



Ref: ASCL/SEC/2026-27/21

June 04, 2026

1. To,
The General Manager
Department of Corporate Services
BSE Limited
1st Floor, New Trading Ring
Rotunda Building, P. J. Tower
Dalal Street, Fort
Mumbai – 400 001
BSE Scrip Code: 532853
2. To,
The General Manager (Listing)
National Stock Exchange of India Ltd
5th Floor, Exchange Plaza
Plot No. C/1, G Block
Bandra – Kurla Complex
Bandra (East)
Mumbai – 400 051
NSE Trading Symbol: ASAHISONG

**SUB: TRANSCRIPT OF CONFERENCE CALL HELD ON JUNE 01, 2026
WITH INVESTORS AND ANALYST ON THE FINANCIAL
PERFORMANCE OF Q4FY26**

**REF: REGULATION 30 OF THE SEBI (LISTING OBLIGATIONS AND
DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

Dear Sir/Madam,

Pursuant to Regulation 30 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015, we are enclosing herewith the transcript of Conference Call held on Monday, June 01, 2026 at 10:00 a.m. (IST) with investors and analyst on the financial performance of Q4FY26.

The said transcript will also be made available at the website of the Company at www.asahisongwon.com.

This is for your information and records.

Thanking you,

Yours faithfully,

For, **ASAHI SONGWON COLORS LIMITED**

JOSEPH SAJI VARGHESE
Company Secretary & Compliance Officer



Encl: As above

Asahi Songwon Colors Ltd.

CIN: L24222GJ1990PLC014789

Regd. Office: "Asahi House", 20, Times Corporate Park, Thaltej – Shilaj Road,
Thaltej, Ahmedabad – 380 059, Gujarat, India.

Tele : 91-79 48239999, 29617815 • Fax : 91-79 6832 5099 • Web Site: www.asahisongwon.com





Asahi Songwon Colors Limited
Q4 & FY'26 Earnings Conference Call
June 01, 2026



MANAGEMENT:

MR. GOKUL M. JAYKRISHNA
MANAGING DIRECTOR
ASAHI SONGWON COLORS LIMITED

MR. ARJUN G. JAYKRISHNA
CHIEF EXECUTIVE OFFICER & EXECUTIVE
DIRECTOR
ASAHI SONGWON COLORS LIMITED

MR. MITESH PATEL
EXECUTIVE DIRECTOR
ASAHI SONGWON COLORS LIMITED

MR. SAJI JOSEPH
COMPANY SECRETARY & COMPLIANCE OFFICER
ASAHI SONGWON COLORS LIMITED

Asahi Songwon Colors Limited
Q4 & FY'26 Earnings Conference Call
June 01, 2026

Moderator: Ladies and gentlemen, good day and welcome to Asahi Songwon Colors Limited Q4 and FY26 Earnings Conference Call.

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 “*”, then “0” on your touch-tone phone.

Please note that this conference is being recorded. I now hand the conference over to Mr. Abhishek Mehra from TIL Advisors. Thank you and over to you, sir.

Abhishek Mehra: Good morning, ladies and gentlemen. Welcome everyone and thank you for joining this Q4 and FY26 Earnings Conference Call of Asahi Songwon Colors Limited.

The Results and Investor Updates have already been emailed to you and are also available in the Stock Exchange.

To take us through the results, we have with us from the Management Team Mr. Gokul Jaykrishna – Managing Director, Mr. Arjun Jaykrishna – Executive Director and Chief Executive Officer, Mr. Mitesh Patel – Executive Director and Mr. Saji Joseph – Company Secretary and Compliance Officer.

We will be starting the call with a “Brief Overview” of the quarter from Arjun which will be followed by the Q&A session.

Before we proceed ahead, I would like to remind you all that anything said in this call reflecting any outlook for the future which can be construed as a forward-looking statement must be viewed in conjunction with the risks and uncertainty that the company faces. These risks and uncertainties have been entailed in our annual reports.

With that said, I will now hand over the call to Arjun. Over to you.

Arjun Jaykrishna: Thank you, Abhishek. Good morning, ladies and gentlemen. A very warm welcome to the Q4 and full year FY26 Earnings Conference Call of Asahi Songwon Colors Limited.

I would first like to thank each and every one of you for joining us today.

I will start the call with running through the financials followed by my remarks and then open the floor to any questions that you might have.

Gokul Jaykrishna: Arjun, I just need to make a quick one minutes opening remark before Arjun starts.

Abhishek Mehra: Sure.

Gokul Jaykrishna: Good morning, ladies and gentlemen. This is Gokul Jaykrishna – the Managing Director of Asahi. It is a pleasure to have all of you on the call today.

Before I hand it over and we get into the routine, Arjun takes you through the quarter and the coming quarter and the business review, I would just like to make a quick comment. As of the last Board meeting, I stepped down as the CEO of Asahi Songwon Colors Limited, and it's been an amazing journey of eight years as a CEO and 17 years as Managing Director.

I continue to hold the position of Managing Director and will continue to actively manage the business strategically and take it forward in terms of growth and future potential. However, the regular day-to-day CEO functioning of the company will now be looked after by my son, Arjun Jaykrishna. He has been with the company now seven years and as executive director for about four to five years.

I am very happy. Today is a very proud and meaningful day for me as I hand over the role of the CEO to Arjun. He, along with the new team and Mitesh Patel, the whole team is ready to lead the company into a brighter, stronger and more growth-oriented future.

It has been a remarkable journey. I think we have had a very decent quarter this quarter. Through the war, our team has executed the business remarkably well, managing the challenges and we stand at a position where the group can now grow forward going into the future.

Over to you, Arjun.

Arjun Jaykrishna: Thank you.

To get into the financials:

On a consolidated basis, revenue from operations for Q4 FY26 stood at Rs. 144 crores. This represents an increase of 19.4% over Q3 FY26. The EBITDA for the quarter stood at Rs. 23 crores, up 122% sequentially and 30.2% on a year-on-year basis. The EBITDA margin as well expanded to 15.6% in Q4 FY26 compared to 8.58% in Q3 FY26 and 11.53% in Q4 FY25, once again representing an expansion of 407 basis points year-on-year and 702 basis points sequentially.

Profit before tax, excluding exceptional items, was Rs. 15 crores for the quarter, an increase of 64.2% over Q4 FY25 and 467.29% over Q3 FY26. Profit after tax for the quarter was Rs. 10.82 crores compared to Rs. 6.87 crores in Q4 FY25 and Rs. 2.26 crores in Q3 FY26, once again a year-on-year increase of 57.46%. The interest costs declined to Rs. 3.30 crores in Q4, down 14.15% year-on-year, reflecting our ongoing debt reduction. The depreciation was Rs. 4.65 crores broadly stable.

Now getting into the full year figures:

For the full year FY26, consolidated revenue from operations was Rs. 535.48 crores against Rs. 562.36 crores in FY25, a decline of 4.78%. But the full year EBITDA, including other income, stood at Rs. 56.53 crores as opposed to Rs. 60.21 crores in FY25, again a slight decline of 6.12%. The EBITDA margin for the year was Rs. 10.43% compared to Rs. 10.63% in FY25, a small compression of 21 basis points.

Profit before tax for the full year was INR 25.56 crores against INR 24.98 crores in FY25, a marginal increase of 2.35%. Profit after tax was Rs. 17.78 crores, up 5.48% over FY25.

Now turning to operations:

Q4 FY26 was a strong quarter for our business.

Talking specifically for our Blue Pigment business, both revenues and profitability improved relative to the preceding quarter. The volume growth was modest, and a meaningful portion of the improvement was driven by stronger realization, supported by elevated raw material prices aimed at ongoing geopolitical volatility.

The operating environment continues to present challenges, with raw material prices remaining elevated and global supply chains having seen a lot of disruption.

The company has been working on a range of internal operational efficiencies as we have discussed previously that are expected to continue to contribute to a more durable improvement in the margin profile in the periods ahead. This coupled with the strategy the company used to mitigate the geopolitical uncertainty in these times has supported profitability during the quarter. The business remains positioned to accelerate volume growth as the broader demand environment recovers hopefully in the coming quarters and year ahead.

The strategy and implementation we have been working on is going to strongly position us in the Blue business to continue to perform at a good level in the coming quarters and year as well.

Talking now about the AZO Pigment business:

The company has continued to grow steadily in volumetric terms despite the challenging operating environment. Encouragingly, the AZO segment achieved EBITDA positivity for the full financial year as 2020. The business has also reached cash break even during the year. This is an important step in the financial progression of this segment.

Through continued focus on revenue growth and increased focus on operational efficiencies, the AZO business is expected to begin contributing meaningfully to consolidated profitability in the coming years.

The API business has delivered consistent volumetric growth continuously of 3 years. The steep decline in realizations since acquisition has, however, limited the reflection of this growth in reported revenues and financial performance. Encouragingly, the 3-year price erosion cycle in the API business has reversed this quarter and hence in Q4 FY26 an improvement in selling prices was observed which contributed to a better quarter.

The company's backward integration investments here provided operational stability and supported margins through this period.

On the regulatory front, as I have briefed before, progress is being made towards achieving our CEP Certification and we are confident that by the end of the current financial year we would be able to get this certification which will be a milestone that will support volume growth and access to more profitable export segments. The API segment also achieved EBITDA positivity for the full year FY26.

To summarize:

Q4 FY26 was the company's strongest year of the financial year, and the full year results demonstrate resilience in a difficult operating environment. EBITDA positivity in both the AZO and API segments, continued deleveraging of the balance sheet and maintenance of PAT growth are the principal outcomes of the year.

The path ahead requires navigating a still uncertain global environment with geopolitical volatility, elevated raw material costs, and competitive pressures remaining alive. But the structural investments made over the past several years are expected to underpin the next phase of growth as conditions continue to normalize.

With that, I will now open the floor for questions. We welcome your questions on any aspect of the business and the financial performance.

Thank you.

Moderator: Thank you. We will now begin the question-and-answer session. Ladies and gentlemen, we will wait for a moment while the questions are assembled. The first question comes from the line of Rishabh from Earth Capital. Please go ahead.

Rishabh: Good morning, sir. Thanks for the opportunity. My first question is that on a Y-o-Y basis, while our revenues have declined, our margins have shot up, implying that the entire profit improvement came from margins rather than volume. Can you please confirm what proportion of EBITDA improvement was driven by price pass-through of elevated raw material costs? And if raw material price is correct, does the margin improvement reverse with it?

Arjun Jaykrishna: Thank you for your question. Exactly as you pointed out, I think for now the strategy we have taken is to be able to pass as much of our raw material price increase as possible. And I think that was also possible due to our long-term relationships both with suppliers as well as customers.

And because of that, we saw the bottom line showing a better performance. As for the top line, I think as we discussed in the commentary, the global uncertainty as well as the tough business climate continue to put pressure on that. So, we try to maintain that without erosion in our bottom line. And I feel we have done a decent job at that. For the coming quarters and performance, I think we continue to navigate a very volatile environment globally but we are confident that we will be able to continue to perform at a strong level, especially in our Blue business. And we will be able to use the similar strategy that we have added with the continuous improvement of the operational efficiencies. Hopefully, over the year, create a sustained good EBITDA performance.

Rishabh: Okay. You have mentioned about the internal operational efficiency programs that will strengthen the margin profile. Can you be a bit more specific about what these initiatives are, the quantum of the expected benefit in the timeline over which they will be reflected in the reported margins?

Arjun Jaykrishna: Yes. So, I think large impact we have made in our Blue business, here it's not just one project, it's several things that are going on, which have already started having an effect as well. So, I think as I have discussed in previous calls as well, this is a process that we have been doing for a while now. Even when we talk about this quarter, I think it is partly due to the operational efficiencies which will be certainly continuing in the coming quarters as well, and partly due to our strategy to navigate the geopolitical issues. So, it is difficult to quantify the differences, and I would not be able to comment on the exact projects that are being done. But to answer your question relating to the first one as well, we are confident that we will be able to continue a strong EBITDA-centered performance in this year as well.

Rishabh: Alright. My next question is on the API business. Now that the Chattral site has commenced commercial production of API intermediates, what is the current revenue and utilization level at Chattral, and how does backward integration into intermediates translate into a quantifiable cost or margin benefit at the API segment level, can you please quantify it?

Arjun Jaykrishna: So, for Chattral, I think, as I mentioned, we have, over the last 10 years, had a strong performance following our volumes. However, it has not been showing an effect in the numbers because of a very strong competitive market environment and very slightly weak demand profile. Still, we have not seen the numbers reflect the growth in volume we have observed. This growth in volume, a lot of it can be attributed to Chattral, I think, two reasons. One, giving us that additional capacity, and two, the backward integration, which is very key in such a tough business market to even keep us at a position where we can afford in a market which is ready to grow our volumes. At Chattral plant, well, we are going at a utilization level around 70%, which is good for the intermediate level. However, on the API front, the finished good utilization once again remains very low. It would be somewhere around 30%, and that is where we look to improve our fixed asset turnover for the API business, and that is why we believe that there is a lot of scope there. As soon as we are able to execute that strategy, improve the fixed asset turnover, and increase utilization at plant, we should be looking at more consistent, better numbers for the API business.

Gokul Jaykrishna: I would just like to add to this. So, Mitesh can correct me on the factual numbers if I am wrong, but I think we have achieved in the Atlas API, the general pharmaceutical business, a volume growth of about 18% CAGR over the last three years. This hasn't reflected in improved business or hasn't reflected in the top line due to the decline as Arjun said correctly, the market was extremely competitive, and the prices of the APIs have been continuously dropping over the 36 months, and so the revenues haven't reflected this growth. However, this trend seems to have been arrested, and this quarter, we have seen improvement finally in the realization, which is starting to now show better results for the quarter as well. I would hazard a guess that generally, structurally, the API business, cyclically rather than structurally, cyclically, it seems to have bottomed out, and over the next year to two years, we should see bottoming out and a gradual improvement in the pricing.

With this, there should be better opportunities. Also, the question was very well asked about the utilization levels. Arjun mentioned the Chatral utilization of the finished products is very low. This remains the challenge and actually the opportunity, and over the next year, that remains a strategic area which we could improve upon. If we improve there, there could be significant improvement in the overall value of the business. Mitesh, can you correct me on the growth numbers if I have made any mistakes?

Mitesh Patel: Sir, it is exactly correct. 88% CAGR we achieved in the last six years.

Gokul Jaykrishna: Okay, thank you.

Rishabh: So, about the Pregabalin, Pregabalin is the company's leading API molecule. Given the price erosion of recent years and the recovery now being in the presentation, what is the current Pregabalin price and what was the price at the time of the Atlas acquisition? How much have the prices reversed from the bottom and what proportion of API segment revenue is currently contributed by the Pregabalin versus other molecules?

Arjun Jaykrishna: Pregabalin continues to be a very dominant molecule for us and after Chhatral, the growth that we have mentioned, the 18% CAGR is largely volume-wise driven again by Pregabalin. So, that along with a few smaller molecules, we have increased business and succeeded. But in terms of financial growth and the large volume growth of Pregabalin, it continues to remain a very strong, somewhere around 60%-70% of our business would be for Pregabalin. In terms of pricing, I think it's difficult to exactly quantify because we have different grades of Pregabalin that are taken by different level of customers and it depends on a business basis at which time, which order we have more of and these are the different pharmaceutical grades that we make of Pregabalin. For example, like we make a few grades, the CEP grade would be a new grade that will be launched which will have a higher margin profile, higher cost as opposed to the current IP, USP grade that we do make. So, I think in terms of exact quantification, it would be a little difficult to judge the exact price in the market. But for us, Mitesh Bhai, what would be the rough, if we can just guide a percentage decrease in price that we have observed over the last three years?

Mitesh Patel: So, since acquisition, price has dropped by around 40%-45%.

Rishabh: And how much has it revised as of now?

Mitesh Patel: So, currently from bottom, it has been increased by around 15%.

Rishabh: Alright. Okay, so next question is on AZO capacity. Right now, it's at 2400 tons per annum. You had indicated in the past that once utilization is 85%, capacity expansion would be triggered. Given the progress in utilization, what is the CAPEX plan for AZO expansion? And if we go ahead with it, what should be the CAPEX required and how will it be financed?

Arjun Jaykrishna: So, for the AZO business, as you highlighted correctly, we still continue to have the thought that we will be triggering that expansion. What we have currently done there is, because of the tough market environment, we did not want to incur the CAPEX. So, we have done small projects and efficiencies that have helped us bump up the capacity a little bit.

But for a meaningful expansion and addition of a line, we would need a CAPEX, which would be much smaller to obviously initial investment because the civil structure and a lot of the investment has already been done. And that is why I think we have seen the ROC, ROE of the investments not yet yielding the results we would like. However, for this one, we would be expecting an expansion of much better ROC, ROE for the investment because we will be investing somewhere around, I think, Rs. 10 crores to Rs. 15 crores. And this would help us boost the capacity by almost, it would go to 1.5x. So, the investment as opposed to what we get in return would be substantially better because of the earlier investment and strategy we have made to make the civil structure and several other parts of the factory already ready for this expansion.

Rishabh:

All right. Last two questions from my end. One on the capital allocation front. Full year, PAT was at Rs. 17.78 crores on the revenue of Rs. 535.48 crores, implying a net margin of hardly 3.3%. For a company that has invested significantly in the new capacities across AZO and API over the past several years, is this level of profitability that was anticipated at the time of those investments? What does the Management consider to be a normalized PAT margin at a steady state?

Gokul Jaykrishna:

So, I can take this question. Clearly, we have three. Let's break the business up into the two segments, Pigments and API, the Pigments being Blue and the AZO's.

So, first on the AZO's, the ATC business, and then same answer applies to the Atlas business of APIs as well. So, on ATC and Atlas, both when we made the investment, the expected profit margins were definitely not what you are seeing right now. Both the businesses are in early stages. In business cycle terms, it's been about three to four years that we have been doing these businesses in real terms. So, while we are improving marginally continuously, we are far from where we need to be. And the profit margins as well are far from where they should be. For both answering on EBITDAs for both the ATC as well as Atlas business, we would guide that Management would like to target EBITDA margin of about 13% of the AZO business. And eventually, if we get the API business right, 15% to 16% in the API business going forward. That you will see is a significant improvement from where we are right now.

We are far from that. And we need to make serious strategic decisions as well as good business operational moves to reach this. However, we remain confident that the margins will eventually be achieved.

Rishabh:

All right, sir. So, my last question is for Arjun. Over the course of next few years with Arjun now stepping in as the CEO, can we expect more addition in terms of growth? Is there a new vision and aggression that is expected? And what are the plans to scale the business to say Rs. 1000 crores over the next few years?

Arjun Jaykrishna:

Yes. So, thanks for that question. I think to answer your question, I think what the company has guided over the last few years, we finished a large CAPEX cycle a few years back. And over the last few years, it's been about consolidating and trying to utilize the investments we have made. So, I think that while, as you have described, we have not performed as required for our two subsidiaries, but as a group and financially, I think we have been able to execute a lot of strategic moves like our debt reduction plan and overall financial health of the group because of a relatively strong two years for our Blue business. We have been able to execute those plans and get that to a level where we would like right now.

Going forward, I think it will be key for the company to continue, as you mentioned, to increase our growth. We have a very young team and we have got a lot of freedom from our Managing Director to be able to position ourselves the way we want in terms of the growth plan over the next few years. And we will certainly be wanting to grow fast and grow strong.

However, our first prerogative is to make sure that we are able to continue strong revenues for the next several years. And that's how we plan the business out. And then the focus will be on bottom line addition as well through everything that I mentioned, internal efficiencies as well as increasing the fixed asset turnover for both the subsidiaries.

And then reducing debt profile and strong financial performance of the overall group. We will certainly be looking to grow, and we certainly have the goal of reaching Rs. 1000 crore as a company within the next few years.

Gokul Jaykrishna: I will just quickly add two lines to this on a macro level. Since COVID, the whole period of last three to four years has been extremely challenging now with the disruptions of the US-Iran war and oil disruptions and raw material disruptions. Generally, cyclically, we have seen one of the longest slow-demand environment the chemical industry has generally seen.

This seems to be in the process of bottoming out. When it exactly bottoms out is anybody's guess, but already it is showing signs since the last few months. Secondly, we as a group and as a company are very decently positioned because we have over the last four years completed our entire CAPEX cycle where our debt also rose to a total peak debt of Rs. 220 crores.

And EBITDA was low because of the really bad business environment and lower utilizations and the CAPEXs that we had incurred. This seems to have turned and our basic EBITDA has been as a Group level going up and will probably likely continue. And the debt is dropping faster than we had even internally estimated. Cash flows have been strong through all the verticals, all the four units. So, I think it positions the company in a very good way over the next three years to strategize growth.

Rishabh: So, thank you for answering all of my questions. That will be all from my side. Thank you.

Moderator: Thank you. Mr. Arjun Jayakrishna, your voice is breaking. Let me just reconnect your line. Ladies and gentlemen, please stay connected while the line of Arjun Jayakrishna is reconnected. Ladies and gentlemen, the line of Arjun Jayakrishna is reconnected. Please go ahead.

Moderator: The next question comes from the line of Advanil Desai with Turtle Capital. Please go ahead. Hi.

Advanil Desai: Good morning, everyone. And congratulations for a very strong set of numbers. So, I think a lot of color has been given. A few very specific questions. So, on the Blue business, our gross margin has increased significantly from QoQ 29%-odd to 34%. And we talked about pricing, both on the on the Pigment side as well as on the RM side. So, first of all, are there any inventory gains involved in this? And going forward, how should we look at the gross margin in the Blue business earlier

and our steady state, we were doing around 35% odd. Then at some point, we also hit 37%, 38%. So, how do we claw-back to those kind of numbers that is on the margin side of the Blue business?

Arjun Jaykrishna: Yes. So, thanks for the question and thank you for your kind words on the result as well. So, as you mentioned rightly, I think, as briefly described, I think it is a mixture of several factors of internal strategy, a little bit of the inventory addition as well as your operational efficiencies all put together that have driven the strong numbers. What we are doing and what we will do to continue this, and as you mentioned, we have got higher numbers in the past as well. So, how to make it a steady state? As I mentioned in my last answer, I think one of the key goals that we have going forward is to try and make a more steady strong performance over the next year and several years ahead for the Blue business. And there are several things going on ranging from operational efficiencies as well as projects with customers where we hope to continue to strengthen our gross margins to levels we have seen before and maintain them. And we are confident that, of course, it is varying a little bit due to several factors out of our control, but we will make sure that we do everything in our capacity internally as well as in terms of strong relationships that we continue to have with suppliers and customers to maintain those numbers. And we hope that we can have a steady performance at these higher numbers in the coming year.

Advanil Desai: And I think, sir, there was some kind of a demand slowdown because of the US tariffs and the lower of that across geographies. Are you seeing any revival in terms of demand on the US side?

Arjun Jaykrishna: Again, great question. I think, as you pointed out rightly, I think what we had observed because of the US tariffs was not only a slowdown in US, as you said, it was a global effect because even countries where we would be supplying our product which would do a value-add and send it to the US, those were also subject to tariff because the make was India. So, we had seen a ripple effect of that for not only our US business, which was obviously affected, but other country exports as well. We have seen a revival in that. So, our US business, once the tariff has been reduced again, it has again started to improve. I think coupled with the global uncertainty, I think the demand profile has not nearly gotten back to where we would expect it and where it used to

be. But we have certainly seen a revival from the higher tariff days. And we are hopeful that as the overall demand environment increases and improves, we will be well-positioned to get our American and business-to-America back to our routine levels, which we have already seen starting to happen.

Advani Desai: Second question on the AZO business, I think one of the levers that we were actually working on, on the AZO side, was on the export market, attracting some of the larger customers in Europe and US. So, any updates on that? I remember that approvals had slowed down because of the US tariff and the US market. But how are we positioned on the export market for AZO? And is there a meaningful scale-up possible in the export market for the AZO business?

Arjun Jaykrishna: So, absolutely. I think the export market continues to remain something we are focused on getting for ATC because that will help us drive the bottom line to be stronger. As you rightly said, the US business obviously was affected a lot for our AZO, even more in the Blue, because that is a place where China generally in the AZO is very dependent. So, while we had seen a complete stoppage from customers in inclination to move out, we have reapproached them. I made a visit to the US as well, where I got the opportunity to meet several of our prospective customers. And this was just two weeks back. And we have had positive discussions. And because of the tariff going down once again, I have been able to open up some discussions. And we are hopeful that we will be able to restart them and have some meaningful growth over the next few quarters in the testing process.

Obviously, it will once again take time for us to execute this because of the stoppage because of the tariffs. But the good part is that we are again in those discussions and the customers are inclined and wanting to test and wanting to include us in their supplier pool. Because once again, of the geopolitical uncertainty and tariffs that have hit us, it could hit other countries where they import from as well. So, they are keen. And hopefully, we will be able to execute over the next year some of this business. This is for the US.

For Europe as well, I think generally Europe has had a structural slowdown in demand. But there we continue to work on different avenues. And there are opportunities we are following up on where we hope once again that we will be able to execute and get some business flowing in the coming year as well.

And at the same time, for the AZOs, India continues to remain a focus for us. I think it has been a market where we have achieved volume-wise good growth for a new company and a new entrant into AZOs and create a name for us for several of the products that we make in the AZOs. And we hope to continue that and push the India volume while we get the export business started and in line.

And this has been seen in the numbers as well. As described, we have been slow because of the market environment. But we have steadily shown increased performance over the past several quarter. And this has been largely due to our efforts outside but also strongly in India. And we will continue to use that as India remains a very strong demand market. There are ups and downs obviously, but overall, the demand in India continues to remain strong and we hope to leverage that along with export as well.

Gokul Jaykrishna: A quick addition to this comment. Basically, again, if we look at a 3-5 year macro future of the company, strategically we will continue to believe that the markets you refer to, US and Europe, and the MNC customers that we have generally great relationships with and who are the largest customers of the AZOs as well globally, will be our key targets going forward. The key challenge is going to be China. The last two years have been more difficult because once Trump came to power and the tariff wars with China, China kind of eased off and the internal Chinese environment management things eased off and the competition was stronger than expected. However, directionally we continue to believe over the next 3-5 years there could be any time a big opportunity where China and US have a major disruption in relations and this could present an opportunity for India in the AZO business to suddenly leapfrog and grow. We have to be patient and wait for this opportunity.

Having said that, even structurally China will continue as it tries to fight the US in global leadership and dominance, get difficult for AZO manufacturers to consistently manufacture in China over the next 5 years. So, the opportunity is there, we have to be patient.

Advani Desai: Last question on the API side. If you can talk about the product diversification, I think we had 3 products, how is the new product slate coming up? What are we doing on the R&D side to kind of Pregabalin side? And on the Pregabalin, as we talked about, 15% increase from the bottom in terms of pricing. Largely across the chemical, the prices have increased because of the RM inflation. Do we see this sustainable or if the war comes to an end and the pricing on the RM side normalizes, do we see it going back to earlier levels and hence going back to that 6%-7-8% level of EBITDA margin?

Arjun Jaykrishna: So, for the API, I think to answer your first question, I think the new products, we continue to work on the R&D side to explore different options, different projects and see what is best suited for the company. I think we have been able to execute a few products that we have successfully developed in the R&D, taken in the plant and now commercialized as well, like Etoricoxib, for example. Apart from that, I think, as you mentioned and as I said as well, Pregabalin is our dominant product and continues to drive our volumes and we are happy about this. This is a product where we see there is a good future, where we are positioned very well with good relationships with customers that we already cater to and a strong future outlook with the possible CEP approval hopefully by the end of the year as well. So, we are happy with the growth of Pregabalin and with our backward integration, the sustainability of that growth for Pregabalin, but there are other products as well which were already part of our profile like Amisulpride and others where we have also seen meaningful growth in the current volumes and we are strategically seeing what we can do with the market further and be able to have them as meaningful contributors financially with large enough volumes as well.

So, I think there in terms of new products and in terms of current products barring Pregabalin, we are working on them, and we are looking to grow those volumes as well. And in terms of that, I think we are confident that it takes time but we are working towards that and we will hopefully be able to leverage and use growth of Pregabalin as

well as the others to get better efficiencies and fill up our plant in the Chatral side which will help drive margins and help the overall financial performance of Atlas.

Advanil Desai: And on the pricing side?

Gokul Jaykrishna: I will quickly answer the second half of your question. So, normally what happens when the raw material prices bottomed-out, the cyclical trend of the sudden rise in prices due to the RM prices going up may have contributed to some improved margins. Even if raw material prices were to drop, the basic cyclical trend of demand does seem to have bottomed out.

So, long and short of that answer is that we should hope that these margins remain kind of sustainable and we internally are also able to do enough on operations as well as, say for example, on the API thing, something strategically, something where we can get new products or new customers through a good strategic move to unlock the utilization levels of the new plant. So, yes, the target would be that the EBITDA margins would not drop back to the original numbers that you referred.

Advanil Desai: Okay. Thank you. I wish you all the best.

Moderator: Thank you. Next question comes from the line of Rahul Jain with Credence Health. Please go ahead.

Rahul Jain: Thanks for the opportunity. So, congratulations on a very good set of numbers. And Gokul Bhai, we have had a wonderful journey with you being at the helm and of course you will be always there. So, all the best to you.

Gokul Jaykrishna: Thank you very much.

Rahul Jain: And best wishes to Arjun to take this to the next level going ahead under your guidance always. My questions are after almost three, four quarters, we have seen the first turnaround in the Pigment business. And also, with regards to API, what we have seen is we have registered the highest quarterly revenue till date. So, individually, each business you have spoken a lot about in terms of the demand scenario and the geopolitical situation. So, my first question is going ahead in the near term, say next three, four quarters, do we feel this momentum in terms

of revenue can continue for Pigments? Maybe it continues for Blue and also you can see some improvement on AZO.

And also on the API side, we have always done good volume growth, but the pricing was an issue to us. So, again, next three, four quarters, how do we look at the API revenue growth considering the six products which are there in our kitty and also for the six products which we are working upon? So, that was my first question with regards to both sales growth in the Pigment segment broken up into Phthalo and AZO and also API segment in next three, four quarters.

Gokul Jaykrishna: So, you are referring to the next three, four quarters in terms of what we see the growth potential is that your question?

Rahul Jain: Yes.

Gokul Jaykrishna: So, in the Pigment section, the APC business of AZO, the utilization levels are currently hovering around 65% and there is opportunity to take this utilization levels forward to about 75% to 85% before we are required to push a small CAPEX to increase capacity. We see both of these events happening in the coming three to four quarters where we are able to reach to 75% to 85% range. As soon as we hit that range, we would like to do a little expansion with a small CAPEX of about Rs. 10 crores to Rs. 15 crores which would probably be financed through internal accruals and increase our capacity. As Arjun had earlier referred, the CAPEX will only be related to plant and machinery because the general civil and the land building and the infrastructure is in place. So, we should see some momentum in terms of growth. However, the word of caution there is this is a slow development as I referred to the earlier answer as well that basically the environment for the AZO's particularly with the Chinese competition is strong. So, we have to be a little patient to be able to customers in the export markets that we desire to get. Atlas, the API side, also we have to work on the strategic way to acquire new customers and markets and also get some new products. This is a long-drawn process. We are looking internally. I can't comment too much but basically, we are looking at some strategic moves there that could unlock potential over the next two years to improve our finished product utilization in Chhatral. We have a top-class facility in Chhatral for finished APIs and this should hold us in good stead going forward.

Rahul Jain: With regards to the margins, is there any element of inventory gain in the margins which you have reported for Quarter 4?

Arjun Jaykrishna: I think it got cut. So, I missed the last question but I just heard the current question. So, I think as I said, I mean, I think it is for the quarter, it is a mix of several things, all three things that have played their part. The consistent effort over the last several quarters of the improved efficiencies has obviously had an effect and that will be sustainable. Then the strategy to mitigate the geopolitical issues which are ranging from the supply chain, getting raw material to dealing with customers to logistics, all of that obviously has been a challenge for everyone and I believe we have done a good job there which is why we have seen a good performance and partly inventory but that is not like a substantial factor or anything like that. It is a mix of all of this that has gotten the result this quarter and as we have guided for the Blue, we are confident that over the next, we will again be able to sustainably put up a good performance even despite geopolitical or other things because of internal efficiencies and other things we are doing internally to try and make earnings more sustainable there.

Rahul Jain: We are seeing the Quarter 4 EBIT margins in each of this Pigment segment and API segment. Are they sustainable in the coming quarters?

Arjun Jaykrishna: So, it is difficult to exactly pinpoint, so I will go business wise. So, I think as we mentioned both the subsidiaries, they have become EBITDA positive now, cash positive as well. For the API business, we believe that the price reversal hopefully this continues to remain sustainable and then in terms of business volume, I think we are confident in the API to sustain the growth we have seen over the past 3 years and with a good price rebound and consistent price rebound, we believe that it is sustainable.

For the AZO, I think it is slow and steady progress which we will continue to make and hopefully keep making slow inroads to a better performance which we have done quarter-on-quarter now for more than the last 4 quarters. So, that should sustainably continue there as well. And for the Blue, obviously there are several things and one thing which I mentioned as well, we are wanting to focus on for not one quarter but for the next several years is to make earnings sustainable,

both revenue and bottom line and we are planning strategy to ensure that it is sustainable over the long term.

Gokul Jaykrishna: Quickly adding to this, so basically, if we look forward to the next quarter, on the EBITDA, all three segments should be able to maintain quite easily even under the current circumstances of disruption globally, the margins that we have seen in Q4. So, Q1 should be able to easily maintain those in terms of our performance. We should try and actually better that. Then going forward from there on, of course, that would be some of the things that we are doing internally helps us make it sustainable for a longer period of time. However, you can imagine that it is very difficult in this business to predict far into the future very minutely on EBITDA, but the structural trend seems to be of one of improvement.

Rahul Jain: One last larger question in terms of industry. Earlier there was this talk about China removing rebate on certain chemicals/agrochemicals and also in some of the con-calls for this quarter which we have heard, some of the management have indicated, yes, there has been a price increase by China and certain products where China has resisted to increase prices, say, till now, but in last two, three weeks, Chinese people have also started increasing prices and it looks like this increase in the prices will be sustainable. Your thoughts will be quite helpful, sir.

Gokul Jaykrishna: Yes. So, generally, we are seeing this trend. Mitesh, can you take this question, please? On the internal tariffs or the benefits that the Chinese government has removed from some of the manufacturers and the sustainability of the increase in price.

Mitesh Patel: Sir, I have not heard the question properly. Can you please repeat?

Rahul Jain: So, Mitesh bhai, I was saying what we have heard in some of the con-calls of agrochemicals, chemicals/API companies, that there was Chinese companies had not increased prices initially, even after the war began, but in last two, three weeks, there is a change in that behavior and the Chinese companies have started increasing prices across many products and their view is this increase is something which will continue to sustain. So, I just wanted to understand thoughts of you people on the same.

Gokul Jaykrishna: So, the question, Mitesh, is also directed to, in relation to what the government in China has removed in terms of some of the subsidy that they were giving. And is this also partially the cause for the increase in prices recently and the sustainability?

Mitesh Patel: So, basically, due to three reasons, China has increased their price. One, as mentioned by Gokul sir, that Chinese government reduced the export incentive and VAT rebate. Second part is due to the ocean freight. Because of geopolitical issue, ocean freight is almost double from the China. And third part is due to crude, basic raw material price has been increased. So, in general, Chinese has increased around 30% to 40% of their price because of all three reasons.

Gokul Jaykrishna: So, this is looking like the benefits going and also the Chinese currency strengthening has been significant. So, that has become a bit of advantage. So, it should hopefully remain that way. And we should get a better opportunity to make inroads into these markets and competition.

Rahul Jain: Thanks for the insights, Gokul bhai and wish you all the best. Thank you so much.

Moderator: Thank you. Next question comes on the line of Rudraksh Rohicha with iThought Financial Consulting. Please go ahead.

Rudraksh Rohicha: Yes, thank you for the opportunity, sir. Sir, you have talked about realizations improvement across all the segments, which has helped us in getting these results for Q4. Could you talk about the commentary like what has been the trend in the last two months across the segments?

Arjun Jaykrishna: So, you mean the commentary on what we have observed over the last two months for all three businesses, is it, the realization?

Rudraksh Rohicha: Yes, realization. Has that trend continued or the prices have stabilized? Is there further appreciation along that?

Arjun Jaykrishna: So, I will give you first a quick overall thing. No, the escalation of prices obviously initially was a lot more, but there is no stability or certainty in the prices or the business environment at the moment. I think the geopolitical issues that continue to remain uncertain, and the

uncertainty globally has led to a continued volatile environment. As I mentioned earlier, Mitesh also briefly mentioned right now, I think it is ranging from absolute start, from the materials for any of the three businesses to operating energy as well as logistics, to be able to execute orders. So, I think everything is still quite uncertain and quite volatile, but this is one of the few things we have executed well as a company right from last quarter to the last few months as well. And we are confident of continuing this performance in Q1 where we are able to mitigate the global uncertainties the best we can to put our company in the best position to be able to have the best realizations considering the current global situation.

Rudraksh Rohicha: Understood, sir. Sir, on the Blue segment, what was the capacity utilization in the last quarter?

Arjun Jaykrishna: So, we have discussed the capacity utilization for the other two. For the Blue, I think it is evolving. I think there is also different products, so it is difficult to exactly quantify the capacity utilization. I think in the Blue, generally, we operate at pretty high utilization levels as opposed to the two subsidiaries where, as I mentioned, fixed asset turnover is something that we need to improve on and it will be a conscious effort where we can see big gains. For the Blue, I think we are operating at high utilization level already, but there the internal efficiencies project internally will continue to incrementally give us that additional boost in capacity and because of the consistent long-term performance there, I feel that incremental boost will also help and that adds to the overall commentary that we have given in the Blue where we see a consistent steady better performance over the next few years irrespective of global climate and environment. So, we have been able to execute this performance in not only the geopolitical uncertainty, but also a generally slow demand climate and we are confident that we will continue good utilization levels in the coming year as well.

Rudraksh Rohicha: Understood. Sir, you have spoken about internal efficiencies. If I look at last quarter itself, the power and fuel cost for the Blue segment specifically has been exceptionally lower. It's not even 5%, which has never been the trend. Could you share more details and if this kind of cost savings is sustainable going forward?

Gokul Jaykrishna: Just quickly, Arjun and Mitesh, I think there is one element of a one-time thing that has impacted this number. So, with that in mind, you should answer this question. Good question.

Rudraksh Rohicha: Thank you.

Arjun Jaykrishna: Yes. I think that's a very important question and as our Managing Director said, I think we have seen a one-time effect here which is something to do with our renewable projects. It is an amount that we rightfully received from the government and this is obviously not going to be sustainable to this level. However, what you mentioned, part of our internal efficiency is obviously a lot of our efforts do also surround power and fuel over and above the production and other things and the power and fuel savings which we have generally seen, not this quarter, but generally we have seen despite higher utilization, not an increase in the power and fuel, that is due to several different projects that we have executed in the past and we hope that we will continue to work on those projects and incrementally reduce with this particular number that you mentioned, that is because of a one-off thing. So, this will not be sustainable every quarter.

Gokul Jaykrishna: However, we should be better off in terms of percentage of power and fuel going forward as compared to the past.

Rudraksh Rohicha: Sir, could you share this one-off cost benefit that we received in last quarter, the quantum of that?

Arjun Jaykrishna: So, as I mentioned, it was basically to do with the billing charges that is incurred on renewable energy and we were able to get that which was pending to be gotten for two years at a one-shot payment after a discussion and being able to use the Renewable Laws correctly. So, I think the government was very clear about their laws and this was for a few companies in the area and they were kind enough to be able to give the rebate to everyone in our area. So, it is something that we have seen for this one quarter and as the MD mentioned, I think while the 5% is only for this quarter, incrementally we will look to reduce and the average percentage for power and fuel I can say will continue to go down from our earlier levels.

Rudraksh Rohicha: Got it, sir. Sir, on the AZO revenues side, how much was the revenues for the full year and what kind of PBT losses did we incur in the AZO segment for full year?

Arjun Jaykrishna: Nupur, are you on the call?

Nupur: AZO revenue for full year, Rs. 78 crores and PBT Rs. (-2.42) crores.

Rudraksh Rohicha: Understood. And, sir, should we expect this to break even next year?

Arjun Jaykrishna: Yes. We should definitely expect that and I think as I have guided as well for us in terms of performance, while we have been slow, it has been a steady positive performance and we are hopeful and confident that we will achieve that.

Rudraksh Rohicha: I was asking that would we be able to break even next year on the PBT level?

Arjun Jaykrishna: Yes. I thought I was speaking but maybe I was not able to get connected. So, yes, we are confident of this and as I mentioned earlier as well, we have been slow but we have been steady in our growth positively for the last four quarters and we continue that performance this year and we are confident that what plans we have in place, we will be able to execute what you mentioned. So, we will be able to do that. Understood, sir.

Rudraksh Rohicha: Sir, a few questions on the API segment. I think in a few of our previous calls, we have spoken about hiring a business development or marketing team. Any details that you could share on what's happening there?

Gokul Jaykrishna: I will take this question. So, as of right now, our general team at the API section is doing quite well. However, on a strategic level, we need to see a good bit of move and improvement here. There is some discussions that we are doing which over the next quarter or so, we will put into action because we have stability. What we require is dynamism and some serious knowledge about the API industry, customers and products. And, yes, we would be seeing some addition at a senior level which could help us take the company forward in a meaningful way to unlock the new API plant capacity at Chattral.

Rudraksh Rohicha: Got it, sir. Got it.

Gokul Jaykrishna: As of today, there has been no addition in any position at Atlas. There is likely to be.

Rudraksh Rohicha: Understood, sir. Sir, last question on API segment only. Last quarter has been exceptionally well for us. We generated around 30 crores in revenues and EBIT contribution at around 10%. Sir, if this pricing sustains, can we sustain this level of quarterly rate and profitability for next year?

Arjun Jaykrishna: Yes, I think you summed it up perfectly. I think, as we have guided, I think in terms of volume growth, we have done well and it has just not been reflected because of the pricing. So, yes, if the pricing does sustain, we are confident of maintaining a strong performance in the API business and the volume that we have built up, we are confident of maintaining those as well and continue to work on them as we do the new projects like the CEP, etc. So, if the price sustains, we are certainly confident of continuing good performance for API.

Rudraksh Rohicha: Understood, sir. So, thank you for taking my question.

Moderator: Next question comes from the line of Madhur Rathi with Countercyclical Investments. Please go ahead.

Madhur Rathi: Sir, thank you for the opportunity. Sir, I wanted to understand regarding this Blue business. Sir, how should we look at it from the next one or two year perspective because I think previous to these industry headwinds, we used to make close to (+40%) gross margin levels and you have been speaking about internal efficiency as well as processes efficiencies I think for the past few quarters. So, how should I look at the gross margin of this business going forward?

Arjun Jaykrishna: Yes. So, I think as you said in the past, I think the business landscape was a little bit different both in terms of the demand profile which was relatively stronger there and in terms of the competitiveness and supplier profile. So, I think while we have seen both the things change in terms of addition of competition as well as a sustained period as MD mentioned, probably one of the longest low or depression sustained periods in terms of demand in the chemical industry in general also in Pigments that has been seen since our company started probably. Yet,

we have been able to use everything in terms of the company, suppliers, customers, quality, all of that to be able to continue to be a leader in this space and now what we are planning to do as I mentioned something we have executed in the past where the goal is to be able to have sustainable margins at a good level. So, we have had one-off performances, but it has been up and down. So, despite challenging circumstances, we got this result. We hope that this is sustainable and we will make sure that we do everything in our power to have at the current margin level, have performance over the next few years and we have a clear strategy in place for the Blue where we are confident that over the next, it is difficult to call one or two quarters but this quarter obviously we hope to continue the good performance because of our strategy of the global uncertainty mitigation but over the next two years and beyond, we will continue to have strong and hopefully steadier performance on the bottom line as well as our revenue profile in the coming few years.

Madhur Rathi:

So, has there been any capacity closures or how, because what I understand is this is a cyclical industry where many people come in during the good phase and slowly, they start phasing out. So, has there been any capacity closures in this segment?

Gokul Jaykrishna:

So, in the earlier call six months back also, I had probably addressed this question that we have seen some capacity closures because the market was cyclically very bad and only the strong companies were able to perform and that was an advantage for Asahi and we did quite well in that environment. That environment generally is not changed. So, the coming future does not look like even if the market improves, there is any chance of any capacity addition.

That is the first thing and the consolidation phase which is going on still continues because not everybody is doing well. However, the opportunity for organized businesses in this segment who do very well is good and we are at Asahi taking advantage of that and should continue to perform well because India clearly dominates the global market as far as Blues are concerned and this is not likely to change. Also quickly, last comment, the basic nature of Pigments, they find application across various industries, inks, paints, plastics, including now even in textiles marginally. So, it is a varied end application and there is no substitution or obsolescence risk in Pigments. So, in 10-

years or 15 years from now, the Blue and AZO Pigments will be used the same way. They are not going to, like in other industries such as API, there is no obsolescence risk, and there is no competition structurally to these products by any other product to replace them.

Madhur Rathi: Sir, what percentage of our revenue comes from the commodity products, the CPG, Crude, Blue and what percentage of this comes from the value-added Pigments in our Blue, if you could help me understand, as a percentage of our revenue?

Arjun Jaykrishna: So, I think in this, we generally don't, we refrain from giving exact breakup between the two. I think both are a very pivotal part of our strategy and operation and I think even the crude, I think, while considered a commodity, that is something that we have a very specific quality and a very specific way we make that product and we believe that that as well is a key value-add for us. So, the crude and the Pigment, I think both would be substantial contributors and they will be in the coming future, but I will request, if it is okay, that we do not share the exact breakup just for business.

Madhur Rathi: So, one question was when we say that there are multiple projects going on with export customers, these are Pigment-related projects, is that a fair understanding and as these projects scale up, can we expect the Pigment portion of revenue, I don't want the numbers, but directionally, the Pigment share should grow up and that should flow out to our margins, is that a fair understanding?

Arjun Jaykrishna: Yes. So, I think the projects that we are doing would be for all the products that we make and the key point here is that we are only looking for and doing projects where we see a value addition. So, to answer, yes, whatever projects we do, whatever we are working on, whatever we hope to execute in the coming few years will add to the margin profile for sure because here, as opposed to the other businesses, as we mentioned, we are operating at good utilization levels and hence, we will here be looking to have addition to bottom line through projects and continue to hopefully maintain the top line to strong levels that we have historically also seen in the past.

Madhur Rathi: Got it. And these would be Pigment-related projects only?

Arjun Jaykrishna: Yes. We make several Pigments and that is to do with the different ones with different people.

Madhur Rathi: Got it. So, just final two questions from mine. Sir, where do we see the business, if the realization sustains, where should we see the business maybe for FY27, what kind of revenue and margins conservatively we expect to deliver? And one question to the CFO, what was the inventory gain on our standalone and consolidated business for the whole year in Q4 FY26?

Arjun Jaykrishna: So, can you repeat the questions, I think, I remember the inventory one, because you asked both, I don't recall the first one.

Madhur Rathi: Sir, I wanted to understand what kind of outlook do we have for this year, if the pricing sustains, then what kind of margins can we expect to maintain?

Arjun Jaykrishna: So, I think we would look to, on a sustainable, as you mentioned, I think, now I recall for the next year and two years is what you are asking for, I think we should look to maintain the current margins that we have. And in terms of CAPEX, as MD mentioned, we don't plan to make any CAPEX. I think it's internal projects that we look to work on to slightly boost our capacities and the projects with customers where we look to, the top line obviously will move a little bit with the pricing, but we should expect to have the margins consistently at the level we have shown right now. So, we are able to, in a few years, maintain and have these strong margin profiles for the Blue business.

Madhur Rathi: Got it. Sir, just on the inventory gain part.

Gokul Jaykrishna: So, on the inventory, I think we have already answered it earlier, the margin contribution of inventory gain is there, but it is marginal. There is also operation efficiencies, there is also increase in prices of finished goods that we have been able to pass on to the customers. So, inventory gain number is very difficult to decode, but basically there has been some contribution of inventory gain because we were sitting on finished goods inventory as well at the beginning of the quarter and before the war. That has resulted in some partial benefit coming into this quarter. However, that has already been absorbed, but even after that absorption, we feel that coming quarter, we should be easily able to

maintain the performance, if not slightly better it, that we have presented in this quarter.

Madhur Rathi: Got it. Sir, that was from me. Thank you so much in all regards.

Moderator: Next question comes in the line of Tavan Shah with AlphAccurate Advisors. Please go ahead.

Tavan Shah: Yes, thanks for the opportunity, sir. So, I am new to this company, so pardon my ignorance. My question is on the standalone business first. For this year, I think we did roughly Rs. 350-odd crores kind of the revenue. So, you mentioned in the earlier question that I think this business is operating at 60%-odd utilization. Is that correct? And you are targeting roughly 75%-80% percent utilization by this year end?

Gokul Jaykrishna: No, this is not correct. You are asking for the Blue standalone business?

Tavan Shah: Correct. Yes.

Gokul Jaykrishna: No, we are not at 60%. We are much higher. We are nearly at 80%-85% over there.

Arjun Jaykrishna: I think what you are mentioning is numbers for the ATC-Dahej business. Correct.

Tavan Shah: Yes.

Arjun Jaykrishna: And that is in line with what you said. For the AZO Pigments, we are at those levels, and we hope to incrementally increase to what you mentioned by, take more than that by the end of this year.

Tavan Shah: And for the standalone business, given that we are already running at 80%-85%, so there is hardly any room for the volume growth improvement, right? That could be on the pricing growth.

Arjun Jaykrishna: So, I think we have guided that for this business, the key for us, obviously, pricing will impact the overall revenue. But the key is to be able to, over the next two years, give a more sustained performance and to be able to unlock the bottom line with different things we are working on.

Gokul Jaykrishna: So, just to show a little more light on this question, so since it is at about 80%, as you rightly said, there doesn't seem to be any obvious big opportunity to improve volumes there. This is correct. This has been guided over the last couple of years and Management view on the capacity and volume growth of the Blue business is clear that we are not looking to do on the Blue business any CAPEXs to increase capacity. This is clear. Having said that, the reason I intervened is that you may see better efficiencies, and operational improvements result in improvements in some volumes here as well. That is what earlier Arjun referred to a couple of times. The operational efficiency on the standalone side is also coming from de-bottlenecking opportunities that could result in improved and sustainable volumes also.

Tavan Shah: Understood.

Gokul Jaykrishna: Possible improvement to the business would be high because at 80%, if you improve from 80% to 85 or 85% to 90%, the incremental 5%, obviously, is coming at very, very little marginal cost.

Tavan Shah: Understood. If I look at the standalone operational cost, the other costs excluding the employee and power fuel, we are doing roughly annualized around Rs. 45-odd crores of the other costs in the standalone business, with the revenue of Rs. 350 odd crores, which is roughly around 13%-14%-odd of the revenue. Is there any room of improvement over there where we can save some cost by doing some operational efficiency or cutting down the cost?

Arjun Jaykrishna: I think I have mentioned the different heads that obviously entail all the costs. We are working on all of them. This is something that we have actively done in the last few quarters and we will continue to do. Overall, we are confident to be able to, from earlier levels, drive down the cost on most heads. Here as well, we should hope to see an improvement in the coming years.

Tavan Shah: Understood. And how much pricing growth have we seen in the standalone business in the last two months?

Arjun Jaykrishna: Mitesh, can you just give a rough indication?

Gokul Jaykrishna: I will quickly give an idea on the pricing side. So, the standalone Blue business pricing is normally done on a quarterly basis, and our

customers are mostly MNCs who have been there with us over 15 years, all the three major MNCs that are our customers. So, in this quarter, the benefits of the pricing have not fully been seen because the quarterly pricing was already locked in and so we will probably likely see some benefit of that coming and falling over into the next coming quarter or two.

Tavan Shah: And how much pricing growth can we see in the next quarter?

Gokul Jaykrishna: So, it is very difficult to put a percentage number on it because it depends from customer-to-customer, contract-to-contract. Also, there are various products, but generally across the product basket of Pigments as well as crude, there has been a substantial increase in price because of the downward pressure of raw materials and also the lack of availability of some of the raw materials. So, a lot of our competitors generally in the business have found it difficult to even procure the raw materials. So, that has been a challenge and that has driven up prices. So, generally prices across all product segments in the Pigments business have gone up and gone up meaningfully. So, I would probably say percentage-wise, Mitesh, maybe you can put a percentage, a rough percentage.

Mitesh Patel: I would you say about 20% up.

Tavan Shah: 10%, you are saying?

Mitesh Patel: 20%.

Tanav Shah: So, based on the price increase and let's say if that price maintains till the end of the year, so we can roughly do Rs. 400-odd crores kind of revenue in this standalone business with 13%-14% EBITDA margin. So, maybe Rs. 50 crores – Rs. 55 crore absolute EBITDA in this standalone business, is it achievable in FY27?

Gokul Jaykrishna: That is the peak potential. That is the potential of the Blue business. Yes.

Tavan Shah: Correct. That is achievable in FY27 itself, right?

Gokul Jaykrishna: That would be our goal. That would be our hope. Arjun, you can comment on it if you have anything to say.

Arjun Jaykrishna: No, exactly. I think it's already been discussed. This would be our goal and here we are looking for consistency in the volume and continuous steady bottom line. So, this would be our goal to be able to achieve that for this year and going forward.

Tavan Shah: Okay. And now for the subsidiaries, for Atlas, I think we are doing roughly Rs. 150-odd crores kind of the revenue, right? And the gross margin is roughly the same, 34%-35% gross margin?

Gokul Jaykrishna: It ranges between 30%-35%. Since the business is still growing and gradually utilization levels are increasing, we are also finding new customers and endeavoring to go into the export market. Unlike the Blue business, they don't have penetration into the MNC market yet in a meaningful way. So, this margin ranges between 30%-35%. Right now, it is at the lower end of 30% and we look to go towards the higher end of the 35% band. Anything you want to add, Arjun or Mitesh, you can add.

Tavan Shah: Understood. And at the current capacity, at full utilization, how much peak revenues you can do from the Atlas business, and you already mentioned that we can do breakeven this year in terms of the PBT. So, in terms of EBITDA, if you can help us to understand what kind of EBITDA you are expecting from Atlas in F27 and FY28.

Arjun Jaykrishna: So, I think as opposed to both the Pigment businesses in Atlas, it is difficult to guide the maximum what the company or the plant can achieve. Here, the delta between products, the pricing between products, the volumes are very, very different and hence it's like in the Blue, we can give you a more definitive answer like we did or what we are looking to achieve. Here, it is very different and the nature doesn't allow us to give the exact number of what the plant can achieve because pricing of products, even the product we make is very different. Like there are several products which we are making which are much, much smaller in volume obviously, but a few products which would be maybe 10x the price of Pregabalin. So, the price delta is very different and hence, the total what the plant can achieve and what the company can achieve in terms of turnover and EBITDA, that is something that is dependent on all those factors and hence, the ceiling in Atlas is very high. This is why we have gone into this business and this is why hopefully with a positive price of 10 for Pregabalin coupled with the

new products that we add a new business stream going to, we will be able to show good performance and as you mentioned, I think we will definitely be the positive and for EBITDA, once again, it will be highly dependent on the price and if we are able to see a continuous steadiness and improvement in price like we saw this year, then of course, we should be able to execute the numbers we did in this quarter but it is dependent on the price and we will continue to do what we can in terms of volume to be able to take it factor out of us and continue to give a good performance going forward.

Tavan Shah: And the plant is operating at what utilization right now? This Rs. 150-odd crore is from 30%-40% utilization or at what level we are operating?

Arjun Jaykrishna: The API part of Chattral is operating at low levels around 30% but the intermediates, we have done a good job of executing that and becoming pretty much self-reliant for such a large product and that is why we have been able to survive and grow by 18% in such difficult times and despite a lot of price pressure. So, intermediates is around 60% and finished product would be around 30% at Chhatral.

Tavan Shah: Understood. And how much fixed overhead are we doing in these two subsidiaries?

Gokul Jaykrishna: Mitesh, can I request you to take this question?

Mitesh Patel: Currently at Chattral our utilization is lower so our fixed cost is a bit of higher, but when our utilization will increase then fixed cost in percentage terms will decrease.

Tavan Shah: Yes, but in absolute terms how much are we doing?

Mitesh Patel: So, basically in short answer of your question, we can achieve both facilities, Chattral and Atlas, we can achieve Rs. 250 crores - Rs. 280 crores turnover at peak without doing any CAPEX and we can achieve 15%-16% of EBITDA margins. So, in next 2-3 years we will achieve this.

Tavan Shah: Okay. So, consol EBITDA could be Rs. 100 crores that is our peak that is what we are expecting, right? Standalone Rs. 50 crores – Rs. 55 crores is peak and then subsidiaries is also around Rs. 50 crores is peak.

Mitesh Patel: Yes, you are exactly correct.

Tavan Shah: Understood. Okay, sir. Thank you. That's all from my side. Thank you.

Moderator: Thank you. Ladies and gentlemen, that was the last question for today. We have reached the end of question and answer session. I now hand the conference over to Arjun Jayakrishnan for closing comments.

Arjun Jaykrishna: Thank you so much. I think, as I mentioned at the start, thank you everyone to take the time out to join the conference call today and thank you for all your questions and your time. We look forward to speaking with you again at the end of Q1FY27. Thank you.

Moderator: Thank you. On behalf of Asahi Songwon Color Limited, I conclude this conference. Thank you for joining us. You may now disconnect your lines. Thank you.