak: Hi, hi, thanks for an opportunity. Uh, this is Deepak from Sagoon Capital.

Deepak: Um, sir, question is on the, you know, water treatment chemical. Uh- Yes. ... can you throw some color as to how big it can be in the next, say, three to five years? And, uh, what sort of realization per kg are we looking at here? Also, some comment on the margins would be very helpful. Thanks.

Yash Tikekar: Uh, see, basically what is there is we are expecting gross margin, depending on the particular kind of product, because in the group that I mentioned, there are m- multiple products that are there. So the gross margin levels would be between 25 to 35%. So obviously, there is a range in terms of the product combination, and that exact... The, the narrower range would only be available next year, once we start substantial, uh, you know, scaling that up. And secondly, at least for the next, say, 24 to 36 months, we don't see that vertical contributing more than, you could say, on the higher side, about 10% to begin with to the top line.

Deepak: Got it. And, uh, second question, sir. Uh, are these agreements largely on a monthly basis or there are even long-term agreements for the off take?

Yash Tikekar: Uh, no. Uh, no. See, our regular... Like our... All the customers in the industry that we work, generally, there is a price change that does happen on a monthly level. So unless and until it's a very big customer, we do not, you know, take orders or block prices with the customer more than a month. Only in certain bigger customers, we go to a maximum of about three months. So ideally it's repetitive orders, but you have a fair understanding of the customer's particular projected demand for the year, as well as the expected allocation between the two to three suppliers that the customer has.

Deepak: Got it. The last question would be on the working capital side.

Moderator: Thank you, Deepak. Sir, you may now join the queue. Next we have Mr. S- Shashank. Sir, you may unmute and introduce yourself.

Moderator: Yes, sir.

Shashank: Am I audible?

Shashank: Yeah. So the growth that you are saying, like 150 to 2%, is there any timeline associated with it? Like- Uh, you see, like- ... is it for FY '26 or FY '27 or-

Yash Tikekar: Uh, no. Uh, uh, sir, like as I said, keep for FY '26, we're definitely looking at upward of 100% for this year. And that particular range that is there with, with respect to the capacity that has come online, we expect to start maximizing it by... Uh, you know, in couple of months. So ideally, if you go to see on a month to month basis, by early next year, we would start reaching those levels.

Shashank: Okay. Uh, sir, about the new rite, uh, rights issue that we have done. Uh, so- Yes. ... we are planning to have some CAPEX, right?

Shashank: So by when that CAPEX will, CAPEX will be there, like live?

Yash Tikekar: Uh, see, we are targeting about a six to eight-month period, like I said earlier. But in about three months' time, we should have an exact fair idea of when exactly, uh, the capacity would start coming online.

Shashank: Okay. And by when you will get this ca- rights issue amount? Uh- When you can expect- ... the iss- the... You know, the issue closes, uh, next to next Friday.

Yash Tikekar: Okay. Got it. The price I was not happy sir, actually. Price was too low, right? So like I have brought about around 160, 170, and I don't know how that p- price start to move on before these news actually. Uh, what I realized that about like five to 6 days, the price started to move up, and then after some time, that news came. Actually, it's not with this particular company, it's refer to many company actually. And then- Okay. ... uh, price came around 80. It was too low actually.

Shashank: Okay. No, so like I discussed earlier, uh, obviously the- Yeah, yeah. ... uh, market side of it or the, you know, market pricing is something that, you know, we cannot say anything on. But with respect to the rights price and the working that is there for it, it bas- based on certain averages as per the norms prescribed by SEBI and the exchange. So our team has followed pretty much, uh, the, the guidelines that is there to arrive at those particular prices.

Moderator: Thank you, Shashank. Yeah, yeah, I heard that. Uh, we have Mr. Puneet, sir. Sir, you may unmute and, uh, introduce yourself.

Puneet: Hi. Hi. Yash, uh, Puneet from Nand Partners. Uh- Yes. ... thanks, uh, for giving the opportunity. I think, I think I, I would agree with the previous participant on the rights issue

pricing. It was disappointing for some of us. But my question was about another thing. Um, uh, wou- would you be... You know, if investors want to do it, would you be open to conducting some plant visits at some point of time?

Yash Tikekar: Yeah, yeah, we can definitely do.

Puneet: Okay. And, uh, you know, you mentioned your capital, uh, mix plan, uh, the mix of debt and equity. Um, so in the next one, two years, is equity again... You know, this dilution was fairly significant in terms of percentage dilution via the rights issue. Do you have any further, uh, dilution plans in the next couple of years?

Yash Tikekar: Uh, see, currently, for the immediate future, we don't have anything planned right now. Like I said, we would prefer, uh, a debt component that would be there for the additional CapEx. So currently, that is the broad thought process that is there.

Puneet: And you have, you have sanctioned lines there in place?

Yash Tikekar: Uh, see, currently our... We already have bankers that are there, so existing limits and all are ongoing only.

Moderator: Okay. Thank you, Mr. Puneet. Now we have Mr. Rajesh Jain. Sir, you may unmute and introduce yourself.

Rajesh Jain: Yeah. Uh, so hi. Thanks for the follow-up. Uh, sir, I will just bunch two questions in a single question. So, uh, one is a very short question, that is, uh, what is your current capacity utilization? Uh, I... In case I missed it, uh, uh, if you shared it earlier, that is one. And the second is, if... Uh, I started tracking your company very recently, so, so it will be helpful if you can give some background, uh, about yourself and the chemical industry and your business journey, in short.

Yash Tikekar: Uh, see, I've been part of, uh, this particular segment since maybe about 12 years now. I started off with a trading company and then we moved towards manufacturing. So that would be a broad, uh, in terms of what I have been doing and what we are doing right now. And secondly, in terms of capacity utilization, like I said, the existing capacity that we had earlier, that we already reached the maximum levels. And the new capacity that has come online right now, we would start utilizing at a high utilization level by next month, is what we are expecting to do. And when I talk about utilization, is what key... Our facility works 24 hours. So ideally it is working six days a week. Mondays is when, uh, generally the weekly off is. And, uh, so there is continual, uh, ca- campaigns that do take place, so utilization is always high. And secondly, what is there is key, the finished products that we sell, lot of them are one, two stages, some are multiple formulated products. So ideally, there is a very large number of intermediates also that we produce. So when we look at capacity utilization, it includes a large number of intermediates as well. It includes the finished products as well, so that leads us to the utilization levels which are very large, because there are a lot of products which are two-stage. In some cases, an intermediate is something that is a finished product as well as another step towards another product. So for example, I'll give you, we make phosphate esters. So esters also we make. The ester is also a part

of our finished product, and the phosphatized ester is also a part of a finished product for a particular industry.

Moderator: Okay. Thank you, Rajesh sir. Next we have Mr. Javed. Sir, you may unmute and ask your question.

Javed: Thank you for the opportunity again. Uh, sir, the question is regarding rights issue. Could you clarify the extent of promoter participation in rights issue? Specifically, are they planning to subscribe fully to the entitlements?

Yash Tikekar: Uh, sir, basically, like I explained, like promoter would be participating in the rights, but with respect to the exact, uh, uh, l- level of participating, that would be privileged information.

Javed: So it means if you're not subscribing fully, do promoters plan to renounce their rights to a specific investor or are selling their entitlement?

Yash Tikekar: Uh, so that is something that is, uh, you know, p- privileged. That is something that, you know, uh, would be material in terms of pricing.

Javed: Oh, yes. Yes, sir. Thank you.

Moderator: Thank you, sir. Now we have Mr. Damodar. Sir, you may unmute and ask your question.

Damodar: Thanks for the follow-up. Sir, it's regarding your Australian subsidiary. Uh, we heard that, you know, Australian mines are not doing well because their major market is China where, you know, it is going through some down cycle, so the demand for the mi- you know, metals and all have come down, so they're not doing well. Keeping that in mind... Uh, so first of all, whether that is true or not, you will have to tell us. And second, keeping that in mind, still you are confident of achieving this 75 crores in the next three years?

Yash Tikekar: Uh, sir, basically what is there is the market that we are addressing in Australia right now, like individual and the customer level, we are not looking at allocation beyond 30% of their average consumption for the last two to three years. So ideally, it is a small percentage. Secondly, with respect to mines, what happens is, it's a very capital-intensive industry and mining is something that unless and until a particular... It does not... Like the actual mining activity cannot be shut down suddenly. So it is always a continuous process. Obviously, the number of newer mines, and that varies with term... with respect to, like how you said, there is a fluctuation in demand. But when a particular mine a company undertakes and the activity starts, it doesn't stop overnight because the cost to shut it down or to restart a mine is very large. Okay. So even during COVID, for example, mines did continue, because today what happens is there would be a cycle, right? The demand would go high, but again, you cannot mine what you did not mine last year. So if it is a live mine, the activity does continue to a very great extent because it suddenly does not get scaled up or down.

Damodar: Okay. Okay, fine. The last question is, sir, what is the amount paid for this land which you bought at, uh, Lotte?

Yash Tikekar: Uh, I'll have to check on that and get back. (speaks in Hindi).

Damodar: Thank you very much, sir, and wish you all the best.

Yash Tikekar: Thank you.

Moderator: Uh, sir, we can take a few questions from the Q&A box.

Moderator: Uh, first is, like, from Mitesh Vora, it's, "What is the CAGR growth expected to be maintained over the next three years, including the current year? Also, what are sustainable EBITDA and PAT margin?"

Yash Tikekar: Uh, like I explained earlier, this year, we're definitely expecting upward of 100%. And for the next two to three years, we do expect to reach on similar level, and with respect to margins, like I explained, EBITDA, our range should be in the level of 19% to about 22%, and PAT margins will also be in the similar levels. And with respect to our southern emulsifier, like I explained, the gross margin that we're expecting currently is about 15%, up and above what Indian Emulsifier already makes, and the bottom line over there would be something that we would have better understanding only by March and April.

Moderator: Okay. Next is, like, "Since our company is a niche segment, can you tell us more about R&D capability? What is the team size and what is the percentage, R&D percentage of the total revenue?"

Yash Tikekar: Uh, see, basically R&D in our, uh, business, primarily the main cost is the facility of the R&D, and second is the manpower that... the cost of manpower that is there. So, we have a big team in terms of R&D, so totally we have, including the senior and the entire chain, so we have about 12 people who take care of the R&D. And on a percentage of revenue, it is more towards a manpower cost once the fixed investment is completed. So, it would be a manpower recurring cost, it wouldn't be, like, a very large percentage, percentage of the revenue.

Moderator: Last question is about your Australian entity. What is the size of it and how is it performing?

Yash Tikekar: See, like we explained, that we've just started with our initial orders right now, so next two to three years, we expect a revenue of about 75 crores contribution from that subsidiary. That's it.

Moderator: Now you can, like, give your closing remarks.

Yash Tikekar: Uh, so I would like to thank everyone for being part of, uh, this earnings call, and we would request that all our shareholders should continue supporting us like they've been doing and help this company grow to, uh, very large levels in the next couple of years. Thank you.

Moderator: Then... We can end this call now. Thank you