advanced enzymes
Where ENZYME is Life

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August 18, 2026

To

BSE Limited	National Stock Exchange of India Ltd.
Department of Corporate Affairs	Exchange Plaza, Plot No. C/1, G Block
P. J. Towers, Dalal Street,	Bandra-Kurla Complex, Bandra (E)
Mumbai- 400 001	Mumbai- 400 051
Scrip ID-540025	**Scrip Code-ADVENZYMES**

Dear Sir/Madam,

Sub: Transcript of Conference call held on August 12, 2026 for the Unaudited Financial Results for the quarter ended June 30, 2026.

In furtherance to our intimation letter dated August 04, 2026, please find enclosed herewith the Transcript of the Conference call held on Wednesday, August 12, 2026 with Analysts and Investors for the Unaudited Financial Results of the Company for the quarter ended June 30, 2026.

The aforesaid information is also being uploaded on the website of the Company.

Kindly take same on your records.

Thanking you,
Yours Faithfully,

For Advanced Enzyme Technologies Limited

SANJAY PRAKASH BASANTANI
Digitally signed by SANJAY PRAKASH BASANTANI
Date: 2026.08.18 17:50:37 +05'30'

Sanjay Basantani
Company Secretary and Head - Legal

Encl.: As above

"Advanced Enzyme Technologies Limited
Q1 FY '27 Earnings Conference Call"
August 12, 2026

Management:

Mr. Mukund Kabra – Whole Time Director
Mr. Beni Rauka – Group Chief Financial Officer
Mr. Ronak Saraf – Investor Relations Manager

Moderator
Good afternoon, ladies and gentlemen. I'm Akash, moderator for the conference call. Welcome to Advanced Enzyme Technologies Limited Q1 FY27 Earnings Conference Call.

As a reminder, all participants will be in 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 * and 0 on your touch-tone telephone. Please note this conference is being recorded.

I would now like to hand over the floor to Mr. Ronak Saraf. Thank you, and over to you, sir.

Ronak Saraf
Welcome to the Advanced Enzyme Technologies Q1 FY27 earnings conference call.

We hope you all have gone through our financials, press release and the presentation which has been posted in the investor relations section of our website. We have with us Mr. Mukund Kabra, Whole-time Director and Mr. Beni Rauka, Group Chief Financial Officer. Today, the management will discuss the performance & business highlights, update on strategies and respond to any questions that you may have. As is usual, for ease of discussion we will look at the consolidated financials.

I would like to draw your attention to the fact that some of the information shared during this call—particularly regarding our plans, strategies, and future outlook—may contain forward-looking statements. These statements involve inherent risks and uncertainties and are based on current expectations, forecasts, and assumptions.

Actual results may differ materially from those expressed or implied in these statements, influenced by a range of factors including but not limited to economic conditions, changes in government policies, regulatory developments, and other unforeseen circumstances.

Recipients are cautioned not to place undue reliance on these forward-looking statements, as they are not guarantees of future performance and should not be viewed as a substitute for independent judgment. The Company undertakes no obligation to update or revise any such statements, whether as a result of new information, future events, or otherwise.

So, without any further ado we shall commence this call.

Over to you Mukund Sir.

Mukund Kabra
Thank you, Ronak. Good evening, everyone. Thank you for joining us today for our Q1 FY27 Earnings Call. I extend a warm welcome to all our shareholders and partners. The global economy has been experiencing significant disturbance for quite some time, primarily driven by geographical tensions, trade and uncertainties, and continued disruption across global supply chain. These challenges have had a direct impact on the pricing of energy and certain raw materials, creating a volatile operating environment for businesses globally.

Against this backdrop, our Q1 performance reflects a softer, more muted start to the fiscal year. However, the fundamental strength of our business remains firmly intact, and we anticipate progressive momentum as the year advances. While it is important to view this performance in the context of the inherent nature of our business, that's the reason we always suggest all our shareholders to evaluate our business on an annual horizon rather than through the length of a single quarter.

Our top line for the quarter stood at INR 1,898 million, registering a 2% YoY growth. On a sequential basis, revenue declined by 7% compared to the previous quarter. As part of the standard revenue recognition practices, which is based on transferring of control of goods to the customers, sales reversal occurs every quarter. On account of revenue recognition accounting principles, this quarter was impacted by an additional sales reversal amounting to INR 100 million over and above reversal of revenue generally being accounted in every quarter. I'm pleased to share that this revenue reversal has already been recorded as of today, maintaining the robustness of our revenue pipeline intact. Our fundamentals remain strong, execution continues to be solid, and we are well positioned to capitalize on growth opportunities. We remain confident in delivering sustainable revenue growth consistent with our annual guidance.

EBITDA for the quarter came in at INR 510 million, down 10% YoY and 19% QoQ. Consequently, the EBITDA margin stood at 27% compared to 30% in Q1 FY26 and 31% in Q4 FY26. Our consolidated margins moderated primarily due to three factors: lower top-line realization, elevated power and fuel costs driven by global energy disruption, and a temporary shift in the sales mix. But at the same time, our disciplined focus on optimizing our costs and improve our operational efficiencies position us to deliver sustainable growth and stronger performance as the year progresses.

Moving to profitability, profit after tax stood at INR 386 million declining 5% YoY and 15% sequentially. The PAT margin for the quarter was 20% compared to 22% in both Q1 FY26 and Q4 FY26. Now, I will take you through our segment-wise revenue performance for the Q1 FY27 and compare it both YoY and sequentially with Q4 FY26 and Q1 FY26.

Let's begin with Human Healthcare: Revenues from Q1 FY27 stood at INR 1,139 million, reflecting a 7% YoY decline and 11% sequential decline. The decline was primarily attributed to lower sales in the Pharma API business. Despite the moderation of revenues, the segment contributed 60% of total revenue during the quarter. We observed an improvement in our B2C revenue in USA.

Moving to Animal Healthcare: Revenue stood at INR 252 million, registering a 3% YoY decline while growing 1% QoQ. The segment contributed 13% to our overall revenue during the quarter.

Turning to Bioprocessing, the segment reported revenues of INR 306 million, delivering 30% YoY growth. Revenues were 5% lower sequentially. The strong YoY performance was driven by healthy growth in Food business, and the segment contributed 16% to our total revenues.

Lastly, Specialized Manufacturing reported revenues of INR 200 million, registering a robust 41% YoY growth and 11% increase over the previous quarter. The segment continued its strong momentum and accounted for 11% of our overall revenue during the quarter.

We are pleased to announce that the Board has approved a buyback of INR 697 million at a ceiling price of INR 500 per share via open market route. The company has also announced the acquisition of the remaining stake of 4.28% for a consideration of INR 79.79 million in our existing subsidiary, JC Biotech, resulting in a total stake of 100%, making it wholly-owned subsidiary.

With this, I will now hand over the call to Rauka ji. He will walk you through the financials and key subsidiary numbers.

Beni Prasad Rauka
Thank you very much, Mukund. Good evening, everyone. I hope you all are in good health and doing well. On the company's consolidated financials for the Q1 FY27, on YoY basis, Q1 of FY27 versus Q1 of FY26, our revenue is increased by INR 39 million, a 2% of increase from INR 1,859 million to INR 1,898 million. EBITDA decreased by INR 55 million, 10% decline from INR 564 million to INR 510 million, so from 30% of our revenue to 27% in this quarter.

Profit before tax decreased by INR 14 million from INR 549 million to INR 535 million. This was 30% as compared to 28% during this quarter. Profit after tax decreased by INR 19 million, a 5% decline from INR 404 million to INR 386 million. Our debt is about 20% of our revenue as compared to 22% in Q1 FY26. On QoQ basis or sequential basis, Q1 versus Q4, revenue decreased by INR 136 million, a 7% decline from INR 2,034 million to INR 1,898 million.

EBITDA is decreased by INR 123 million, a 19% decline from INR 632 million to INR 510 million. Profit before tax decreased by INR 63 million from INR 598 million to INR 535 million, a 10% decline in profit before tax. Our PAT is decreased by about 15% from INR 453 million to INR 386 million. This is about, again, as mentioned, 20% in this quarter as compared to 22% in the previous quarter of Q4 FY26.

Let me give you the subsidiary numbers. JC Biotech revenue stood at INR 195 million, and EBITDA of INR 26 million, PAT of INR 10 million as compared to revenue of INR 211 million, EBITDA of INR 33 million and PAT of INR 14 million in the Q1 of FY26. The sales from evoxx stood at INR 74 million, and EBITDA is negative INR 13 million with negative PAT of about INR 18 million in Q1 FY27 as compared to INR 70 million of revenue and INR 14 million of EBITDA and PAT of INR 7 million, respectively.

SciTech, this is, again, our subsidiary. We had top line of INR 201 million and EBITDA of INR 31 million and PAT of INR 13 million in Q1 of FY27 as compared to INR 145 million of revenue and EBITDA of INR 4 million and negative PAT of INR 8 million in Q1 of FY26.

I would like to give you some numbers about our top 10 customers. It is about 23% during this quarter as compared to 27%, last year Q1 and as compared to 26% in Q4 FY26. Our top 10 products has contributed about 45%, as compared to 45% last year and 49% in last quarter of FY26. B2C segment contributed about USD 1.14 million as compared to USD 1.12 million during the same period previous year. This is from our subsidiary company, which is Advanced Enzymes US, and we have another subsidiary, AST.

Let me also give you some more numbers about our healthcare segment. For Q1 FY27, our India sales is about INR 580 million as compared to INR 699 million in Q4 and INR 659 million in Q1 of last year. International sales, INR 559 million as compared to INR 582 in Q4 and INR 552 in Q1 FY26. The total from this segment is about INR 1,139 million as compared to INR 1,281 million in the previous quarter of Q4, and Q1 was INR 1,221 million.

R&D expenditure, we have spent about INR 90 million in the Q1 of FY27 as compared to INR 86 million in Q1 of FY26. This is about 4.75% during this quarter as compared to 4.62% in the corresponding Q1 of FY26. On consolidated basis, R&D spend is about 5% during Q1. This is rounded off, basically, then we talk about, consolidated basis. 5% was last year in Q1. If we remove our spending to evoxx, then R&D spend is about 3% in Q1, and we extend the similar amount in the Q1 of last year, 3%. This was from my side. Now we shall open the floor for question-and-answer session, please.

Moderator
Thank you, sir. Ladies and gentlemen, we will now begin the question-and-answer session. If you have a question, please press * and 1 on your telephone keypad, and wait for your turn to ask that question. If you would like to withdraw your request, you may do so by pressing * and 1 again. Ladies and gentlemen, if you have a question please press * and 1 on your telephone keypad.

The first question comes from the line of Mr. Lakshmi Narayanan from Tunga Investments. Please go ahead with your question, sir.

Lakshmi Narayanan
Business over the last 9-10 years, and I'm just looking at the comparison of Q1 of FY19 or FY18 with the Q1 which we reported now. The growth has been around, and I would say, on an overall basis, 3-4% on Indian rupee terms. Now comparably, if you look at the U.S. enzyme market per se has actually grown at even at 7% or 6% on a U.S. dollar basis.

I just want to understand what is holding us from growing in one of the most lucrative markets, which is the U.S. And of course, there have been issues like COVID in the middle, and there have been large client loss, etc. But even on a longer basis, which we are already.

Beni Prasad Rauka
Lakshmi Narayan ji, sorry to interrupt. There is no clarity. There is some kind of echo happening. Can you please repeat this question?

Lakshmi Narayanan
Am I clear now? Or is it still a problem, sir?

Beni Prasad Rauka
No. Still, there's a problem.

Lakshmi Narayanan
Okay. I'll join back in the queue then.

Moderator
Thank you, sir. The next question comes from the line of Mr. Abhishek Navalgund from Nirmal Bang Securities. Please go ahead, sir.

Abhishek Navalgund
Hi. Thanks for the opportunity. The first question is on CapEx. Just correct me if I'm wrong, but I think in the AGM minutes, the CapEx number, which was highlighted, was somewhere close to a INR 120-130 odd crores. In fact, we were building in a significantly lower number. Could you please help us understand this INR 120-130 crore will be spent over how long, over three years, or it is like FY27 outlay? That is my first question.

Beni Prasad Rauka
INR 123 crores, you rightly said that we have explained in the AGM, correct?

Abhishek Navalgund
Yeah.

Beni Prasad Rauka
This is what we are going to spend.

Abhishek Navalgund
Yeah. I'm saying, this INR 123 crore will be entirely spent in FY27, and if that is the case, for which all projects, if you could highlight.

Beni Prasad Rauka
I think out of this, about INR 20 crores will stretch to probably Q2 of FY27 also. Mainly, one of our subsidiaries, because we talk about the consolidated number.

Abhishek Navalgund
Sure. Basically, what I'm trying to understand is, out of this INR 123 crore, what could be the growth CapEx? If you keep aside the maintenance CapEx, what could be the growth CapEx that we'll be incurring in this year?

Beni Prasad Rauka
Out of this, I think INR 20 crore is normal capital expenditure. INR 50 crores will go for R&D, which is already under work in progress. Maybe it will become functional in the next quarter or so. Balance is all about the growth only. R&D is not kind of immediate growth, but, of course, it is always for a sustained growth only.

Abhishek Navalgund
Okay. So, the remaining part, this is in the Human Nutrition side or which other segment, the growth CapEx?

Beni Prasad Rauka
CapEx is not meant for any particular segment, as such because we manufacture enzymes for different industry.

Abhishek Navalgund
I'm saying this is like a step up as compared to last few years, and we always maintain that in terms of fermentation utilization is around 55-60%. Are we close to maybe 70%, and that's why you are doing this? Just wanted to understand the reason for this step up in CapEx.

Mukund Kabra
We are close to 70-75%, and we will take the call in the next quarter, and we may start some of the CapEx expenditure for increasing our capacity.

Abhishek Navalgund
Sure. This is helpful. Next question is, basically, what is stopping us from growing strongly in the U.S. market? Because, I think, you just highlighted few International Human Nutrition numbers. In this quarter also, we have witnessed a decline of 14-odd percent. Could we please explain what is the reason behind this?

Beni Prasad Rauka
I think overall, if you see the situation in the U.S., it's not so conducive as of now. What we are also doing is that we have been following a path where now we are trying to brand most of our products. You know, this tipping is taking some time. Because of that, if you see the numbers, it is kind of steady numbers, not getting any such significant increase in those numbers. Because the business is undergoing some kind of a changes. Again, you would agree that the kind of situation happening in USA is also not so conducive from business point of view. Couple of issues are there that is, again, being addressed by the company. Because the geopolitical situation is something that also creates a lot of issues in managing the business.

Abhishek Navalgund
Okay. My last question is, what is the number for serratiopeptidase this quarter?

Beni Prasad Rauka
I think we requested earlier also that we will stop sharing those numbers.

Abhishek Navalgund
Okay. No, because there was some ban kind of a thing which we saw in the news this quarter. Just wanted to understand, will there be any impact because of that, or we don't see any meaningful impact because of the FDC combination there?

Mukund Kabra
There will not be any meaningful impact. Maybe 1% here and there.

Abhishek Navalgund
Sure. Thank you so much.

Moderator
Thank you, sir. The next question comes from the line of Mr. Lakshmi Narayanan from Tunga Investments. Please go ahead, sir.

Lakshmi Narayanan
Yeah. Am I audible now?

Beni Prasad Rauka
Yes, sir. Please go ahead.

Lakshmi Narayanan
Sir, I was just looking at our U.S. business growth over a slightly longer period of 8, 9 years or even more. While the U.S. market per se has actually grown on the enzyme thing, I think broad numbers are around 6 or 7% of the industry level.
Our growth has been divergent from that. Of course, there have been COVID in the middle. There have been logistics issues, and there's also been client cost issues, which I understand. I'm just trying to understand broadly whether this divergence is more an internal issue or an external issue. How do we address this? Because we have good products. We have good patents, but still, we are unable to, at least, from the looks of it, scale up meaningfully in the U.S. I just want to hear your thoughts on that.

Beni Prasad Rauka
Lakshmi Narayanan ji, challenges are several. I think in past, also, we have explained. Post COVID, things were going to stabilize. But then, last one and a half years, or rather one year, you can say, we have been facing this geopolitical situation. In addition to that, I think we have also explained, a couple of times that we are changing our business model in U.S. per se, basically looking into kind of branding most of the things. Most of the products which we are selling, most of the ingredients we are selling.

This process is taking some time to really consolidate the entire operations, entire customers. This is one issue besides the geopolitical situation, so everything is going in such a way that we don't see any kind of big numbers. Although in FY25, we have seen a kind of a 10% growth or so. FY26, again, it was kind of down.

Now, again, because this is the first quarter we have to wait and watch. We see better visibility as we progress. All these issues are now being faced. As you mentioned, the market is big, but then you have to also carve out a niche segment for yourself. Otherwise, this kind of, you want to become a commodity or not. That's not our exact business strategy. We are trying to, again, revamp and change our business model in such a way that at least we should have a sustained growth as well as, our margins are kind of intact. All these issues are being faced.

Lakshmi Narayanan
Sir, our typical model is to manufacture in India and then ship it to the U.S. Given that every third year or second year, we have some issues with terms of logistics. Is the management thinking of any alternative sourcing thing, whereas instead of looking at manufacturing in India and then selling it in the U.S.?

Beni Prasad Rauka
I think we missed your question. Can you please repeat?

Lakshmi Narayanan
Yeah. My question is that, you see, we manufacture in India, if I'm right, and then we sell in the U.S. Now, given that every second year or third year, there has been some geopolitical issue or logistics issues, is it something the management can think of where you can identify another sourcing location? Where you can do something with your instead of making in India and then selling in the U.S.? Is it possible at all, or is it something which you want to explore at some point in time?

Beni Prasad Rauka
I think if you really look at from the fermentation side, we will always continue to do it in India. Alternate sourcing, because it’s again, a 100% subsidiary company, we always see that we have to work on if there are any kind of alternate source. How we can also equally become competitive in the process by improving our productivity, by spending more on research. At least we don't have to look at any other source in that sense, and we can grow in India as well as in the U.S. and U.S., if you want to invest, there will be lot of money that will be required to invest in those kind of the capabilities.

Lakshmi Narayanan
Got it. Okay.

Beni Prasad Rauka
I think management is very clear in terms of that.

Lakshmi Narayanan
Got it. If you look at the U.S. business, what kind of growth you can actually envisage on a steady-state basis, sir? Of course, let's say, that all these things go by more kind of --

Beni Prasad Rauka
Even the tariff issue. Lakshmi Narayanan ji, all of a sudden, the tariff issue was there, then we affect those program, and then this Iran war that has created some kind of issues. These are a lot of many challenges. In addition to that, what has happened in the market in last two years, even hiring people have become a big challenge in the process. Many such issues are being addressed, and kind of the growth we can expect is, as we always say, U.S., we don't expect at least at this juncture beyond 8-10% of growth.

Lakshmi Narayanan
Got it. But in case we are unable to grow, we’ll be losing some clients. Because the clients would be looking for raw materials, and this we don't provide, would it not be a challenge for you? Because if you're looking at a growth and for some reason, you're unable to ship, your end clients would then look for an alternate source, correct?

Beni Prasad Rauka
I think that every business has lot of many challenges. As we are into business, we have to address all these challenges. That's what we have been doing. Yes, when you have several challenges, you have to really work very hard to see that how you can sustain, and you can have a sustainable growth in the process. At the same time, you make good money.

Lakshmi Narayanan
Got it. Okay. Thank you, sir. I'll come back in queue.

Moderator
Thank you so much, sir. The next question comes from the line of Mr. Zaki Nasser from Nasser investments. Please go ahead, sir.

Zaki Nasser
Sir, I think it's a decent set of numbers in difficult times. We had projected yearly growth of 13-15% over the next three to five years, sir. Do you think we can close this year at least 12% plus, sir, in the balance three quarters?

Mukund Kabra
As of now, we feel yes. Even this quarter, we lost around INR 10 crores because of the sales reversal, which will come in the next quarter. As of now, we think we should be able to grow in double digits.

Beni Prasad Rauka
If you add the incremental reversal. Sorry, okay. Go ahead.

Zaki Nasser
Sir you please complete.

Beni Prasad Rauka
I was just telling, as Mukund has mentioned, this particular quarter, we have incremental sales reversal. That means if we add INR 10 crores in INR 190 crores, so at least we added INR 200 crores in this quarter, which is roughly 8% kind of the growth. As we progress, we are confident that we shall be able to achieve the kind of growth numbers which we have shared with you in past.

Zaki Nasser
What about the cost trajectory, sir? Because I think most of our imports, including energy, it was at inflated levels this quarter. Do you think these costs have come under control from the Q2 onwards, sir?

Beni Prasad Rauka
Yes. Because that definitely improve because of operational efficiency.

Zaki Nasser
If I may just ask a last question, sir. We are going in for a buyback of approximately INR 1.4 crore shares. I see that we have an ESOP pending conversions of around INR 2.5 crore shares. Is that right figure, sir? Have I got it right?

Beni Prasad Rauka
No, sir. I don't know crores, where did you get these numbers.

Zaki Nasser
Yeah, 14 million shares, INR 70 crores buyback, I mean, approximately.

Beni Prasad Rauka
1.4 million. INR 14 lakh shares.

Zaki Nasser
INR 14 lakh shares. Okay. The ESOP says INR 25 lakh, correct? Pending conversion?

Beni Prasad Rauka
Yeah. ESOP scheme was for 25 lakhs, but so far, we have granted, I think, in two different tranches, 11 lakhs shares only. Those shares will also vest over a period of five years. Still, there's a lot of time left.

Zaki Nasser
Okay, sir. This will be open-market buyback, which will start on 14th August?

Beni Prasad Rauka
Yeah.

Zaki Nasser
Okay, sir. Thank you. Best wishes for the year, sir.

Moderator
Thank you so much, sir. The next question comes from the line of Mr. Umang Shah from Banyan Tree Advisors. Please go ahead, sir.

Umang Shah
Hi, sir. Good afternoon. Am I audible?

Beni Prasad Rauka
Yeah, please. I think some disturbance is there, but then I think we will have to bear with that, and we'll try to see what best we can do. Okay. Go ahead.

Umang Shah
Thank you. Not a problem. Yes, sure, sir. Sir, the first question that I had was, can you mention about your change in U.S. strategy and focusing on brand? Some quarters that you had mentioned that your customers have your name on their product, which helps them sell their product better. Now, when you say that you want to move more from a B2B to a B2C business, is that understanding correct? Or would you want to be in a B2B business but focus on the brand? If yes, then how will that work?

Beni Prasad Rauka
I think business will not change. The only thing, even in B2B, when you say ingredient, there you sometimes say very specific that this is what is my ingredient. When you put a label, use this particular name as the ingredient.

Umang Shah
Okay. How will this expected to help us in our business?

Beni Prasad Rauka
Then it becomes sticky business, no, in that sense. Once the label is with your name, then it becomes a kind of a sticky business.

Umang Shah
Understood. Sir, if you could break the Human Nutrition business between India and international, that would be great.

Beni Prasad Rauka
I think I've given the numbers, but I will repeat for you. India business this quarter was INR 580 million as compared to INR 699 in Q4 of FY26 and INR 659 in Q1 of FY26. International sales was INR 559 million as compared to INR 582 and INR 562 million.

Umang Shah
Okay. Understood. Thank you so much for repeating. Sir, just last one question. In terms of the competitive intensity that we had in terms of our largest product, has it gone away for good? Or is it still continuing? In terms of pricing, if last year, the pricing was 100 at this time, in Q1, what would be the pricing right now?

Beni Prasad Rauka
Pricing is better in this particular quarter because we have increased some prices. It's better in that sense. Realization is better than Q4 and Q1 of last year.

Umang Shah
Can you quantify it roughly in range?

Beni Prasad Rauka
I think that's what we were saying, that when we discussed in the past also, few things we would not like to discuss on the concall on, please.

Umang Shah
Not a problem. Sir, any view on biocatalysis segment?

Beni Prasad Rauka
Biocatalysis number INR 45 million during this quarter as compared to INR 44 million in the last quarter of Q4.

Umang Shah
Right. We were planning to get into intermediate business, so I think one year back to grow this biocatalysis piece, but then we decided not to go for that. Now, how do we plan to grow this segment? It's considered to be one of the high-growth segments, right?

Mukund Kabra
It's still the high-growth segment for us. This year, we expect in the second half, good growth should come from this area.

Umang Shah
All right. Thank you so much, and wish you all the best.

Mukund Kabra
Thank you.

Beni Prasad Rauka
Thank you.

Moderator
Thank you, sir. The next question comes from the line of Mr. Ravi Purohit from Securities Investment Management Private Limited. Please go ahead, sir.

Ravi Purohit
Hi. Thanks for the opportunity. Can you just explain me to what we mentioned about INR 10 crore sales reversal? This is basically sales return or sales? Is it like sales which have got canceled or sales which have not been booked? Or how does this entire cycle work?

Mukund Kabra
Ravi, it's the sale in the transit, which is not reached to the customer. The material is already booked, but lot of, like, export shipment, it really didn't reach to the customer.

Ravi Purohit
Okay. And so now --

Beni Prasad Rauka
But the revenue it has been – okay, please go ahead, Ravi.

Ravi Purohit
Sorry, please finish, Rauka ji.

Beni Prasad Rauka
I was saying that revenue recognition happened when the risk and reward is transferred to the customer. It was on a ship. It is not delivered to the customer, so you cannot recognize that as your revenue.

Mukund Kabra
Every quarter, we have a reversal, but this time it was --

Beni Prasad Rauka
Incremental by 10.

Mukund Kabra
-- incremental by INR 10 crore. Yeah. The impact is more but by INR 10 crore.

Ravi Purohit
Okay. That should get normalized I mean or the material would have already reached the customer now.

Beni Prasad Rauka
Yeah.

Ravi Purohit
Okay. Sir, if you could kind of share some thoughts on, how are we kind of looking at scaling up products which we have outside of serratiopeptidase. Serratiopeptidase has been one very large product for us. Our dependence on it doing well is disproportionately higher, right, in any given year.

If that product does well, the company's overall growth looks better. If that kind of drops off significantly, the growth kind of tapers off. Can you just share, what are the opportunities? Where are we kind of seeing newer products coming out of? Or if you could just throw some light on this.

Mukund Kabra
Ravi, we are working on very different, different industries. We are growing very well in the food areas. We are working on protein solubilization, all of those other areas. I don't want to name the product, but those are going to be also the potential product. We are working in all the other areas, and we'll see how it grows.

Ravi Purohit
Okay. Great. Thanks a lot, and all the best.

Beni Prasad Rauka
Thank you.

Moderator
Thank you so much, sir. The next question comes from the line of Mr. Shreyans Gathani from SG Securities. Please go ahead with the question, sir.

Shreyans Gathani
Hi, good afternoon, I had a question on the U. S. business. Although you mentioned that it's been flat, the currency depreciation has been enough, like rupee terms, it is flat. We're definitely seeing, I would assume, some volume declines there. I'm trying to understand what like, are we not having the right product, or what is going on?

Some clarity on what the strategy is going forward. Rauka ji, you did mention about the branding, but I would think that the existing business is declining. Just trying to understand what is declining over there, what is not working out? Just some color on that.

Beni Prasad Rauka
Currency decline, if you really talk about the USD, is about 4% decline. I mean, rupee has depreciated by 4% on QoQ basis. On YoY basis, it is declined by, I think, 10% depreciation.

Shreyans Gathani
Right. Yes, that's what my question was, trying to understand where we are losing out. Is that product not in demand anymore? Or are we not having products to sell? What is the strategy to fix? Also, Deepak Roda, which I believe was looking at some of the U.S. marketing, is that something that we need to fill up in terms of position? If you could give some color around that, because you're not very clear, since a while.

Mukund Kabra
Sometimes, the sales doesn't come in this quarter. Sometimes it goes to the other quarters as well. We need to wait and see how the things progresses, and maybe then we can talk more on this. As of now, it's very premature.

Shreyans Gathani
Okay. Because I'm talking, like, over a period of time, we have lost business, right? Not just this quarter is what I'm mentioning.

Beni Prasad Rauka
I think we have explained you that we are expecting 8-10% of growth in our U.S. business. That is what I think I already mentioned to you. The reason why there's a steady numbers in U.S., I think that also I explained you because of geopolitical issues. Then, again, as explained to you, we are working on several branding. All this is taking its time. As we progress, we will get more clarity, and I think we expect that we shall be having a better growth in the coming quarters. I think by the end of the year, it should be about 8% or so.

Shreyans Gathani
Okay. That's good to know, sir. Any new products that we have launched, if you could highlight any changes there? Or it's more of the same product that we are branding it and doing a different sales strategy there?

Beni Prasad Rauka
I think I'm not getting your question.

Shreyans Gathani
My question is, any new products that we have launched in the U.S. that you think will bring the 8% growth? Or is it the sales strategy change where you're looking at that branding which will lead to the 8% growth?

Beni Prasad Rauka
This happened over a period of time, the change in the strategies. Because as the market dynamic happens, we are to also see that what best we should do to keep our progress continue. This is not one-day task, and it is shaping up gradually.

Shreyans Gathani
Okay. Last question was on the Starya Labs. If you could share any updates on that, what we are doing, any testing that's already happening there, any color would be helpful.

Beni Prasad Rauka
Starya, I think we already explained that it's, we are doing a lot of lab-related work, but it is not yet fully functional under that particular name because we have to still work on transferring the assets and all that. But as such, whatever work is related to that particular activity is being undertaken by the company.

Shreyans Gathani
Okay. That's all from my end. Thank you.

Moderator
Thank you, sir. The next question comes from the line of Mr. Abhishek Kamdar from Value Plus Advisors LLP. Please go ahead, sir.

Abhishek Kamdar
Hello. Am I audible?

Beni Prasad Rauka
Yeah, please.

Abhishek Kamdar
I understand that EBITDA margins were softer this quarter on account of higher energy costs. For the rest of the year, do we expect to recover this to our historical levels? Or do we feel that it's still going to be subdued?

Beni Prasad Rauka
Yes. We expect that it shall come back to the normal level of about 30% of EBITDA.

Abhishek Kamdar
Okay. The full-year number, we expect 30% to be achieved at least along with the growth guidance that you gave. In terms of working capital, what is our inventory position as on Q1?

Beni Prasad Rauka
We'll come back to you on this number. Anything else?

Abhishek Kamdar
No, that's it. Thank you.

Moderator
Thank you, sir. The next question comes from the line of Mr. Suryansh from AIONOS. Please go ahead, sir.

Suryansh Rajput
Hello. Am I audible? Hello?

Mukund Kabra
Yeah.

Suryansh Rajput
Sir, I just wanted to understand that when we look at the numbers of the Indian geography, so both on YoY in the QoQ, the numbers went down. When we look at the Europe geography, the numbers were around 40% both YoY and QoQ. I just wanted to understand what worked in Europe and what didn't work in India. Which end market is driving the growth in the Europe?

Mukund Kabra
Europe, you mean to say Evoxx?

Suryansh Rajput
Yes. When I look the quarter numbers of the European market, we are seeing around INR 13 crores of revenue in Q1, which is up around 43% YoY and 38% QoQ. What is driving this kind of growth in Europe, which end market?

Beni Prasad Rauka
About our subsidiary numbers. Can you please repeat your question, otherwise?

Suryansh Rajput
I just want to understand what is driving the 40% growth in the European market. Which end market is driving that kind of growth? That is one.

Mukund Kabra
European market, the major growth is coming from the food area. Let's not look into the QoQ. Because you can't predict every quarter what will be the order size and other thing. The second sales happened through evoxx, which is more like an R&D company, and there you should consider the revenue more or less flat.

Suryansh Rajput
Okay. What challenges we had in India market for this particular quarter?

Mukund Kabra
Sorry? Can you please repeat that?

Suryansh Rajput
What were the challenges in the India market? I'm saying what was the challenges in the India market in this particular quarter?

Mukund Kabra
Yeah. Just don't look into this QoQ. I would say that the first quarter was dull this time because of some price increases and other things. It takes some time to regroup and get back to the growth. Don't look into the QoQ. We can see the now the robust pipeline of the sales order and other things. That's what I can say.

Suryansh Rajput
Okay. On the last bill, when you say that you are expecting a double-digit growth, this growth would be coming from the new products or from the existing products?

Mukund Kabra
It's always a combination.

Suryansh Rajput
Okay. Just to understand in which areas we are launching our new products, like which end market? Is it food or is it biofuel, something?

Mukund Kabra
We are expanding the areas. We are expanding the product in the biocatalyst area. We are expanding some of the products into the animal feed areas, and we are expanding in the ruminant area, in food area besides baking. There are a lot of different industries which we started working. We are also increasing our presence in detergent area.

Suryansh Rajput
Okay. Thank you. That is helpful.

Moderator
Thank you, sir. The next question comes from the line of Ketan Chheda, an Individual Investor. Please go ahead, sir.

Ketan Chheda
Hi. Thank you for the opportunity. Sir, could you share what is the status of the novel food application that we had? In the last quarter, you had mentioned that we are likely to receive the approval. Is there any update on that one?

Mukund Kabra
It's still under consideration. It's a long process, you never know. Sometimes it comes early. Sometimes, the questions comes up, and then you had to reply. In some of the cases earlier, when we were filing for the EFSA food, we are still waiting from 2014. It depends on the authorities, maybe six months, two years as of now. That's where it stands.

Ketan Chheda
You're referring to the novel food ingredient or the other application, sir?

Mukund Kabra
Can you please repeat?

Ketan Chheda
I'm asking, are you referring to the novel food ingredient or the other applications?

Mukund Kabra
Right now, we are waiting for EFSA approval. I guess, like, you asked for the novel food approval, right? We are waiting for that. Maybe three months to six months, we should wait. Ultimately, it depends on the authorities, right. You submit all the questions, and then they may come back again with some questions. This is on and off is going on. We'll wait and see.

Ketan Chheda
Right. In terms of introducing Indian products, which could contribute meaningfully to our top line, if you could help us give some examples, like in the past, maybe couple of years, which new products, not by the names, but at least by the applications that you have introduced and that has significantly treated to the top line, contribute to the top line.

It will give us a sense whether we are introducing newer products, because as a lot of participants have been telling that over the past decade, our growth has been pretty muted, even after doing significant acquisitions. We are not really growing organically, inorganically, whatever way we see it. We just like to understand that new products are being developed which could help propel the growth in the future.

Beni Prasad Rauka
We are extremely sorry. There's lot of disturbance. Probably, it is with our instrument. Unfortunately, we are not able to hear you out properly. Please excuse us, and we'll try again, if you can repeat your question.

Mukund Kabra
Go slowly. There is a lot of different. I don't know why.

Ketan Chheda
Sure. I'll try to go slowly. I was asking if you could give us some examples of new products that we have introduced in the last few years, which are now contributing to our top line. Reason being, in the past decade or so, our growth has been pretty muted even after doing so many acquisitions. I mean, the growth is not really coming through. Hence, what I'm requesting, if you could help us understand what kind of products we've introduced in the last couple of years, and what products are we likely to introduce in the coming couple of years?

Mukund Kabra
See, I couldn't hear you clearly, but I will explain what I understand a little bit from your question. We don't track product to product sales. That's the first thing. I won't be able to give you the exact number, what is the revenue coming from the last two, three years product as of now?

Your second question probably is, how many products we are under the working. We are always working on the new molecules, there are always 15-20 molecules under the pipeline, and few of them are always coming every quarter. That's how it works. But I don't have exact numbers or question exactly, but you can go with this as of now.

Ketan Chheda
Okay. And another question is on the margins. Now, if we see the last 10-11 years, our margins used to be in the 40s, and now it has dropped to 30s, and we are expecting to remain at that level. Now, is there a possibility that our margins could go up, and the reasons could be that you are introducing or coming up with better solutions and products for customers, which must be in the development of R&D right now, is there a possibility?

Mukund Kabra
See, R&D always helps in increasing the margins. But as of now, we will just like to continue that we will be having a 30-32% of EBITDA margin, and that is what we are saying. In R&D, we'll increase our pace to increase the productivity as well.

Ketan Chheda
All right, sir. Thank you so much.

Moderator
Thank you, sir. The next question comes from the line of Mr. Rohit Ohri from Progressive Shares. Please go ahead, sir.

Rohit Ohri
Hi, team. First one was related to the status of the three patent applications, which we have registered for sugar management, mitigation of gluten intolerance, and biocatalysis.

Mukund Kabra
Yeah. What is the question?

Rohit Ohri
What is the status? How far have we reached, and do you think that, these are --

Mukund Kabra
We need to check, but I guess we got one patent on Alternansucrase on the sugar management. We already granted U.S. patent. On the protein as well, I guess, I need to check, but I guess we got that one, too, and the third one is under the process.

Rohit Ohri
What sort of opportunity, can it get to us in number-wise, revenue-wise?

Mukund Kabra
The patents are filed with a lot of different intentions. Some of them are with the intention that when you carry out the research, no one should, like, stop you from doing development. Some of them are the marketing patents so that no one can do this. There are a lot of different approaches while filing the patents.

The sugar management patent is good, with respect to marketing, and the another one as well on the protein. We are using those patents for the good marketing. I guess both of them have a good potential. The third one is more like a R&D patent.

Rohit Ohri
But anything on the addressable market that you must have done some rough work on?

Mukund Kabra
When we talk about sugar management, there is a big market. It can go with the GLP-1 studies and all the others and all those things. I don't want to get into the numbers. As of now, we are working on the branding and other things.

The second one is all the protein hydrolysis and other areas, which we are getting some sales started in this quarter. I mean, the current quarter, and we will see how it goes up into the next quarter and next to next quarter, and then we can predict more on that. The third one, already said, right?

Rohit Ohri
JC Biotech was exploring some options in algae DHA. They were looking for docosahexaenoic acid. Any developments over there? Any insights that you would like to share or the opportunity size for us?

Mukund Kabra
Sorry, can you repeat?

Rohit Ohri
From the annual report, I've had this from the annual report. Algae DHA, JC Biotech is working on that.

Mukund Kabra
Algae DHA, yeah. We are not going forward with the DHA as of now, which was JC Biotech's molecule. As of now, we are not really working on that at current level.

Rohit Ohri
But do you think that the project will be revived in your future, or is it a cost which is gone already and forgotten?

Mukund Kabra
See, once our new R&D facility comes up, we will look into it again because those are the different processes. We were just thinking, should we go into that or not, or focus more into our core areas? As of now, JC Biotech facility, we are having a lot of shortages at JC because there, we can handle a lot of solvents and other things. We are also increasing our capacity as of now, and then we'll see.

Rohit Ohri
Okay. Last question on, bioenergy boom, and the demand for the enzymes. We see the top layer, has been slightly aggressive over there. What is our stand in this domain? Because I know we were working on this enzyme, but then, by when do you anticipate that we should start getting revenues from here?

Mukund Kabra
As of now, we don't have any revenues into this area. We are still under the development of the products. I think it's always a priority which products you need to go quickly and which not. Maybe after this R&D facility, which will be maybe next year, we'll relook into that, not right now.

Rohit Ohri
Okay sir. Thank you for answering my question.

Moderator
Thank you so much, sir. We have a follow-up question from Mr. Umang Shah from Banyan Tree Advisors. Please go ahead, sir.

Umang Shah
Thank you, sir. My questions are answered.

Beni Prasad Rauka
One gentleman asked about the inventory and working capital days. Inventory, 30th June 2026, was about INR 190 crores. We had a receivable of about INR 131 crores. Payables were about INR 41 crores. INR 280 crores was roughly invested in the working capital. In terms of number of days, generally our working capital cycle is about 125-138 days.

Moderator
Thank you so much, sir. The next question is from the line of Mr. Nikhil Upadhyay from Securities Investment Management. Please go ahead, sir.

Nikhil Upadhyay
Hi. Good evening. Thanks for the opportunity. I hope I'm audible.

Mukund Kabra
Yeah, Nikhil ji. Go ahead.

Nikhil Upadhyay
If we look at last four quarters or five quarters, in fact, I'm just trying to understand this growth trajectory. For June 25, September, March, we had a strong growth of 20% plus, and what we see is it was across segments. All the segments were growing significantly well.

Now in this quarter, even if I adjust for the INR 10 crore reversal, the growth comes to around 8%. Now, how should we understand what happened last year? Was it like many of those projects got commercialized in one year and now that becomes a base on which we build the business again? Or were these one-time projects which came in, which supported that high kind of a growth which is not there this year? If you could just give some sense of what happened last year and --

Mukund Kabra
Nikhil ji, let's not get into the QoQ, and I won't say that, you need to compare every quarter to the last year to this quarter. There is always a change. Yes, this time, it is affected with the sales reversal as well. You are right, like if we consider that it's 8%, there was like slow quarter on the pharma side as well this quarter.

Probably, we expect a strong momentum from the next quarter because sometimes, there are some inventory issues and some other issues, which all accounts at the customer level, at your levels, and all of those are the complicates. Let's not get into the QoQ. I would say that still we are on the track, and that's what I need to mention as of now.

Nikhil Upadhyay
Sure. I understand. The reason I put the context on the quarter was because of business is not supposed to be so much variable like, because one is given --

Moderator
Sorry to interrupt, Nikhil ji, your voice is actually not audible, sir. Can you just speak a little louder?

Nikhil Upadhyay
Am I audible now?

Moderator
Yes, sir, you audible now?

Nikhil Upadhyay
Yes. The only context which I brought in was, see, our business is not as such a very variable kind of a business. Because as I understand, once we've given a product or we are part of a chemistry or a process, that product or process will continue until unless we lose a customer. To that extent, then this kind of a variability should not be there. Once a base is set, that base should be set, and then we build the business over it. I'm trying to understand. Is that the right understanding, or is this not the proper way?

Mukund Kabra
Nikhil ji, you are right. Generally, like 70-80%, customers are always constant. 20-30% is changing in our business, and that is right. But at the same time, I would say that QoQ, you cannot just go on and say that last quarter it was this. What happened? Sometimes, you get some quick sales as well, and sometimes you don't get. That's all what it is. But those are come into play, those 20-30%. But let's not get into the QoQ. That's what I want to highlight out here.

Moderator
There are no further questions, sir. Now I hand over the floor to Mr. Ronak Saraf for closing comments.

Ronak Saraf
Thank you everyone for taking your valuable time for attending our earnings conference call. We'll keep you all posted for any further updates. I request you all to kindly send in your questions that may remain unanswered. An audio recording and the transcript of this call will be uploaded on our website in due course. Looking forward you all to host in the next quarter. Till then, stay healthy, stay safe. Thank you.

Moderator
Thank you, sir.

Mukund Kabra
Thank you, everyone.

Beni Prasad Rauka
Thank you everyone. Thank you so much.

Moderator
Thank you, sir. Ladies and gentlemen, this concludes your conference for today. Thank you for your participation and for using Door Sabha's conference call service. You may disconnect your lines now. Thank you, and have a pleasant day.