

Advanced Enzyme Tech

12 August 2026

Operator: Good afternoon, ladies and gentlemen. I am Akash, the moderator for this conference call. Welcome to Advanced Enzyme Technologies Ltd. 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 the operator by pressing star followed by zero on your touchtone telephone. Please note that 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: Thank you, Akash. Good evening, everyone. Welcome to Advanced Enzyme Technologies Q1 FY27 earnings conference call. We hope you have all gone through our financials, press release and presentation, which have been posted in the investor relations section of our website.

We have with us Mr. Mukund Kabra, Whole-time Director, and Mr. Benny Rauka, Group CFO. Today, the management will discuss the performance and business highlights, provide an update on strategies, and respond to any questions that you may have. As usual, for ease of discussion, we will look at the consolidated financials.

I would now like to draw your attention to the fact that some of the information shared during the 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.

Without any further ado, we shall commence this call. Over to you, Mukund, sir.

Mukund Kabra – Whole-time Director: 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 disruption for quite some time, primarily driven by geopolitical tensions, trade uncertainties and continued disruption across global supply chains. These challenges have had a direct impact on energy prices 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, this is the reason we always suggest that our

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shareholders evaluate our business on an annual horizon rather than through the lens of a single quarter.

Our top line for the quarter stood at 1,898 million rupees, registering 2% year-on-year growth. On a sequential basis, revenue declined by 7% compared to the previous quarter.

As part of the standard revenue-recognition practices, which are based on the transfer of control of goods to customers, sales reversals occur every quarter. On account of revenue-recognition accounting principles, this quarter was impacted by an additional sales reversal amounting to 100 million rupees, over and above the revenue reversal generally accounted for every quarter.

I am pleased to share that this revenue reversal has already been recorded as of today, while the robustness of our revenue pipeline remains intact. Our fundamentals remain strong, execution continues to be solid, and we are well positioned to capitalise on growth opportunities. We remain confident of delivering sustainable revenue growth consistent with our annual guidance.

EBITDA for the quarter came in at 510 million rupees, down 10% year-on-year and 19% quarter-on-quarter. 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 realisation, elevated power and fuel costs driven by global energy disruption, and a temporary shift in the sales mix. At the same time, our disciplined focus on optimising costs and improving operational efficiencies positions us to deliver sustainable growth and stronger performance as the year progresses.

Moving to profitability, profit after tax stood at 386 million rupees, declining 5% year-on-year and 15% sequentially. The PAT margin for the quarter was 20%, compared to 22% in both Q1 FY26 and Q4 FY26.

I will now take you through our segment-wise revenue performance for Q1 FY27 and compare it both year-on-year and sequentially with Q4 FY26 and Q1 FY26.

Let us begin with human healthcare. Revenues in Q1 FY27 stood at 1,139 million rupees, reflecting a 7% year-on-year decline and an 11% sequential decline. The decline was primarily attributed to lower sales in the pharma API business. Despite the moderation in revenues, the segment contributed 60% of total revenue during the quarter. We observed an improvement in our B2C revenue in the USA.

Moving to animal healthcare, revenues stood at 252 million rupees, registering a 3% year-on-year decline while growing 1% quarter-on-quarter. The segment contributed 13% to our overall revenue during the quarter.

Turning to bioprocessing, the segment reported revenues of 306 million rupees, delivering 30% year-on-year growth. Revenues were 5% lower sequentially. The strong year-on-year performance was driven by healthy growth in the food business, and the segment contributed 16% to our total revenues.

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Lastly, specialised manufacturing reported revenues of 200 million rupees, registering a robust 41% year-on-year growth and an 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 697 million rupees at a ceiling price of 500 rupees per share via the open-market route. The company has also announced the acquisition of the remaining 4.285% stake for a consideration of 79.79 million rupees in our existing subsidiary, JC Biotech, resulting in a total stake of 100% and making it a wholly owned subsidiary.

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

Raokaji: Thank you very much, Mukund. Good evening, everyone. I hope you are all in good health and doing well.

Regarding the company's consolidated financials for Q1 FY27, on a year-on-year basis, Q1 FY27 versus Q1 FY26, our revenue increased by 39 million rupees, a 2% increase, from 1,859 million rupees to 1,898 million rupees. EBITDA decreased by 55 million rupees, a 10% decline, from 564 million rupees to 510 million rupees. This represented 30% of our revenue compared to 27% in this quarter.

Profit before tax decreased by 14 million rupees, from 549 million rupees to 535 million rupees. This was 30% compared to 28% during this quarter. Profit after tax decreased by 19 million rupees, a 5% decline, from 404 million rupees to 386 million rupees. Our PAT was approximately 20% of our revenue, compared to 22% in Q1 FY26.

On a quarter-on-quarter, or sequential, basis, revenue decreased by 136 million rupees, a 7% decline, from 2,034 million rupees to 1,898 million rupees. EBITDA decreased by 123 million rupees, a 19% decline, from 632 million rupees to 510 million rupees.

Profit before tax decreased by 63 million rupees, from 598 million rupees to 535 million rupees, a 10% decline in profit before tax. Our PAT decreased by approximately 15%, from 453 million rupees to 386 million rupees. This was again, as mentioned, approximately 20% in this quarter compared to 22% in the previous quarter, Q4 FY26.

Now let me give you the subsidiary numbers. JC Biotech's revenue stood at 195 million rupees, with EBITDA of 26 million rupees and PAT of 10 million rupees, compared to revenue of 211 million rupees, EBITDA of 33 million rupees and PAT of 14 million rupees in Q1 FY26.

Evox reported sales of 74 million rupees, EBITDA of negative 13 million rupees and negative PAT of approximately 18 million rupees in Q1 FY27, compared to revenue of 70 million rupees, EBITDA of 14 million rupees and PAT of 7 million rupees, respectively.

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

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I would like to give you some numbers about our top 10 customers. They accounted for approximately 23% during this quarter, compared to 27% in Q1 last year and 26% in Q4 FY26. Our top 10 products contributed approximately 45%, compared to 45% last year and 49% in the last quarter of FY26.

The B2C segment contributed approximately USD 1.14 million, compared to USD 1.12 million during the same period of the previous year. This is from our subsidiary company, Advanced Enzyme US, which has another subsidiary, AST.

Let me also give you some more numbers about our healthcare segment. In Q1 FY27, our India sales were approximately 580 million rupees, compared to 699 million rupees in Q4 FY26 and 659 million rupees in Q1 of last year. International sales were 559 million rupees, compared to 582 million rupees in Q4 and 562 million rupees in Q1 FY26.

The total revenue from this segment was approximately 1,139 million rupees, compared to 1,281 million rupees in the previous quarter, Q4 FY26, and 1,221 million rupees in Q1 FY26.

We spent approximately 90 million rupees on R&D in Q1 FY27, compared to 86 million rupees in Q1 FY26. This represented approximately 4.75% during this quarter, compared to 4.62% in the corresponding quarter of FY26.

On a consolidated basis, R&D spend was approximately 5% during Q1. This is rounded off when we discuss the consolidated basis. It was also 5% last year in Q1. If we remove our spending on Evox, R&D spend was approximately 3% in Q1, and we spent a similar amount in the first quarter of last year, which was also 3%.

This is all from my side. We shall now open the floor for the question-and-answer session.

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

Ladies and gentlemen, if you have any questions, please press star followed by one on your telephone keypad. The first question comes from the line of Mr. Lakshmi Narayana from Tunga Investments. Please go ahead with your question, sir.

Lakshmi Narayana – Tunga Investments: [inaudible] our business over the last 9 to 10 years, and I am looking at the comparison of Q1 FY19 or FY18 with the Q1 we have reported now. The growth has been around, I would say, 3–4% overall on an Indian rupee basis.

Now, comparatively, if you look at the US enzyme market, it has actually grown by 6–7% on a US dollar basis. I just want to understand what is holding us back from growing in one of the most lucrative markets, which is the US. Of course, there have been issues such as COVID in the middle and significant client losses. But even on a longer-term basis, which...

Mukund: [crosstalk] I am really sorry to interrupt, Lakshmi. There is no clarity; there is some kind of echo happening. Could you please repeat the question?

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Lakshmi Narayana – Tunga Investments: Am I clear now, or is there still a problem, sir?

Mukund: No, there is still a problem.

Lakshmi Narayana – Tunga Investments: Okay, I will join the queue again.

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

Abhishek Navalgund – Nirmal Bang Securities: Hi, thank you for the opportunity. My first question is on capex. Please correct me if I am wrong, but I think the capex number highlighted in the AGM minutes was somewhere close to 120–130 crores. We were building in a significantly lower number. Could you please help us understand whether this 120–130 crores will be spent over 2–3 years or whether it is the FY27 outlay? That is my first question.

Mukund: You are right that we explained 123 crores in the AGM.

Abhishek Navalgund – Nirmal Bang Securities: Yes.

Mukund: This is what we are going to spend in...

Abhishek Navalgund – Nirmal Bang Securities: I am asking whether this 123 crores will be entirely spent in FY27 and, if that is the case, on which projects. Could you highlight that?

Mukund: No, I think approximately 20 crores will stretch to probably Q2 FY27 as well, mainly in one of our subsidiaries, because we are discussing the consolidated number.

Abhishek Navalgund – Nirmal Bang Securities: Understood. Basically, what I am trying to understand is, out of this 123 crores, what could be growth capex? If we set aside maintenance capex, what growth capex will we incur this year?

Mukund: Out of this, I think 20 crores is normal capital expenditure, and 50 crores will go toward R&D, which is already work in progress and may become functional in the next quarter or so. The balance is entirely for growth. R&D does not result in immediate growth, but it is always for sustained growth.

Abhishek Navalgund – Nirmal Bang Securities: Okay. So, the remaining part of the growth capex would be for human nutrition or some other segment?

Mukund: Capex is not meant for any particular segment as such because we manufacture enzymes for different industries.

Abhishek Navalgund – Nirmal Bang Securities: I am saying that this is a step-up compared to the last few years, and we have always maintained that fermentation utilisation is around 55–60%. Are we close to perhaps 70%, and is that why you are undertaking this capex? I just wanted to understand the reason for this step-up in capex.

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

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Abhishek Navalgund – Nirmal Bang Securities: This is helpful. My next question is, what is stopping us from growing strongly in the US market? I think you just highlighted some international human nutrition numbers. In this quarter also, we have witnessed a decline of {? 14 odd per cent ?}. Could you please explain the reason behind this?

Mukund: Overall, if you see, the situation in the US is not very conducive as of now. We have also been trying to follow a path where we are now trying to brand most of our products. This shift is taking some time, and because of that, if you see the numbers, they are steady. We are not seeing any significant increase in those numbers because the business is undergoing some changes.

You would also agree that the situation in the USA is not very conducive from a business point of view. There are a couple of issues, and the company is addressing them.

Abhishek Navalgund – Nirmal Bang Securities: Okay, and my last...

Mukund: The geopolitical situation also creates a lot of issues in managing the business.

Abhishek Navalgund – Nirmal Bang Securities: My last question is, what is the number for Serratiopeptidase this quarter?

Mukund: We requested earlier as well that we will stop sharing those numbers.

Abhishek Navalgund – Nirmal Bang Securities: The only reason...

Mukund: Yes, go ahead.

Abhishek Navalgund – Nirmal Bang Securities: There was some kind of ban that we saw in the news this quarter, so I just wanted to understand whether there would be any impact because of that, or whether we would see no meaningful impact because of the FDC combinations.

Mukund: No, there will not be any meaningful impact. It may be 1% here or there.

Abhishek Navalgund – Nirmal Bang Securities: Thank you. Thank you so much.

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

Lakshmi Narayana – Tunga Investments: Am I audible now?

Mukund: Yes, sir. Please go ahead.

Lakshmi Narayana – Tunga Investments: Yes...

Lakshmi Narayana – Tunga Investments: Sir, I was looking at our US business growth over a slightly longer period of 8–9 years or even more. While the US market for enzymes has actually grown by approximately 6–7% at the industry level, our growth has diverged from that. Of course, there was COVID in the middle, there were logistics issues, and there were also client process issues, which I understand.

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I am trying to understand broadly whether this divergence is more an internal issue or an external issue. How do we address this? We have good products and good patents, but we are still unable, at least from the looks of it, to scale up meaningfully in the US. I just want to hear your thoughts on that.

Management: There are several challenges. In the past, we explained that things were expected to stabilise after COVID, but during the last 1-1.5 years, or rather the last year, we have been facing this geopolitical situation.

In addition to that, we have also explained a couple of times that we are changing our business model in the US. We are basically looking at branding most of the products and ingredients that we sell. This process is taking some time to consolidate the entire operation and the customer base.

This is one issue. Besides the geopolitical situation, everything is progressing in such a way that we are not seeing any significant numbers. Although in FY25 we saw approximately 10% growth, FY26 was again somewhat down. Now, since this is the first quarter, we have to wait and watch, and we expect to have better visibility as we progress.

All these issues are being addressed. As you mentioned, the market is large, but you also have to carve out a niche segment for yourself. Otherwise, you become a commodity, and that is not our exact business strategy.

We are trying to revamp and change our business model in such a way that we have sustained growth while our margins remain intact. All these issues are being addressed.

Lakshmi Narayana – Tunga Investments: Our typical model is to manufacture in India and then ship to the US. Given that every second or third year we face some issue relating to logistics, is management considering an alternative sourcing model rather than manufacturing in India and selling in the US?

Management: If you look at fermentation, we will always continue to do it in India. Regarding alternate sourcing, since it is again a 100% subsidiary company, we always see that we have to work on how we can become equally competitive through improving productivity and spending more on research.

At least we do not have to look for another source in that sense, and we can grow in India as well as in the US. If you want to invest in the US, a significant amount of money would be required to invest in those kinds of capacities. Management is very clear on this.

Lakshmi Narayana – Tunga Investments: If you look at the US business, what kind of growth can you envisage on a steady-state basis? Once all these issues are resolved, what kind of growth can we expect?

Management: Suddenly, the tariff issue arose, and we faced those problems. Then the Iran war created some issues. These are several challenges. In addition, hiring people has become a significant challenge in the market during the last 2 years.

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Many such issues are being addressed. Regarding the kind of growth we can expect, as we always say, in the US we do not expect growth of more than approximately 8–10% at this juncture.

Lakshmi Narayana – Tunga Investments: In case we are unable to grow, we may lose some clients because they would be looking for raw materials. If we do not provide them, would that not be a challenge? If we are unable to ship for some reason, our end clients could look for an alternative source.

Management: This business has many challenges, but as we are in business, we have to address all these challenges, and that is what we have been doing. When you have several challenges, you have to work very hard to sustain the business and achieve sustainable growth, while also making good money.

Lakshmi Narayana – Tunga Investments: Understood. Thank you, sir. I will come back into the queue.

Operator: Thank you. The next question comes from the line of Mr. Zaki Nasir from Nasir Investments. Please go ahead, sir.

Zaki Nasir – Nasir Investments: I think it is a decent set of numbers in difficult times. We had projected yearly growth of 13–15% over the next 3–5 years. Do you think we can close this year at at least 12% growth in the remaining 3 quarters?

Management: As of now, we feel that we can. Even this quarter, we lost approximately 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.

Management: If we add the incremental reversal...

Management: As Mukund mentioned, this particular quarter had an incremental sales reversal. If we add 10 crores to 190 crores, we would have had 200 crores in this quarter, which represents approximately 8% growth. As we progress, we are confident that we will be able to achieve the growth numbers we have shared with you in the past.

Zaki Nasir – Nasir Investments: Understood. What about the cost trajectory? Most of our imports, including energy, were at elevated levels this quarter. Do you think these costs will come under control from Q2 onwards?

Management: Yes, this will definitely improve because of operational efficiency.

Zaki Nasir – Nasir Investments: If I may ask one last question, we are going in for a buyback of approximately 1.4 crore shares. I also see that we have pending conversion under the ESOP of approximately 2.5 crore shares. Is that the right figure?

Management: No, sir. I do not know where you got these numbers.

Zaki Nasir – Nasir Investments: The buyback is approximately 70 crores, involving 14 million shares. That would be the...

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Management: It is 1.4 million, or 14 lakh shares.

Zaki Nasir – Nasir Investments: Fourteen lakh shares, okay. The ESOPs are 25 lakh shares pending conversion, correct?

Management: The ESOP scheme was for 25 lakh shares, but so far we have granted only approximately 11 lakh shares in 2 different tranches. Those shares will also vest over a period of 5 years, so there is still a lot of time remaining.

Zaki Nasir – Nasir Investments: And this will be an open-market buyback, which will start on August 14?

Management: Yes.

Zaki Nasir – Nasir Investments: Thank you. Best wishes for the year.

Operator: Thank you, sir. The next question comes from the line of Mr. Umang Shah from B&K Securities Advisors. Please go ahead, sir.

Umang Shah – B&K Securities Advisors: This is Umang. Am I audible?

Management: Yes, please go ahead. There is some disturbance, but we will have to work with it and try to do the best we can.

Umang Shah – B&K Securities Advisors: No problem. My first question is regarding the change in your US strategy and your focus on brands. A few quarters ago, you mentioned that your customers have your name on their products, which helps them sell their products better.

Now, when you say that you want to move more from a B2B to a B2C business, is that understanding correct, or do you want to remain in a B2B business but focus on the brand? If so, how will that work?

Management: The business will not change. Even in B2B, when you sell an ingredient, you sometimes specifically say that this is our ingredient. When the customer puts on a label, they use our particular name as the ingredient.

Umang Shah – B&K Securities Advisors: How is this expected to help our business?

Management: It becomes a sticky business in that sense. Once the label carries your name, it becomes a sticky business.

Umang Shah – B&K Securities Advisors: Understood. If you could break down the human nutrition business between India and international markets, that would be helpful.

Management: I have given the numbers, but I will repeat them for you. India business this quarter was 580 million rupees, compared to 699 million rupees in Q4 FY26 and 659 million rupees in Q1 FY26. International sales were 559 million rupees, compared to 582 million rupees and 552 million rupees, respectively.

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Umang Shah – B&K Securities Advisors: Understood. Thank you for repeating that. My last question is regarding the competitive intensity for our largest product. Has it gone away for good, or is it still continuing? In terms of pricing, if the pricing was 100 at this time last year in Q1, what would the pricing be now?

Management: Pricing is better in this particular quarter because we have increased some prices. Realisation is better than in Q4 and Q1 of last year.

Umang Shah – B&K Securities Advisors: Can you quantify it approximately within a range?

Management: As we have said when discussing this in the past, there are a few things we would not like to discuss on the conference call.

Umang Shah – B&K Securities Advisors: No problem. Do you have any view on the biocatalysis segment?

Management: The biocatalysis number was 45 million rupees during this quarter, compared to 44 million rupees in Q4.

Umang Shah – B&K Securities Advisors: We were planning to enter the intermediates business approximately 1 year ago to grow this biocatalysis segment, but then we decided not to proceed. How do we plan to grow this segment? It is considered to be one of the high-growth segments, correct?

Management: It is still a high-growth segment for us, and this year we expect good growth to come from this area in the second half.

Umang Shah – B&K Securities Advisors: Thank you very much, and I wish you all the best.

Management: Thank you.

Operator: 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 – Securities Investment Management Private Limited: Thank you for the opportunity. Could you explain what you mentioned about the 10-crore sales reversal? Is this basically a sales return, sales that have been cancelled, or sales that have not been booked? How does the entire cycle work?

Management: Ravi, it is sales in transit that have not reached the customer.

Ravi Purohit – Securities Investment Management Private Limited: Okay. The material has already been booked, but a lot of export shipments...

Management: ...did not actually reach the customer.

Ravi Purohit – Securities Investment Management Private Limited: Okay. Has it reached the customer now?

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Management: Please go ahead, Ravi.

Ravi Purohit – Securities Investment Management Private Limited: No, sorry. Please finish, {? Raukaji ?}.

Management {? Raukaji ?}: I was saying that revenue recognition happens when the risks and rewards are transferred to the customer. The goods were shipped but were not delivered to the customer, so you cannot recognise the revenue. Therefore, there is a sales reversal every quarter, but this time it was incremental by {? 10 crores ?}. The impact is higher by {? 10 crores ?}.

Ravi Purohit – Securities Investment Management Private Limited: Okay. So that should get normalised, or the material would have reached the customer by now?

Management {? Raukaji ?}: Yes.

Ravi Purohit – Securities Investment Management Private Limited: If you could kindly share some thoughts on how we are looking at scaling up products outside Cereso. Cereso has been one very large product for us, and our dependence on it performing well is disproportionately high in any given year.

In some years, if that product performs well, the company's overall growth looks better, and if it declines significantly, growth tapers off. Could you share the opportunities and where we are seeing newer products emerge? Please throw some light on this.

Management {? Raukaji ?}: We are working across many different industries. We are growing very well in the food area. We are working on protein solubilisation and several other areas. I do not want to name the products, but those will also be potential products. We are working in all the other areas, and we will see how they grow.

Ravi Purohit – Securities Investment Management Private Limited: Thank you very much, and all the best, sir.

Management {? Raukaji ?}: Thank you.

Operator: Thank you. The next question comes from the line of Mr. Sayan Katani from SG Securities. Please go ahead with the question, sir.

Sayan Katani – SG Securities: Good afternoon, sir. I had a question on the US business. Although you mentioned that it has been flat, currency depreciation has been sufficient for it to be flat in rupee terms, so we are definitely seeing, I would assume, some volume declines there.

I am trying to understand whether we do not have the right products, or what is happening. I would like some clarity on the strategy going forward. {? Raukaji ?} did mention branding, but I would think that the existing business is declining. I am trying to understand what is declining there, what is not working, and would appreciate some colour on that.

Management {? Raukaji ?}: On a year-on-year basis, there is a 4% decline, while currency depreciation was 10%. On a quarter-on-quarter basis, it is 10%. The currency decline, if you look at it in US dollar terms, is approximately 4%. The rupee depreciated by 4% on a quarter-on-quarter

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basis. On a year-on-year basis, it declined by {? 5 and 10% ?}, representing 10% depreciation.

Sayan Katani – SG Securities: I am trying to understand where we are losing out. Is our product no longer in demand, are we not having enough products to sell, or what is the issue? What is the strategy to fix it?

Also, I believe Deepak Rodha was looking at some of the US marketing. Is that a position that we need to fill? I would appreciate some colour because we are not very clear on that.

Management {? Raukaji ?}: Sometimes the sale does not come in one quarter and moves to another quarter as well. We need to wait and see how things progress, and perhaps we can discuss this in more detail then. As of now, it is very premature.

Sayan Katani – SG Securities: I am referring to a longer period during which we have lost business, not just this quarter.

Management {? Raukaji ?}: We explained that we expect 8–10% growth in our US business. I have already mentioned that. I also explained why the numbers in the US have been steady: there are geopolitical issues, and, as explained to you, we are working on several branding initiatives.

All this is taking time. As we progress, we will get more clarity, and we expect to have better growth in the coming quarters. By the end of the year, it should be approximately 8% or so.

Sayan Katani – SG Securities: That is good to know. If you could highlight any new products we have launched, are there any changes, or is it mainly the same product being branded under a different sales strategy?

Management {? Raukaji ?}: I am not getting your question properly.

Sayan Katani – SG Securities: My question is whether we have launched any new products in the US that you think will bring the 8% growth, or whether it is the change in sales strategy and branding that will lead to the 8% growth.

Management {? Raukaji ?}: This has happened over a period of time through changes in strategy. As market dynamics evolve, we also have to see what best we can do to continue our progress. This is not a one-day task; it is taking shape gradually.

Sayan Katani – SG Securities: Okay. My last question was on Starial Labs. Could you share any updates on what we are doing there, including whether any testing is already taking place?

Management {? Raukaji ?}: Regarding Starial Labs, we have already explained that we are doing a lot of laboratory-related work, but it is not yet fully functional under that particular name because we still have to work on transferring the assets and other matters. However, all work related to that particular activity is being undertaken by the company.

Sayan Katani – SG Securities: That is all from my end. Thank you.

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

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Abhishek Amdar – Value Plus Advisors LLP: Hello. Am I audible?

Management {? Raukaji ?}: Yes, please go ahead.

Abhishek Amdar – Value Plus Advisors LLP: I understand that EBITDA margins were softer this quarter due to higher energy costs. For the rest of the year, do we expect them to recover to historical levels, or do we feel they will remain subdued?

Management {? Raukaji ?}: Yes, we expect them to return to the normal level of approximately {? 30% ?} EBITDA margin.

Abhishek Amdar – Value Plus Advisors LLP: So, for the full year, we expect 30% to be achieved, along with the growth guidance you provided. Regarding working capital, what was our inventory position as of Q1?

Management {? Raukaji ?}: We will come back to you with this number. Anything else?

Abhishek Amdar – Value Plus Advisors LLP: No, that is all. Thank you.

Operator: Thank you, sir. The next question comes from the line of Mr. Suryansh from AION OS. Please go ahead, sir.

Suryansh – AION OS: Hello, am I audible?

Management {? Raukaji ?}: Yes, please go ahead.

Suryansh – AION OS: I wanted to understand the numbers for the Indian geography. Both year-on-year and quarter-on-quarter, the numbers declined. When we look at the European geography, the numbers show approximately 40% year-on-year growth and quarter-on-quarter growth.

I wanted to understand what worked in Europe, what did not work in India, and which end market is driving the growth in Europe.

Management {? Raukaji ?}: By Europe, do you mean Evox?

Suryansh – AION OS: Yes. When I look at the quarterly numbers for the European market, we are seeing revenue of approximately {? 13 crores ?} in Q1, which is up approximately 43% year-on-year and 38% quarter-on-quarter. What is driving this growth in Europe, and which end market is responsible?

Management {? Raukaji ?}: In the European market, the major growth is coming from the food area. Let us not look at quarter-on-quarter performance; let us look at the broader picture because you cannot predict the order size and other factors for every quarter.

The second set of sales happens through Evox, which is more of an R&D company, and there you should consider the revenue to be more or less flat.

Suryansh – AION OS: What challenges did we face in the Indian market during this quarter?

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Management {? Raukaji ?}: Sorry, could you please repeat?

Suryansh – AION OS: What were the challenges in the Indian market during this quarter?

Management {? Raukaji ?}: Do not look only at this quarter and the quarter-on-quarter comparison. I would say that the first quarter was dull this time because of some price increases and other factors. It takes some time to regroup and return to growth.

Do not look only at the quarter-on-quarter performance. We can now see a robust pipeline of sales orders and other factors. That is what I can say.

Suryansh – AION OS: When you say that you expect double-digit growth, will this growth come from new products or existing products?

Management {? Raukaji ?}: It is always a combination.

Suryansh – AION OS: In which areas are we launching new products? Which end markets are involved? Is it food, biofuel or something else?

Management {? Raukaji ?}: We are expanding our areas and our products in the biocatalyst area. We are expanding some products into animal feed, and we are expanding into the ruminant area and the food area, in addition to baking. We have started working across many different industries. We are also increasing our presence in the detergent area.

Suryansh – AION OS: Thank you. That is helpful.

Operator: Thank you, sir. The next question comes from the line of Mr. Ketan Chadda, an individual investor. Please go ahead, sir.

Ketan Chadda: Thank you for the opportunity. Could you share the status of the novel food application we had? In the last quarter, you mentioned that we were likely to receive approval. Is there any update on that?

Management {? Raukaji ?}: It is still under consideration. It is a long process, and you never know how long it will take. Sometimes it happens early; sometimes questions arise and you have to respond.

In some cases, such as when we filed for FSSAI food approval, we have still been waiting since 2014. It depends on the authorities and may take 6 months to 1 year. As of now, that is where it stands.

Ketan Chadda: Are you referring to the novel food ingredient or to the other application?

Management {? Raukaji ?}: Could you please repeat?

Ketan Chadda: Are you referring to the novel food ingredient or to the other applications?

Management {? Raukaji ?}: Right now, we are waiting for FSSAI approval. I believe you asked about novel food approval, correct? We are waiting for that. We may have to wait 3–6 months. Ultimately, it depends on the authorities.

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You submit all the responses, and then they may come back with additional questions. This process is ongoing intermittently. We will wait and see.

Ketan Chadda: Regarding the introduction of new products that could contribute meaningfully to our top line, could you give us some examples from the past 2 years—not by product names, but at least by applications—that we have introduced and that have significantly contributed to the top line?

This would give us a sense of whether we are introducing newer products. Many participants have been saying that, over the past decade, our growth has been quite muted, even after undertaking significant acquisitions. We are not really growing organically or inorganically, however we look at it.

We would therefore like to understand whether new products are being developed that could help propel growth in the future.

Management {? Raukaji ?}: We are extremely sorry. There is a lot of disturbance, probably in...

Management: ...the instrument, and unfortunately we are not able to hear you properly. Please excuse us. We will try again if you can repeat your question. Please go slowly because there is a lot of disturbance. I do not know why.

Ketan Chadda: I will try to go slowly. I was asking whether you could give us some examples of new products introduced in the last few years that are now contributing to our top line.

The reason is that, over the past decade or so, our growth has been quite muted, even after undertaking so many acquisitions. The growth is not really coming through. Therefore, I would like to understand what kind of products we have introduced in the last couple of years and what products we are likely to introduce in the next couple of years.

Management: I could not hear you clearly, but I will explain what I understood from your question. We do not track sales product by product. That is the first thing, so I will not be able to give you the exact revenue generated by products introduced during the last 2–3 years.

Your second question was probably about how many products we are working on. We are always working on new molecules. There are always 15–20 molecules in the pipeline, and a few of them come through every quarter. That is how it works. I do not have the exact numbers, but you can consider this as the position for now.

Ketan Chadda: My other question is on margins. If we look at the last 10–11 years, our margins used to be in the 40s, and now they have declined to the 30s. We expect them to remain at that level.

Is there a possibility that our margins could increase because we are introducing or developing better solutions and products for customers, which may currently be under development or in R&D? Is that possible?

Management: R&D always helps increase margins. However, as of now, we would like to continue with an EBITDA margin of 30–32%, and that is what we are saying. In R&D, we will also increase our pace to improve productivity.

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Ketan Chadda: Thank you very much.

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

Rohit Orai – Progressive Shares: Hi, team. I have a couple of questions. The first one is on the...

Management: Hold on. Operator, could you please disconnect us and call us back into the line? There is a lot of disturbance.

Operator: Certainly. I am going to reconnect you, sir. Ladies and gentlemen, please stay connected while we reconnect the management to the call.

Operator: We welcome the management team back to the call. Please go ahead, sir.

Rohit Orai – Progressive Shares: I was asking a few questions. The first one was regarding the status of the 3 patent applications we have registered for sugar management, mitigation of gluten intolerance and biocatalysis.

Management: What is the question?

Rohit Orai – Progressive Shares: The status, sir. How far have we progressed, and do you think these are...

Management: The status is that they are under process. One sugar management patent has come through. Regarding the biocatalysis patent, we need to check. I believe we received one patent on {? Ultra-Trans Sucrose ?} relating to sugar management. We have already been granted a US patent.

Regarding the protein patent as well, I believe we received that one, but I need to check. The third one is under process.

Rohit Orai – Progressive Shares: What kind of opportunity could this create for us in terms of revenue?

Management: Patents are filed with many different intentions. Some are filed so that, when you conduct research, no one can stop you from developing it. Some are marketing patents, so that no one else can do the same thing. There are many different approaches to filing patents.

The sugar management patent is useful from a marketing perspective, and we are using it for marketing. We are also using the protein patent for marketing. I believe both of them have good potential. The third one is more of an R&D patent.

Rohit Orai – Progressive Shares: Have you done any rough work on the addressable market?

Management: When we talk about sugar management, there is a large market. It can be associated with GLP-1 studies and other related areas. I do not want to get into the numbers, and as of now we are working on branding and other matters.

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The second area relates to protein hydrolysis and other applications, where we have started generating some sales in the current quarter. We will see when and how it grows in the next quarter and the quarter after that, and then we can provide a better forecast. I have already discussed the third one.

Rohit Orai – Progressive Shares: JC Biotech was exploring options in algae DHA and was working on docosahexaenoic acid. Have there been any developments, or are there any insights or details about the opportunity size that you can share?

Management: Could you repeat that? {? Which JC Biotech one? ?}

Rohit Orai – Progressive Shares: I picked this from the annual report. JC Biotech was working on algae DHA.

Management: DHA, yes. We are not proceeding with DHA as of now. It was a JC Biotech molecule, and we are not really working on it at the current stage.

Rohit Orai – Progressive Shares: Do you think the project will be revived in the near future, or is it a cost that has already been incurred and forgotten?

Management: Once our new R&D facility is operational, we will look into it again. These involve different processes, and we were considering whether to pursue them or focus more on our core areas.

As of now, the JC Biotech facility has many limitations because it can handle only a limited amount of solvents and other materials. We are also increasing our capacity, and then we will evaluate the project.

Rohit Orai – Progressive Shares: My last question is on the bioenergy boom and the demand for enzymes. We see that the leading player has been somewhat aggressive in this area. What is our position in this domain? I know we were working on this enzyme, but when do you anticipate that we will start generating revenue from it?

Management: As of now, we do not have any revenue from this area. We are still developing the products. It is always a question of prioritising which products need to be taken forward quickly and which do not.

Perhaps after the new R&D facility is operational, which may be next year, we will review this area. Not right now.

Rohit Orai – Progressive Shares: Thank you for answering my questions.

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

Umang Shah – Banyan Tree Advisors: Thank you, sir. My questions have been answered.

Management: One gentleman asked about inventory and working-capital days. Inventory as of June 30, 2026 was approximately 190 crores. Receivables were approximately 131 crores, and payables

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were approximately 41 crores. Therefore, approximately 280 crores was invested in working capital.

In terms of the number of days, our working-capital cycle is generally approximately 125-138 days.

Operator: Umang Shah, you can go ahead with your question.

Umang Shah – Banyan Tree Advisors: No question, sir. Thank you.

Operator: Thank you. The next question comes from the line of Mr. Nikhil Upadhyay from Security Investments Management. Please go ahead, sir.

Nikhil Upadhyay – Security Investments Management: Good evening. Thank you for the opportunity. I hope I am audible.

Management: Yes, Nikhil, please go ahead.

Nikhil Upadhyay – Security Investments Management: If we look at the last 4 or 5 quarters, I am trying to understand the growth trajectory. In June 2025, September and March, we had strong growth of more than 20%, and it was across segments. All the segments were growing significantly well.

In this quarter, even if I adjust for the 10-crore reversal, growth comes to approximately 8%. How should we understand what happened last year? Were many projects commercialised during that year, which now form the base on which we are building the business again? Or were these one-time projects that supported the high growth and are not present this year? Could you provide some sense of what happened last year?

Management: Nikhil, let us not get into the quarter-on-quarter comparison. I would not say that you need to compare every quarter with the corresponding quarter of the previous year. There is always some change.

This time, performance was affected by the sales reversal as well, and you are right that if we consider that, growth is 8%. There was also a slow quarter on the pharma side.

We expect strong momentum from the next quarter because sometimes there are inventory issues and other issues at the customer level and at our level, and all of these are components of the business. Let us not get into the quarter-on-quarter comparison. I would say that we are still on track, and that is what I need to mention as of now.

Nikhil Upadhyay – Security Investments Management: I understand. The reason I put the quarterly context forward is that our business is not supposed to be so variable. Once we have supplied a product or become part of a chemistry or process, that product or process should continue unless we lose the customer. To that extent, this kind of variability should not occur.

Once a base is established, that base should remain, and then we should build the business over it. I am trying to understand whether that is the correct way to look at it.

Operator: I am sorry to interrupt, Nikhil. Your voice is not audible. Could you please speak a little louder?

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Nikhil Upadhyay – Security Investments Management: Am I audible now?

Operator: Yes, sir, you are audible now.

Management: Yes, that is better.

Nikhil Upadhyay – Security Investments Management: The context I was providing is that our business is not a highly variable business. As I understand it, once we have supplied a product or become part of a chemistry or process, that product or process will continue unless we lose the customer.

To that extent, this kind of variability should not occur. Once a base is established, it should remain established, and then we should build the business over it. I am trying to understand whether that is the correct understanding or whether this is not the proper way to look at it.

Management: You are right. Generally, 70–80% of our customers remain constant, while 20–30% change in our business. That is correct. At the same time, I would say that quarter-on-quarter...

Management: It is not simply a matter of saying that the previous quarter was at a certain level. Sometimes you receive some quick sales, and sometimes you do not. That is all it is, and those sales fall within the 20–30% that changes.

Let us not get into the quarter-on-quarter comparison. That is what I want to highlight here.

Operator: Nikhilesh, do you have any further questions? There are no further questions. I now hand over the floor to Mr. Ronak Saraf for his closing comments.

Ronak Saraf: Thank you, everyone, for taking the time to attend our earnings conference call. We will keep you posted on any further updates. I request you to kindly send in any questions that may have remained unanswered.

The audio recording and transcript of this call will be uploaded on our website in due course. We look forward to hosting you all in the next quarter. Until then, stay healthy and stay safe. Thank you.

Management: Thank you. Thank you, everyone. Thank you, sir. Goodbye.

Operator: Thank you, sir. Ladies and gentlemen, this concludes your conference for today. Thank you for your participation and for using Chorus Call Conference Service. You may disconnect your lines now. Thank you, and have a pleasant day.

Note: {? ... ?} indicates a figure or name where audio clarity was insufficient for confident transcription. Verify against the source audio or the company's published filings.

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