



Date: August 05, 2025

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

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

Scrip Code: **541167**

Symbol: **YASHO**

Dear Sir/ Madam,

Sub: Earnings Call Transcript

Further to our intimation on July 27, 2025, intimating of the earnings call to be hosted by the Company on July 31, 2025, please find transcript of the said earnings call for your reference and records.

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

You are requested to take the above information on record.

Thanking You,
Yours faithfully,
For Yasho Industries Limited

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

Encl: a/a

YASHO INDUSTRIES LIMITED

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**“Yasho Industries Limited
Q1 FY '26 Earnings Conference Call”
July 31, 2025**



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

MODERATOR: MS. MASOOM RATERIA – MUFG



Moderator:

Ladies and gentlemen, good day, and welcome to the Q1 FY '26 Earnings Conference Call of Yasho Industries Limited organized by MUFG IR. 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 call over to Ms. Masoom Rateria from MUFG. Thank you, and over to you, Ms. Masoom.

Masoom Rateria:

Thank you. Welcome to Yasho Industries' Q1 FY '26 Business Call. Today we have with us from the management, Mr. Parag Jhaveri, the Managing Director and CEO; along with Mr. Chirag Shah, the CFO.

Before we proceed with the call, I would like to give a small disclaimer that the call may contain certain forward-looking statements, which are based on the business opinions and expectations of the company as on today. A detailed disclaimer has been given in the company's investor presentation, which was uploaded on the stock exchange. Now I would like to hand over the call to Mr. Parag Jhaveri. Over to you, sir.

Parag Jhaveri:

Good afternoon, and thank you, everyone, for joining us for today's results call for the quarter ended 30th June 2025. We truly value your continued support and interest in Yasho Industries' performance. As we discuss our financial and operational performance for Q1 FY '26, I would like to emphasize our unwavering commitment to maximizing value for our stakeholders.

We began this financial year on a strong note, delivering the highest ever quarterly revenue of our company at INR198.6 crores. This marks a 14% year-on-year growth achieved despite a challenging global macroeconomic environment.

What's even more encouraging is the 33% growth in volumes, underscoring the robustness of our operations and continued trust of our customers. Segment-wise contribution, Industrial Chemical represented 87% of total revenue while Consumer Chemicals accounted for 13%. This volume-led growth reflects not just robust market demand, but also our ability to deliver value consistently even in a weak pricing environment.

It reinforce our strategic choice being the capacity planning, customer engagement, or product positioning and set a strong foundation for the rest of the year. While the pricing environment remains subdued due to correction over the past year, we are now seeing clear sign of price stabilization, which bodes well for the coming quarters.

Our conscious effort towards product mix optimization have yielded results, enabling us to maintain healthy EBITDA margin of 18.01% on a stand-alone basis and 17.05%** on a consolidated basis. From an operational perspective, our Pakhajan operated at over 50% utilization during the quarter.

**** During the call, EBITDA margin on consolidated basis was inadvertently said as 17.05%, please note the EBITDA margin should be read as 17.02% as reported in the financial results.**

We are actively working to enhance utilization level through deeper customer engagement and potential collaboration with global partners. We expect those efforts to bear fruit in the coming quarters, further supporting our growth trajectory. Externally, the chemical industry is currently navigating a phase of policy uncertainty, particularly on tariff and trade, leading to temporary delay in order finalization, particularly in industrial and auto ancillary segments.

However, we believe that this disruption is short term in nature, and we anticipate greater clarity in the months ahead. Importantly, demand across our core chemical portfolio remains steady, and we are consistently gaining market share even in these uncertain times. On the capex and R&D front, we have already incurred INR30 crores of our planned annual capex of INR100 crores.

Our state-of-the-art R&D laboratory, a key pillar of our innovation roadmap is progressing as scheduled and is slated for completion by October '25. This facility will strengthen our product development capability and position us well for the future opportunity in Performance Chemicals.

On the financial front, our endeavor is to improve our ROCE and DEBT-to-EBITDA ratio by following initiatives.

1. We try to improve the asset by better capacity utilization and
2. further reduction in net working capital from 190 days to below 150 days, primarily by optimizing raw material and the finished goods inventory.

This will help us to improve our cash flow also.

Backed by strong order visibility, a growing customer base and continued operational ramp-up, we remain confident of delivering over 40% revenue growth in FY '26 while staying firmly committed to sustainable value creation for all our stakeholders. In closing, I want to thank our employees, customers, partners, and you, our valued investors, for your continued support and belief in our journey.

We remain focused, resilient, and optimistic about the future. Thank you again for your continued support and trust in Yasho Industries. We are now happy to take any questions you may have.

Moderator: Thank you very much. We have our first question from the line of Parth Agrawal from Bastion Research. Please go ahead.

Parth Agrawal: I have just one question regarding our gross margin. So our margins peaked out in September and December quarters, which was around 45% and which are now down to 40%. Can you just share with us some insight on this happening and do you expect this to stabilize?

Parag Jhaveri: Well, our guidance for this margin is always in the range of 38% to 40% only. That was one of the exceptional quarter we had with a very -- a couple of our key performance chemicals had a demand and those are only once in a year demand. So that can happen in any one of the given

quarter. But our general guidance for raw material to the finished goods consumption is in the range of 40%, plus/minus 1%, 2%, here and there.

Moderator:

The next question is from the line of Ashutosh Nemani from JM Financial.

Ashutosh Nemani:

My first question is regarding our margin segment-wise. Can you please give the margin for industrial chemicals and consumer chemicals both for Q1 FY '26 and year-on-year comparison as compared to Q1 FY '25?

Parag Jhaveri:

Well, as long as consumers is considered our margins in a single digit on EBITDA side, okay? While in industrial, it is much more than 20%. So the aggregate margin comes to in the range of about 17% to 19%. And we believe that we will be able to hold on for FY '26 also the same guideline.

Ashutosh Nemani:

And sir, second question is regarding the -- like I'm new to the company. So I just want to understand the pricing decline that has happened in this quarter. So structurally, what has been the -- what products has been there, there being a pricing decline? And do you expect it to be stabilized? And can you please elaborate like was there a more supply capacity addition or there was a demand problem that led to pricing decline?

Parag Jhaveri:

Yes. Well, see, we have already mentioned that in our industrial segment, some auto ancillary and automobile we see a lot of pressure. And that industry is going through a little bit of turmoil. There our finished goods try to retain the market what we have, we need to compromise on our margins, and that has dragged us for this particular quarter.

We are expecting in the next 2 quarters that should stabilize with a lot of clarity on the policy and the tariff and trades, what we are challenging today. So at least by end of this Q3, we should have a stabilization on that part of it. And we expect the price pressure should ease by that.

Ashutosh Nemani:

And sir, I just didn't catch the tariff part. So in case there is an incremental tariff, then would the price be passed on? Or how will the dynamics in that case work?

Parag Jhaveri:

I think, Ashutosh this is just a very recent environment. We are all waiting for our government clarification. And so we don't get into it today. We need to review it where it's going to end actually, the policy statement, and then we'll take a call on it. But yes, if that don't have resolved, then we may have a challenge, a little bit of challenge there. And then we have to talk to our customers that how much we can pass it on and how much we cannot pass it on.

Ashutosh Nemani:

Sir, this 40% revenue growth guidance that we are given, is it assuming the pricing levels stay same?

Parag Jhaveri:

When we are talking, yes, I think we talk 40% guidance is very much with the current market trend only. So we are very confident despite recent turmoil in the tariff statement, we are still confident that we'll be able to achieve this 40% growth, at least 40% growth.

Ashutosh Nemani:

And the fixed asset turnover that we mentioned that will reach to 3 by FY '27, that's it



- Parag Jhaveri:** I think there is no change in that reason also. We are very much expecting that we should be able to achieve as we have installed capacity last year and the current year in 2 product lines, we are increasing our capacity also, which is giving us a lot of confidence. And with the current -- this year capex of about INR75 crores in plant and machinery and INR25 crores in R&D. So we are looking at INR75 crores, which will give us an additional revenue, but that will happen only in FY '27, not in FY '26.
- Moderator:** The next question is from the line of Manan Shah from Moneybee Investment Advisors.
- Manan Shah:** Sir, my question was that have we seen corresponding decline in our raw materials as well along with our end product prices?
- Parag Jhaveri:** Yes. We did see in some of the cases, raw material also declined, but more of -- we see the price competition on our finished goods rather than the raw material. So we see a challenge there because of the -- somewhere there's a slowdown in some part of the world, which is causing that.
- Manan Shah:** Okay. And initially, we used to talk of 4 products, product A, B, C, D is how we used to classify in our presentation that we were looking to commission in the Pakhajan plant. So have all 4 products being commissioned? Or it's -- any color on that, if you can give?
- Parag Jhaveri:** Three has been commissioned. Fourth should commission by end of this year.
- Manan Shah:** And approvals also we have received for all these 3 products.
- Parag Jhaveri:** Yes, absolutely. Absolutely, we have received all the approvals.
- Manan Shah:** And what is the exposure towards the U.S. market in terms of these new products as well as the current products that we have?
- Parag Jhaveri:** Well, currently, Yasho's revenue share in U.S.A. is about 25% of the revenue.
- Manan Shah:** And this new product that we are developing, in that also is U.S. a major market or EU is also equally a large market?
- Parag Jhaveri:** Well, all our products has a market share across the globe. So U.S. will remain only 25%, we cannot grow share for that.
- Moderator:** The next question is from the line of Darshil Jhaveri from Crown Capital.
- Darshil Jhaveri:** Firstly, congratulations on a great set of results. So sir, I just wanted to ask like we are saying 40% revenue growth. But in Q1, we've done around 10%, 11%. So by that logic, the next 3 quarters have to grow more than 50%, I think, roughly. So how do we see that quarter-on-quarter increase in revenue, sir?
- Parag Jhaveri:** I think generally, our first quarter a little slow, if you look at history also. If you look at the FY '25 numbers, quarter-on-quarter, our revenue growth and the third and fourth quarters are very strong quarter for the Yasho, that's historically. And we are very, very confident that with this,

the capacity and also the more and more customers are buying product despite a slowdown in the market, we are regaining the shares from somebody.

It's not the market growth, but it's what we gain the market, more of market. There we see the good opportunity. And we are still very strongly bullish on that, that we will be able to achieve that.

Darshil Jhaveri: And sir, when our revenue increases by so much, so we'll have better capacity utilization, that will give us an operating leverage. So our EBITDA should also correspondingly increase. Is that a fair estimate, sir?

Parag Jhaveri: Yes. But Darshil, currently, the geopolitical situation that we try to hold on our business rather to go for a higher margin. So currently, that's not the situation where we said that, yes, we'll be able to increase our EBITDA beyond 19%.

So we are giving a range of 17% to 19%. And in a worse scenario, we are doing 17%. On a good scenario, we should do 19%, 20%, but we are not going for 20%. We say between 17% to 19%, we'll be able to maintain our margins on a consolidated level.

Darshil Jhaveri: And sir, just wanted to know like what kind of pricing power do we have with our customers in case this 25% margin is there? So how do we see that impact -- tariff is there, then how do we see that impacting us, sir? Will we be able to pass on some prices? Or how does it work, sir?

Parag Jhaveri: I think we need to wait and watch for about a week or 10 days more to have a lot of clarity on the subject because there's a lot of confusion there. There's no official declaration there. So we will wait and watch. We might get more clarity by end of next week. And then we'll start -- a couple of customers are very large.

So we don't know how they work, okay? They also export globally back when they consume them, and re-export. So when they are re-exporting that product, they don't have an impact of the tariff or tariff get nullified there. So it all depends. It's not that simple calculation, sir.

Darshil Jhaveri: I just wanted to know what is our capex outlook for current year and like -- and what was it last year, sir? How much capex have we done last year?

Parag Jhaveri: Last year number, I don't have off my head, but I can check and come back to you later on. But this year, we are talking about INR100 crores capex, INR75 crores for the capacity increase, and about INR25 crores for the R&D facility.

Darshil Jhaveri: Yes, that's it from my -- sorry, one more question, sir. Our tax rate is what, sir, because I think last year 30% and even Q1, you have about 30%. So can you clarify on the tax rate, sir?

Parag Jhaveri: Twenty-nine-point something. So close to 30%.

Darshil Jhaveri: Tax rate is around 30%.

Moderator: The next question is from the line of Manish Gupta from Solidarity.

- Manish Gupta:** This INR75 crores capacity expansion that we are doing, is my understanding right that this capacity will be available effective 1st April next year?
- Parag Jhaveri:** Yes, sir. We believe that it should be commissioned by January, February, and then trial run. So actual utilization or the revenue generation will happen from the Q1 of '27 -- FY '27.
- Manish Gupta:** And second question was that based on the March balance sheet, the inventory was quite high.
- Parag Jhaveri:** Yes.
- Manish Gupta:** Now has the inventory reduced over this quarter? And if we are seeing very strong growth, any commentary on what the inventory should be by the end of March this year?
- Parag Jhaveri:** Well, we are looking at March at close to about 150 days. Currently, our inventory is down to 190 from more than 200 days. So we are down in this quarter 190. As I said in my speech that we will try to bring it controlled by the raw material and the finished goods inventory, we'll try to increase further.
- Current situation, sometimes you don't have a prediction that when the customer put your orders on hold and inventory suddenly increase, it shoots up. But we do have an intention to bring down this to below 150 days. That's our aim, and I think we will be able to achieve that.
- Manish Gupta:** But steady state for the business model, Parag-bhai, if we have 150 days inventory, will we be able to generate an attractive return on capital?
- Parag Jhaveri:** Sir, 150 is also a little high. Good inventory should be the 110 to 120 days, but we need to bring it back. We are growing. We need to hold inventory. Currently, the customers are asking material on call. They don't give you the longer lead time. So, because of that, we need to carry unusually high inventory, and we hope the situation change sooner.
- Manish Gupta:** Switching gears, Parag-bhai, you mentioned that you're gaining market share. So, you're gaining market share from which geography right now?
- Parag Jhaveri:** I think they are growing very much in the export market, and it's coming from the Western world. And I can say that, one. I cannot give you a pinpoint answer of that from particular geography, but it is growing in the Western world.
- Moderator:** The next question is from the line of Karan from Keynote Capital.
- Karan:** So, I have one question, which is on -- we were expecting our customers' customer approvals in Q1. So, did we get those approvals? Or are they pushed down the year?
- Parag Jhaveri:** I think that must have come, that's why they started buying this product. So, we are assuming, we don't get that answer, but we started getting the business from them. So, we are presuming that they must have received all the necessary approval from their customer.
- Karan:** And sir, what will be our revenue per kg currently?

- Parag Jhaveri:** It's on an aggregate level about INR400 a kilo.
- Moderator:** The next question is from the line of Anup Agarwal from Lucky Investments.
- Anup Agarwal:** Sir, my first question is, can you call out your gross debt as of June?
- Parag Jhaveri:** One second, I can give that. Chirag bhai can you please help, I can just give that.
- Anup Agarwal:** If you can break it between long term and working capital, please?
- Parag Jhaveri:** Sure. Long-term debt is about INR280 crores and short-term is about INR100 crores.**
- Anup Agarwal:** Have we repaid debt, sir, in this quarter because our debt was INR550 crores closing March?
- Parag Jhaveri:** Yes, we have repaid some debt also current year, in the current quarter.
- Anup Agarwal:** What's the repayment schedule for FY '26? How much debt are we going to repay?
- Parag Jhaveri:** Well, we have already repaid some debt. So only the repayment will start by November '25 for balance thing, about INR9 crores we repay.
- Anup Agarwal:** Starting November, we'll repay INR9 crores.
- Parag Jhaveri:** Yes, that's it for the rest of the year.
- Anup Agarwal:** I'll take this question offline as well. My second question is, sir, what was the utilization at the Vapi plant?
- Parag Jhaveri:** I don't have exact number of that, but the Vapi plant is running at about 70%, 75%.
- Anup Agarwal:** What was the revenue contribution from Pakhajan in this quarter?
- Parag Jhaveri:** Pakhajan quarter should be -- I don't have those breakup, okay? Plant-wise breakup, we don't have. But utilization is more than about 55% in Pakhajan, while Vapi is running at about 70% utilization.
- Anup Agarwal:** So the average selling price per kg in Pakhajan, should I also assume to be around INR200 a kilo?
- Parag Jhaveri:** I think so, you can.
- Anup Agarwal:** Sir, when you call out your debt-to-EBITDA by March '26, you want to come below 4. What is the plan going forward in terms of further paying off debt or maybe the second plan of action when it comes to Phase 2 capex. How are we planning that? And by when are we planning that?

**** During the call, long term and short-term borrowing was inadvertently said as INR 280 crores and INR 100 crores respectively, please note the long term and short-term borrowing should be read as INR 333.28 crores and INR 210.98 crores respectively as a factual figure, as reported on June 2025.**

- Parag Jhaveri:** Well, for debt-to-EBITDA, we want to bring it down below 3. So we are confident that by FY '27, we'll be bringing that somewhere close to that number. We do have some expansion plans. Let's finish this and then we'll see how much we are growing further. And for '27, we'll inform you guys somewhere in our April call what capex we are doing for FY '27.
- Anup Agarwal:** My last question, sir, if you can maybe just give an idea about how 40% growth in this year, I understand it's largely going to be volume led itself. Can you call out the difference between how India market is going to be compared to your export markets in terms of growth? And what segments of industries are driving that?
- Parag Jhaveri:** Well, we do see the export will grow further. So we are at 67%, and we expect to grow to 70% of our total revenue. The export will contribute 70%. Domestic market is growing, but not at that rapid speed. There are a lot of challenges in local market we are facing, cheap import, we need to fight with that. So yes, 70% of revenue should come from export going forward.
- Anup Agarwal:** Any specific segment because you called out your industrial and auto ancillaries kind of facing a bit of a tough time because of the tariff uncertainty, which other segments are driving that 40% growth in exports?
- Parag Jhaveri:** Well, we say that there is a challenges, not in entire industrial segment, one of the part of the industrial segment we are facing. Industrial segment, we contribute to the lubricants rubber, we talk about performance chemicals, we talk about some of the coating industry. So we work in a wide variety of the -- we are serving a wide variety of the industries within industrial segment.
- And one of the segment is not doing good. So that is somewhat wagging down our margins mainly rather than volume. I will say that the margins are under pressure. And we hope that we should be able to overcome with the different chemistry within our portfolio.
- Anup Agarwal:** So we are kind of working also on product better product mix within the portfolio?
- Parag Jhaveri:** Absolutely.
- Moderator:** The next question is from the line of Prathamesh Dhiwar from Tiger Assets.
- Prathamesh Dhiwar:** Yes, sir. Just a follow-up on the previous participant's question. So as we said like in FY '27, we are planning to be around 3x debt to EBITDA. And post that, we are also going to announce some capex plans. So sir, just wanted to know at what range we are expecting our debt-to-EBITDA should be for, let's say, coming 3 years, 4 years?
- Parag Jhaveri:** Well, debt to EBITDA, I think we'll be comfortable in the range of 2.5x in the long-term .
- Moderator:** The next question is from the line of Ashutosh Nemani from JM Financial.
- Ashutosh Nemani:** I just -- I have one question. So what is the percentage revenue contribution from auto and auto ancillary segment FY '25 number? And what is it now in this quarter?



Parag Jhaveri: That's only about -- 25%.

Ashutosh Nemani: And this is majorly in Europe, geography?

Parag Jhaveri: I think across the globe.

Moderator: The next question is from the line of Darshil Jhaveri from Crown Capital.

Darshil Jhaveri: I just wanted one small clarification. Like we are holding inventory for -- so that we can serve our customers faster. But if the prices reduce, so do we suffer any inventory loss, sir?

Parag Jhaveri: Well, we have a renegotiation quarter-on-quarter or maybe with some customers 6 months, some customer quarter. So, it can only happen during that time, not in between.

Darshil Jhaveri: Not in between. But so just like because our FY '25 inventory was on the bit of a higher side. So we had packed up a lot of inventory. And I think we are saying that the prices of our finished goods have dropped. So did we suffer any inventory loss this?

Parag Jhaveri: I think so. There will be definitely some inventory loss.

Darshil Jhaveri: Could that be quantified, sir?

Parag Jhaveri: No, I don't think -- I don't -- we have not done that. If required just drop email, we will try to help you with that number.

Darshil Jhaveri: It would not be a very significant number?

Parag Jhaveri: No, it will be very minor.

Moderator: The next question is from the line of Malhar Sanghvi from Bodhi Capital.

Malhar Sanghavi: Okay. So my question was primarily on the fact that you mentioned that we're growing by gaining more market share. So I want to understand how much is the market, the entire market growing at?

Parag Jhaveri: I think for the industrial segment, total market share would be in the range of about \$15 billion to \$16 billion. We are trying to gain only about 0.2% of that. We aspire to go to INR900 crores to INR1,000 crores this year. So we are not looking at a very huge market share, very, very nominal market share.

Malhar Sanghavi: And how cost competitive are we as compared to China or compared to EU?

Parag Jhaveri: Compared to Europe and U.S., we are quite competitive. Compared to China, at times, we have a challenge in certain segments.

Malhar Sanghavi: But you're getting more requests from clients to derisk from China and coming towards you. Is that correct?

Parag Jhaveri: Yes.



Moderator: The next question is from the line of Anup Agarwal from Lucky Investments.

Anup Agarwal: So, Vapi is about 12,500 metric ton capacity and Pakhajan is 20,000. With this INR75 crores of capex that you looked at, how much capacity addition will happen in Pakhajan?

Parag Jhaveri: I have no idea about that, Anup. Capacity-wise, we are not going to be disclosed, but this INR75 crores should add a revenue of about INR200 crores plus.

Anup Agarwal: Are these products at a far higher ASP compared to today or what?

Parag Jhaveri: Same level.

Anup Agarwal: Same level. What sort of interactions or dialogues are you having with potential customers outside of India?

Parag Jhaveri: I didn't get you. What do you mean by that?

Anup Agarwal: I mean in terms of the new products that we are trying to make in Pakhajan, what sort of engagements inquiries are coming in.

Parag Jhaveri: What we are putting capex already, we are making it. We only -- we see the certain -- as we informed earlier that we have about 7 products in Pakhajan. Out of that 2 products, we already see the good utilization and we try to increase that. So that's the product we're increasing the capacity. So we don't need additional approval. It's an existing product.

Anup Agarwal: And for the other 5, sir, what is other 5 we need approval?

Parag Jhaveri: No, they are running products. But that has not achieved the full capacity utilization. So once they achieved, we'll see that where to expand.

Anup Agarwal: All 7 products are approved?

Parag Jhaveri: Yes.

Anup Agarwal: By which quarter, sir, are we looking to hit that 70%, 80% utilization?

Parag Jhaveri: I think by quarter 4 FY '26, we should achieve that utilization.

Anup Agarwal: Exit quarter 4, 80%?

Parag Jhaveri: Yes.

Moderator: The next question is from the line of Priti Vora from SAS Capital.

Priti Vora: You mentioned that INR30 crores has already been incurred out of the planned INR100 crores annual capex for FY '26. So could you elaborate on which specific facilities this investment is being directed towards?



- Parag Jhaveri:** This has been directed at Pakhajan facility. Partly money has been spent partly on the R&D facility and partly for our machinery advances we have paid.
- Priti Vora:** And additionally, could you share how this capex is being sourced? Like it would be helpful to understand how this investment aligns with your growth strategy, particularly in terms of product innovation and market expansion.
- Parag Jhaveri:** Well, the R&D will help us to improve our existing process wherever we require optimizing the -- minimizing the waste -- and third, we are working on a lot of new chemistry where we can improve -- introduce new chemistry into the industrial segment. So the R&D work on 2, 3 strategy, on an existing process product and 2 for short-term and the long-term projects.
- Priti Vora:** And what kind of financial returns or operational efficiency you expect to generate from this spend over the next few years?
- Parag Jhaveri:** Well, we are looking between 3x to 4x, which we were enjoying before '24.
- Priti Vora:** And I have another question that is like you mentioned that the Pakhajan facility operated at over 50% utilization during the quarter and the efforts are underway to ramp it up further. So like could you share more about the next phase of expansion plan for this site?
- Parag Jhaveri:** Already, we've said that we are expanding some capacity in Pakhajan by investing INR75 crores in FY '26. And that will translate into the revenue in FY '27.
- Priti Vora:** And additionally, what will be the scale of this expansion in terms of added capacity of product lines? And what kind of capital expenditure is planned for it?
- Parag Jhaveri:** For '27, we don't have plan yet. We have something on the drawing board. We will come back to you on the April '26, what about '26-27 capex plan.
- Moderator:** The next question is from the line of Priti Agarwal from SK Associates.
- Priti Agarwal:** So you spoke about optimizing raw material inventory as part of your working capital strategy. So could you elaborate on your current sourcing model of raw material?
- Parag Jhaveri:** Well, of our total inventory, almost 60% is import and rest is domestic. We are trying -- we are working a lot of local sourcing where we can buy material locally, we are developing. Those chemistries are not yet been produced in the country. We have identified at least 2 or 3 suppliers where we can source from them if they can produce for us. That will help us because when you are having a lot of imported material, you need to carry large inventory due to the logistic challenges. Even today, we are facing that challenge. So that's a major thing what we want to do. That's the major thing, what we want to do it
- Priti Agarwal:** And how much of your raw material requirement is met through imports and what percentage is dependent on China?
- Parag Jhaveri:** Well, of total import, China is about 20%, 25% only and this comes from the rest of the world.



- Priti Agarwal:** And given the ongoing global supply chain uncertainties and global tensions, how are you mitigating risk associated with import dependency, especially from single geography?
- Parag Jhaveri:** As I said, we don't have -- very few products have come from single geography. Rest of -- majority of our product has a multiple source, either from Asia, Europe, North America, South America. So we have multiple channel partners from where we can source the product.
- Moderator:** That was the last question for today. I would now like to hand the conference over to the management for closing comments.
- Parag Jhaveri:** Thank you once again. I would like to thank everyone for taking out time and joining us on today's conference call. I hope we have been able to respond to your queries adequately. Your continued interest and feedback plays a vital role in our journey forward. Should you have any further questions, please feel free to reach out to our Investor Relations partner. Thank you once again for joining the call today. Good day.
- Moderator:** On behalf of Yasho Industries Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.