Date: May 09, 2025.

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

Scrip Code: **541167**

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

Symbol: **YASHO**

Dear Sir/ Madam,

Sub: Earnings Conference Call Transcript for Q4FY25

With reference to the captioned subject matter, please find attached herewith the earnings conference call transcript for Q4FY25 for your reference and records.

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

You are requested to take the above information on record.

Thanking You,
Yours faithfully,
For Yasho Industries Limited

Rupali Sugriv Verma
Digitally signed by Rupali Sugriv Verma
Date: 2025.05.09 11:45:19 +05'30'

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

Encl: a/a

"Yasho Industries Limited Q4 & FY25 Earning Conference Call"

May 05, 2025

MANAGEMENT: **MR. PARAG JHAVERI – MANAGING DIRECTOR & 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 Q4 and FY '25 Earnings Conference Call of Yasho Industries Limited organized by MUFG Investor Relations.

As a reminder, all participant lines will be in the listen only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing '*', then '0' on your touchtone phone. Please note that this conference is being recorded.

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

Masoom Rateria: Thank you. Good evening, everyone and thank you for coming to Yasho Industries Q4 and FY '25 Business Call.

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

Before we proceed with the call, I would like to give a small disclaimer that the call may contain certain forward-looking statements which are based on the business opinions and expectations of the Company as on today. A detailed disclaimer has been given in the Company's investor presentation. I hope everyone had a chance to go through it 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 and year ended 31st March 2025. We truly value your continued support and interest in Yasho Industries' performance.

As we discussed our financial and operational performance for Q4 and FY '25, I would like to emphasize our unwavering commitment to maximizing the value for our stakeholders.

Joining me today is our Chief Financial Officer – Mr. Chirag Shah who came on Board with us on 18th February 2025. We are pleased to have his insight and leadership as part of our team.

I hope all of you have had an opportunity to go through the "Financial Results" and "Investor Presentation" for Q4 FY '25 which are available on the Stock Exchanges and our Company's website.

Our performance has remained stable marked by year-on-year volume improvement of 20% which has driven a topline of Rs. 668 crores for the year through enhanced sales volume. Despite facing pricing pressures and volatility in recent quarters, we have successfully mitigated these challenges through a more efficient product mix resulting in an EBITDA margin of 19% for the quarter supported by economies of the scale. Our gross margin improved significantly to 43.1% up from 36.9% in the same quarter last year. PAT for the quarter was Rs. 5 crores.

During the year, we commenced operation at our new production facility in Pakhajan, currently operating at approximately 50% capacity utilization. We aim to reach 70% utilization by the last quarter of FY '26. We have raised Rs. 125 crores through the issuance of equity shares on a preferential basis. This new funding will be strategically invested in promising opportunities within the industrial segment and to reduce long-term debt.

In this quarter, our US warehouse become operational in March ‘25 enhancing our ability to service the US market more efficiently. This is a strategic move to localize supply and improve customer responsiveness. We are also focusing on reducing our debt and bringing the debt to EBITDA ratio to 3.5 by FY '26.

Let us talk about some of the financial highlights:

As for Q4 FY '25, our revenue from operation for the quarter reached Rs. 182.8 crores reflecting our 8% year-on-year growth, largely driven by significant volume expansion. Exports were a key contributor accounting for 67% of our total revenue. We successfully reserved our margin and our focus on effective inventory management alongside and optimize product mix enable us to achieve an EBITDA of Rs. 35.6 crore resulting an EBITDA margin of 19% for the quarter.

In terms of segment wise contribution, the industrial sector represented 85% of the revenue while consumer for 15%. For the year ended March 2025, our revenue from operations totaled Rs. 668 crores reflecting over 13% year-on-year increase. EBITDA for the year stood at Rs. 118 crores yielding an EBITDA margin of 17%. The profit after tax for the year was Rs. 6 crore, affected due to depreciation and interest of our new Pakhajan plant. Segment wise industrial chemicals contributed 83% of total revenue while consumer chemicals contributed 17%. On geographical terms, export around 67% of the total revenue and the domestic market contributed rest.

Our outlook:

The global economy remains uncertain unlike evolving geopolitical tension and policy shift impacting the chemical industry. These uncertainties are expected to drive price volatility across both raw material and finished goods creating a highly dynamic market environment in 2025. Meanwhile India is gaining traction as a strategic partner with policy advantage that enhance its position in the global supply chain. With rising global interest in partnering with India, significant opportunities are emerging. We are well positioned to capitalize on this evolving landscape. Because of this factor the Company's optimistic about achieving 40-50% revenue growth in FY '26 supported by increased capacity utilization improved logistics and continued focus on high margin value-added product.

In conclusion:

FY '26 was a transformative year for us. We laid the foundation for long-term sustainable growth with major investment in infrastructure, global reach and technology. Looking ahead, we will continue to focus on enhancing capacity utilization, driving innovation, improving product mix and optimizing cost, all of which are aligned with our strategic goal of delivering superior shareholders value. Our commitment to creating a long term value for our stakeholders coupled with prudent financial management and strategic initiatives will be instrumental in sustaining our growth in coming years.

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 will now begin the question-and-answer session. The first question is from the line of Aman Thadani from Solidarity Investment Managers. Please go ahead.

Aman Thadani: Thank you for the opportunity, sir. My first question is since Pakhajan, we are operating at 50% utilization on a monthly basis now, so has the higher utilization started getting converted to sales and have we achieved EBITDA breakeven on a monthly basis at Pakhajan?

Parag Jhaveri: As long as the capacity utilizations come, yes, it has achieved almost on sales side in month of March what we have anticipated, and we hope that we will be able to increase that sales from Pakhajan in 25-26. Also, yes, with that utilization, Pakhajan has a breakeven and it has achieved that.

Aman Thadani: And sir, just one clarification from your opening comments, so the capacity utilization target for FY '26, sir, is that 70% for the entire year or is it for just the last quarter of FY '26?

Parag Jhaveri: No 65%-70% for the entire year, not for the last quarter.

Aman Thadani: Got it. So sir, I just wanted to understand given the global environment and the challenges that we are facing, what is sort of driving the confidence behind this 70% utilization in FY '26?

Parag Jhaveri: That is a good question. See, we were expecting a lot of approvals, lot of business in last year. We are running behind almost by 2 quarters, but I think we have come to the end of that challenge of approval getting the business, so business interest has started converting into the actual business and that gives us confidence to give policy guideline of achieving the 40%-50% of topline growth. Also, as I said that the India is in a favorable position globally, so we do see a good opportunity there too.

Aman Thadani: And sir, what would be your sense around EBITDA margin at 70% utilization or maybe for the blended Company in FY '26 if you want to split it by 2%?

Parag Jhaveri: Well, as of now, we don't want to increase the guideline because there are a lot of uncertainties on the pricing front because of the geopolitical issues, so we still want to maintain between 17%-19% EBITDA margins for FY '26.

Aman Thadani: Got it, sir. Sir, my next question is, as I understand about the business, raw material cost is sort of pass-through nature in our business. Currently, we are holding higher than usual inventory and against a large inventory portion there might be no customer orders, so sir, what is the sense around margin impact, let us say, the raw material prices or the selling prices like declined by 10%?

Parag Jhaveri: I didn't get your message clear because there is a lot of noise. Can you just repeat it, if you don't mind, sorry?

Aman Thadani: Yes, sorry for that. So sir, as I understand about our business, the raw material cost are sort of actually pass through in our business, so currently we are holding higher than usual inventory and what I am assuming is against a large portion of the inventory, there might be no customer orders. So wanted to get your sense around margin impact if let us say, the raw material or the finished good selling prices were to decline by let us say, 10%-15%?

Parag Jhaveri: We have done some that analysis of 5% open, 5% down, how does it impact, but it has a very minimal impact as we have quarterly pricing with our customer, so we don't see a major impact. We are able to pass on if there is a cost rise or if there is a cost reduction, both the way we are able to pass it to the customer.

Aman Thadani: Got it, sir. And sir, just a follow up question on the inventory. Since it is a bit higher than the past 5 years average, sir what is sort of the plan of action to get inventories to more normalized levels and by when do you see the inventories normalizing to the past averages?

Parag Jhaveri: I think it should come by the September quarter.

Aman Thadani: Got it, sir. That was it, sir. Thank you for so much. I will get back in the queue.

Parag Jhaveri: Thank you.

Moderator: Thank you. The next question is from the line of Ashwini Agarwal from Demeter Advisors. Please go ahead.

Ashwini Agarwal: Good afternoon, Parag bhai. Congratulations on getting Pakhajan up to 50%. So could you give us some color on the kind of contracts that you are now processing at Pakhajan because these were supposed to be large global customers and barely 4-5 orders would fill up the entire Pakhajan from what I understood. If you can give some color as to what kind of client? Is this one of those large orders or is this series of smaller orders what kind of orders are these?

Parag Jhaveri: Well, we have certain large long-term supply orders, but orders come every quarter-on-quarter, not in one go. So yes, there are few orders, few customers who have come on board which need a large quantity on a regular basis and there are some customers who have been added, who are negotiating every quarterly. So that is both way where there is very few which is a spot customer, but our focus is to work with the large, committed customers and that is what now getting converted into reality.

Ashwini Agarwal: And what is a large proportion of Pakhajan output going to the US if I may ask?

Parag Jhaveri: No it go across the globe so it is not only the US.

Ashwini Agarwal: And sir, you have opened this warehouse in the US which means that you will be doing a stock and sale method of selling. So in this situation where some tariff imposition is quite likely, what is your sense, how much of it would you be able to pass on as a cost? How much of it would you need to absorb any thoughts?

Parag Jhaveri: Well, as you know that US don't produce all the chemistry, so the chemistry which they don't produce so we are able to pass it on or the some of the places, we said that we just started our relationship, so we are already charging with the lower side of our thing. So we generally pass it on to customers and so far we have seen that customers are accepting our new revised prices. Some segment customers we are seeing, they are just wait and watch, they also want to see the overall US economy, how they perform, so someone has a little bit slow down and some are doing well. So there is a mixed message we are getting from there.

Ashwini Agarwal: And the last question on a console basis, what percentage of the revenue in March '25 would have come from the United States?

Parag Jhaveri: About the gross level combined revenue must be within 20%-22%.

Ashwini Agarwal: That is all I have. Thank you, sir. I will come back in the queue for more questions. Congratulations again.

Parag Jhaveri: Thank you.

Moderator: Thank you. The next question is from the line of Karan from Keynote Capitals. Please go ahead.

Karan: Thank you for the opportunity. Sir, my first question is what is the current status of approvals from your customer's customer, are they expected to come in Q1 or is there any change or delay in the timeline?

Parag Jhaveri: Already, there all are there in place. That is why we are giving you the guidance of utilization for 60%-70% on FY '26 basis.

Karan: Understood and the next one is, what will be the current blended realization for all products from a Company level?

Parag Jhaveri: I think you are talking per kilo or what you are asking? See, our gross margins are in the range of about 40%-42% blended gross margin?

Karan: Realization, revenue per KG or revenue per ton?

Parag Jhaveri: Per KG should be about Rs. 400 a kilo average price in somewhere in that range, 375 -400.

Karan: Understood and lastly, if you can provide the guidance on what will be the gross debt position for FY '26?

Parag Jhaveri: We have already given the target of 40%-50% growth for FY '26 from the current base.

Karan: Gross debt position for FY '26?

Parag Jhaveri: See, current debt is in the range of about Rs. 470 crores, current debt and we expect that to come down to somewhere in the range of about Rs. 450 crores.

Karan: Understood. That is it from my side. Thank you.

Parag Jhaveri: Thank you.

Moderator: Thank you. The next question is from the line of Sarvesh Gupta from Maximal Capital. Please go ahead.

Sarvesh Gupta: Good afternoon, sir and thanks a lot for giving me the opportunity. Sir, on the related question to the earlier participant on the US tariffs, so how should we think about this business because this is like 20%-25% of our overall revenue where are we expecting this percentage to go up significantly upon full operationalization of Pakhajan? Or was it expected initially to be at the same level and secondly, is China also a major supplier to the US market or because most likely the Chinese tariffs should not be lower than Indian, so will we get any benefit or how do we assess this situation, sir?

Parag Jhaveri: I have already made a comment that the India is in a favorable position to do a business globally and we do see some traction on that side. I can't quantify. How much that will relate to FY '26, so that will be difficult. It is too premature to make a comment. We are just beginning of the crisis and let us see how the crisis unfolds.

Sarvesh Gupta: But is China a major supplier as well to the US for the kind of chemicals we are planning to manufacture in Pakhajan?

Parag Jhaveri: China is everywhere. China has every product, China produces nothing with China don't make it, so I don't have too much insight about the China presence or not on that side, but there must be Chinese producer and there are producer which we see them in a non-American markets, so there has been the US market too, I won't surprise.

Sarvesh Gupta: And secondly, sir, this inventory has gone up a lot, so if you can share some more color, what was the requirement to raise it significantly by almost Rs. 130 crores in this Financial Year?

Parag Jhaveri: Sorry, what was?

Sarvesh Gupta: The inventory has almost doubled, sir Y-o-Y?

Parag Jhaveri: Yes, inventory has gone up because we need to produce certain quantity to get approved at customer and they need manufacturing data. They need actual data, not or something so to validate the product at customer and we need to produce the larger volume and that is the reason inventory has gone up and we are expecting the inventory to come down into the natural trend by September.

Sarvesh Gupta: And sir, finally on the pricing of both the RM and the finished goods, so I guess these had come down not just for those chemicals, but in general in the chemical industry, but are you seeing some sort of pricing go up going forward or do you expect the pricing to remain at the lower level that we have been seeing in the last few quarters?

Parag Jhaveri: At the moment, we see the prices are subdued. We don't see a significant increase in any prices, sometimes we see the increase in India also, but globally we are not seeing that trend yet, so our projection is the purely based on the current prices, not any upward or any reason on that, so whatever projection we are giving you today based on the current market price.

Sarvesh Gupta: Understood, sir. Thank you and all the best.

Parag Jhaveri: Thank you.

Moderator: Thank you. We will take the next question from the line of Manan Shah from Moneybee. Please go ahead.

Manan Shah: Yes, hi, thanks for the opportunity and congratulations on achieving 50% at Pakhajan. My question was relating to our raw material sourcing, what is our dependence or what is our domestic procurement versus the imported for the Pakhajan facility and in the imported part, what is the reliance on China?

Parag Jhaveri: Good question. You want the specific on Pakhajan, right? So for specific Pakhajan, almost 70% is the domestic, 30% is import and of that 30% pie, maybe 10%-15% come from China.

Manan Shah: So even this 10%-15%, we can post it from other location if need be, right?

Parag Jhaveri: Yes and No.

Manan Shah: Understood. Sure. Thank you.

Parag Jhaveri: Thank you.

Moderator: Thank you. The next question is from the line of Prathamesh Dhiwar from Tiger Assets. Please go ahead.

Prathamesh Dhiwar: Yes, sir, just one question on the debt side. So as we have given the visibility for FY '26, sir, just wanted to know what will be the debt levels in 27 and 28?

Parag Jhaveri: Well, I have honestly not done work on 27 and 28 as of now. We have just begun, we have finished our budgeting for 26, so 27 should be in the range of about Rs. 400 crore. That is kind of dependent will be scheduled will be there for us to repay the loans. 28, I don't have data of the answer I can give you. If you want for particular information just drop an email and Chirag will be able to give all the information on that.

Prathamesh Dhiwar: Sure sir. Thank you so much. Thank you. That is it from my side.

Moderator: Thank you. The next question is from the line of Anirudh Shetty from Solidarity Advisors Private Limited. Please go ahead.

Anirudh Shetty: Yes, hi, thanks for the opportunity. Just some follow up questions on my end. So in our guidance, do you think we can hit us full utilization of say 90% in Q4 FY '26?

Parag Jhaveri: I think so if you hit 90%, then only we will achieve 70% overall.

Anirudh Shetty: And do you see possibilities, you mentioned that our EBITDA margin band is 17%-19%, but Q4 FY '25, despite Pakhajan being only not even 50% utilization for the full year we are still hitting 19% EBITDA margin. So in 2026, we should see more fixed cost absorption, so what is the possibility of doing actually higher EBITDA margin compared to a band of 17%-19%?

Parag Jhaveri: Let me be a more cautious effort rather than taking an highly over confident efforts, so we want to remain firmally on grounded, not to give a wrong guidance which will cannot be fulfilled, so achievable guidance on a longer term with the current market situation and current geopolitical situation is wiser to give in 17%-19% if you see that we are able to pull out all kind of things and we will be able to improvise, we will revise our guidance by the media, but for the beginning of the year, I want to be cautious, I don't want to go highly into that overdrive.

Anirudh Shetty: Got it and our inventory, you answered the question about it improving, just wanted to understand the inventory that is there today of say Rs. 260 crores, is it the buildup? Was it finished goods or was it work in progress what was the nature of that?

Parag Jhaveri: It is more of work in process and finished goods both, more of Finished goods I can say that rather than work in process.

Anirudh Shetty: And the nature of this finished good, is it largely customer specific or is it fungible across customers and?

Parag Jhaveri: We don't have any customer specific inventory. We have all the standard quality what we supply across the globe. We don't make customer specific.

Anirudh Shetty: Got it and by September, when things normalize, you think you can hit your, in the past it has been 70-80 days of inventory that you uphold is that something I can get to say by September or by the end of the year?

Parag Jhaveri: That is what we are expecting to achieve in the longer run. We want, we have to achieve that for a better management of the cash flow, otherwise if we sell that we need to borrow and we don't borrow any money. We want to reduce our debt, so we will be working hard towards that to maintain ensuring the inventory levels are well within the limits.

Anirudh Shetty: Got it. Thank you for answering my questions.

Parag Jhaveri: Thank you.

Moderator: Thank you, sir. We will take our next question from the line of Manan Shah from Moneybee. Please go ahead.

Manan Shah: Yes, hi. Thanks for the follow up. In the press release, you also hinted towards some marginal capacity expansion for some products where you are seeing good growth opportunity, so is this for the Pakhajan plant and the existing products?

Parag Jhaveri: It will be for Pakhajan plant, yes, it will be for Pakhajan plant. We do see some good traction in some of our product where we build up the capacity and we see good forecast and good opportunity, so we decided to do some incremental capacity.

Manan Shah: So what will be the CAPEX outlay for this year?

Parag Jhaveri: For this year, we have said about between Rs. 75- 100 crores.

Manan Shah: And this will be primarily for new capacity at Pakhajan?

Parag Jhaveri: No, something also will go for the R&D facility.

Manan Shah: And for the existing sales for Pakhajan, what percent would be to OEM and what percentage would be to the aftermarket?

Parag Jhaveri: We don't have any OEM customer as of today.

Manan Shah: So the entire sale has gone towards aftermarket only?

Parag Jhaveri: I can't comment that where my customers uses it, they have OEM, I have no idea.

Manan Shah: Thank you.

Parag Jhaveri: Thank you.

Moderator: Thank you. The next question is from the line of Shubham Jhawar from Dexter Capital. Please go ahead.

Shubham Jhawar: Yes, hi, thanks for the opportunity. Sir, my first question is on the gross margins. This year, we have seen the gross margins improved quite a bit to 43% compared to 47% last year and the year before that as well. So are these gross margins sustainable going forward or what are the gross margins that we should expect on a sustainable basis?

Parag Jhaveri: Sustainable should be about 40%-42%. 40% should be more reasonable margin one should look at it as a long run business. There are certain products, sometimes you get opportunity, specific product portfolio runs niche product, yes, that gives you the spike in margin, but otherwise as a long run working 40% is the right one.

Shubham Jhawar: Alright and sir, my second question, apologies for the repeated question on inventory. I just wanted to understand a bit more specifically. In November of 2024, when we spoke on our earnings call of quarter 2 of FY '25, we were expecting that we would be hitting our working capital days of 100-110 by March of this year, but currently our working capital is more than 200 days, right. And like you mentioned that the extended inventory is due to the products that we have to keep for customer’s approval, so sir my understanding is that the customer's approval will be ongoing for FY '26 as well right because our Pakhajan would be commencing like more than 50%-60% of utilization. So sir, like how confident are we that we would be able to do normal inventories by September of this year?

Parag Jhaveri: Yes, we are very much confident to achieve that because lot of business which is now started coming in, which is going to take out my inventory and that is what I can say that we are very confident that by September inventory level will come down drastically. Yes, 110 is our target, 110-115 days as the overall control should be target one, should be achievable by FY '26 definitely.

Shubham Jhawar: Alright sir. That was it, sir. Thank you so much. All the very best.

Parag Jhaveri: Thank you.

Moderator: Thank you. We will take our next question from the line of Ashwini Agarwal from Demeter Advisors. Please go ahead.

Ashwini Agarwal: Paragji, thank you for the opportunity again. So two questions, one is, with this US dollar volatility and US dollar having weakened against all global currencies and oil prices falling at the same time, how do these moving parts have an impact on your profitability or your pricing?

Parag Jhaveri: Ashwini, first thing is that we have a lot of natural hedge. Our exports are a little bit higher than the imports, not much about 5%-10% higher than the imports. So that gives a lot of comfort zone the volatility. We do hedge time to time as per our FOREX advisors when they see the right moment. So I can say that we have been taking care. Our CFO himself put his personal attention day in and day out on the FOREX side because as you said that we are and as we are very much heavily dependent on FOREX volatility, it does. If you don't take care, it will impact our profitability, so yes we do take care of it very minutely on that and somehow we are able to navigate it and we have not lost money or we are not lost an opportunity due to this FOREX volatility.

Ashwini Agarwal: And sir, softer crude oil, how does that impact?

Parag Jhaveri: That has no impact. Somehow, it is more demand than the crude oil today is in current scenario. We have seen some prices going up and some prices down purely due to the demand supply. So crude oil don't have much impact. Because of that no prices change, nobody is impacting. If the price has to go up, they give you ten reasons to go down also, they give you multiple reasons that look, we are not able to justify the sustainable operations, the breakeven is not there. So we buy commodity, we don't have much control on that against which we sell the Specialty.

Ashwini Agarwal: And sir, the other question I had was that in your earlier comment you mentioned that Rs. 75-Rs. 100 crores CAPEX this year, a large part would go towards R&D if I heard you correctly. So should I assume that the capacity expansion that you were planning for Pakhajan is not on the agenda for fiscal 26 and it will happen later, would that be a right interpretation?

Parag Jhaveri: No that I didn't say. I said that the some of our fund or something will go for R&D. Definitely, there will be some capacity expansion will be happening at Pakhajan because Vapi we don't have much any room there except we only do the product mix change. That is the only best thing. So Pakhajan will be, going to utilize the entire CAPEX. Part of it will be for R&D, but the major part will go towards CAPEX for the increase in capacity.

Ashwini Agarwal: So will the capacity, you had all these sort of your existing share can take up at least 50%-70% more capacity, would this money be enough to fill that entire thing out?

Parag Jhaveri: No, Ashwini, we are not filling entire spare capacity in our existing building so after that there will be some space will be left luckily for us, so yes the two buildings are capable enough to pull out in 26. In 27, we will think about the additional building if you see here further opportunity.

Anirudh Agarwal: Thank you, sir. All the best again.

Parag Jhaveri: Thank you.

Moderator: Thank you. The next question is from the line of Varun from Scaniva Capital. Please go ahead.

Varun: Good evening and thank you for the opportunity. I think in the first quarter of FY '25, we have spoken about 3 or 4 newer products which is having addressable market size of around Rs. 5,000 crores, so I just wanted to know any work on these new products and just an update on it?

Parag Jhaveri: We did talk about that and for that out of that 5 product, 4 product line for capacity, we have already installed, 5th product we are working on is still work-in-progress. And that could be the product which will bring it online with the research CAPEX.

Varun: And with the Phase-1 of Pakhajan, we utilized only like 10% of our big land holdings, so after finishing the Phase-2 expansions also at Pakhajan probably in FY '27, what percentage of land would be used?

Parag Jhaveri: We are using about 50% of the land, not 10%, 50% of the land we are utilizing. And the current capacity, we are going to do it in an existing building. So 27, we are not given thought yet, how much we would respond, what is the cash flow and how you are going to raise fund, everything to be come in the future, so it is too premature to talk about Phase-2 today.

Varun: Thank you, sir. That is it for me.

Parag Jhaveri: Thank you, Varun.

Moderator: Thank you. The next question is from the line of Shaurya Punyani from Arjav Capital Partners. Please go ahead.

Shaurya Punyani: Sir, just one question. So you are targeting on 40%-50% growth this year, so can we continue this momentum like in FY '27 also?

Parag Jhaveri: I think so. We are very much confident about that because there will be enough space for further growth too and as we are also looking for new CAPEX, so that we only kick in 27, not in 26. CAPEX will be completed by early Q4 FY '26, so the impact will be seen only in FY '27.

Shaurya Punyani: Thank you.

Moderator: Thank you. The next question is from the line of Majid from TradeWalk Research. Please go ahead.

Majid: Yes, sir. Sir, my first question, sir is so CAPEX is going to come live with FY '27, right?

Parag Jhaveri: Yes, impact will come on in Q1 of FY '27.

Majid: Sir, suppose that like what is the possibility, the fixed asset turns that could be, can it same momentum of 3-4 times fixed asset tons or?

Parag Jhaveri: No, it will take a while because see, we have spent a lot of money on our infrastructure CAPEX, so what we are out of Rs. 480 crores, we have spent almost Rs. 240 crores on infrastructure CAPEX. So that will take a while. So at least we expect 3 returns only by FY '27 not before that, earliest could be FY '27, earliest or it could hold out to FY '28.

Majid: Sir, then, what about the working capital days, is the working capital day is going to remain the same or will there be any?

Parag Jhaveri: Right now, working capital days are very high due to the high inventory which we intend to bring it down by end of FY '26 by 110 days, 115 days that is our target.

Majid: 110-120 days?

Parag Jhaveri: 110-115 days, in that range.

Majid: Sir, what about the CAPEX guidance you are looking going forward, any sort of additional CAPEX or?

Parag Jhaveri: FY '27 or FY '26 you are talking?

Majid: FY '26?

Parag Jhaveri: FY '26, I already said we are doing CAPEX of Rs. 75- 100 crore this year.

Majid: Rs. 75- 100 crores?

Parag Jhaveri: Yes.

Majid: And what about, like any finally my last question is about what about the volume and value growth any sort of improvement can be there?

Parag Jhaveri: We have already given guidance for 40%-50% increase in the revenue and plant utilization at 60%-70% at Pakhajan, so at a Company level also, it will be more than 70%.

Majid: So major it comes from volume?

Parag Jhaveri: Obviously, the growth will come from volume only. If the volume grow, only the revenue will grow.

Majid: Thank you for the opportunity.

Parag Jhaveri: Thank you.

Moderator: Thank you. We will take our next question from the line of Sarvesh Gupta from Maximal Capital. Please go ahead.

Sarvesh Gupta: Sir, just one more question on this year's CAPEX?

Parag Jhaveri: Too low, can you be a little bit loud?

Sarvesh Gupta: Sir, one question on this year's planned CAPEX which you mentioned is Rs. 75-Rs. 100 crores and so sir, since this is coming in Pakhajan and as you mentioned this is already excluding infra CAPEX, we have put in Rs. 240 crores and this is coming under existing shed. So even if it is Rs. 75-Rs. 100 crores, it should be a major expansion, right, why are we calling this as a minor expansion?

Parag Jhaveri: Because we are also going to create our R&D facility there and that will take a chunk of money or at least 30%-40% of that money will go towards R&D.

Sarvesh Gupta: And in capacity terms, sir, how much approximately?

Parag Jhaveri: I think now we are not keen to give you the overall capacity. We will always give guidance on the revenue side rather than the capacity of installed capacity. So hence you must have observed that this year investor presentation also, we removed the capacity's chart so we are not comfortable to give the capacity what we have rather than we will be more happy to talk about the revenue side and also performance side.

Sarvesh Gupta: This 40-50% is going to R&D out of this you are saying?

Parag Jhaveri: I said 30%-40%, I didn't say 40%-50%.

Sarvesh Gupta: 30%-40%. Thank you.

Parag Jhaveri: Thank you.

Moderator: Thank you. Ladies and gentlemen, in interest of time, we will take our last question from the line of Manan Shah from Moneybee. Please go ahead.

Manan Shah: Hi, thanks for the follow up again. Sir, you mentioned that you are looking at a CAPEX of roughly Rs. 75-Rs. 100 crores and on the debt side also, you mentioned that you are looking to close the year around Rs. 450-Rs. 470 crores sort of debt that would mean that you would need roughly Rs. 200 crores of cash flow, but the numbers that we are talking we will generate maybe close to Rs. 160 crores sort of an EBITDA and debt servicing, you would need roughly Rs. 50 crores, so that would leave you only with around Rs. 110 crores of cash flow?

Parag Jhaveri: Why need Rs. 200 crores. Manan, I don't think we need Rs. 200 crore, we need only.

Manan Shah: You mentioned around Rs. 75-Rs. 100 crores and current debt on our book is around Rs. 550 crores.

Parag Jhaveri: No, I said current, Rs. 470 crores.

Manan Shah: Sorry, sir.

Parag Jhaveri: See, once the stock level comes down or working capital requirement will go down and that will release a lot of cash from there.

Manan Shah: But sir, one expanded sale, if I assume you come down in terms of days to 110 days, your absolute inventory requirement will still be near Rs. 240-Rs. 250 crores?

Parag Jhaveri: That is what we, less than Rs. 200 crores if you call.

Manan Shah: So you are expecting to release around Rs. 40 crores from inventory?

Parag Jhaveri: Yes.

Manan Shah: Sure. Thanks.

Parag Jhaveri: Thank you.

Moderator: Thank you. Ladies and gentlemen, this was our last question. I would now like to hand the conference over to the management for closing comments.

Parag Jhaveri: Thank you very much everyone to join for today's call and we look forward to seeing you guys in the next quarter. Thank you. Have a good day.

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