Ref: ASCL/SEC/2026-27/60

November 21, 2026

1. To,
The General Manager
Department of Corporate Services
BSE Limited
1st Floor, New Trading Ring
Rotunda Building, P. J. Tower
Dalal Street, Fort
Mumbai – 400 001
BSE Scrip Code: 532853

2. To,
The General Manager (Listing)
National Stock Exchange of India Ltd
5th Floor, Exchange Plaza
Plot No. C/1, G Block
Bandra – Kurla Complex
Bandra (East)
Mumbai – 400 051
NSE Trading Symbol: ASAHISONG

SUB: TRANSCRIPT OF CONFERENCE CALL HELD ON NOVEMBER 19, 2026 WITH INVESTORS AND ANALYST ON THE FINANCIAL PERFORMANCE OF Q2 & H1FY27

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

Dear Sir/Madam,

Pursuant to Regulation 30 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015, we are enclosing herewith the transcript of Conference Call held on Thursday, November 19, 2026 at 04:00 p.m. (IST) with investors and analyst on the financial performance of Q2 & H1FY27.

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

This is for your information and records.

Thanking you,

Yours faithfully,
For, **ASAHI SONGWON COLORS LIMITED**

JOSEPH SAJI VARGHESE

Digitally signed by JOSEPH SAJI VARGHESE
DN: c=IN, o=Personal, pseudonym=867taz9phkgfvnbdysj41qol3iec0r2m, 2.5.4.20=dfbc784d54b0c2ea9a2cbffd0a213c43fbd0bfe7813069aef647f11e08b31a38, postalCode=382421, st=Gujarat, serialNumber=f662e94fe05f3094d34a3ba45cc32644eb51dd9912af9095fc526d2d0bbca361, cn=JOSEPH SAJI VARGHESE
Date: 2026.11.21 16:54:34 +05'30'

JOSEPH SAJI VARGHESE
Company Secretary & Compliance Officer

Encl: As above

"Asahi Songwon Colors Limited
Q2 & H1 FY27 Earnings Conference Call"
November 19, 2026

MANAGEMENT: **MR. GOKUL M. JAYKRISHNA**
MANAGING DIRECTOR

MR. ARJUN G. JAYKRISHNA
CHIEF EXECUTIVE OFFICER &
EXECUTIVE DIRECTOR

MR. MAULIK SHAH
CHIEF FINANCIAL OFFICER

Mr. Saji Joseph
COMPANY SECRETARY &
COMPLIANCE OFFICER

Asahi Songwon Colors Limited
Q2 & H1 FY '27 Earnings Conference Call
November 19, 2026

Moderator: Ladies and gentlemen, good day and welcome to the Asahi Songwon Colors Limited Q2 and H1 FY '27 Earnings Conference Call.

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

I now hand the conference over to Mr. Abhishek Mehra from TIL Advisors. Thank you and over to you, sir.

Abhishek Mehra: Thank you, Rituja. Good evening, ladies and gentlemen. Welcome everyone, and thank you for joining this Q2 and H1 FY '27 Earnings Conference Call of Asahi Songwon Colors Limited. The results and investor update have been emailed to you and are also available on the websites of the stock exchanges. In case anyone does not have a copy of the same, please do write to us and we will be happy to send them across.

To take us through the results for the quarter and the half year and to answer your questions, we have with us from the Management Team Mr. Gokul Jaykrishna – Managing Director, Mr. Arjun Jaykrishna – Chief Executive Officer and Executive Director, Mr. Maulik Shah – Chief Financial Officer, and Mr. Saji Joseph – Company Secretary and Compliance Officer.

We will begin with a "Brief Overview" of the quarter and the half year from Arjun Jaykrishna, after which we will open the floor for question-and-answer.

Before we begin, I would like to state that some of the statements made in today's discussion may be forward-looking in nature. Such statements are based on the company's current expectation and involve risk and uncertainties, and actual results may differ materially. A detailed statement and explanation of these risks is available in the annual report and the investor update. I would also request the participants to limit themselves to 2 questions at a time and to rejoin the queue for follow-up so that everyone gets an opportunity to participate.

With that, I would now like to hand over the call to Mr. Arjun. Over to you, sir.

Arjun G. Jaykrishna: Thank you, Abhishek. Good evening, ladies and gentlemen, and a very warm welcome to the Q2 and H1 FY '27 Earnings Conference Call of Asahi Songwon Colors Limited.

The first half of FY '27 has been the strongest half year in the company's history. In 6 months, we have generated more EBITDA than we did in the whole **[Inaudible 00:02:22]**. The net profit for the half is nearly double the profit for the entire previous year.

I want to say at the outset that this is not the result of one favorable quarter or one favorable price movement. It reflects work done over several quarters on several things, including our supply chain, engineering efficiencies, and overall working of cost even at the ground level. A good part of that work is structural, and we expect that to stay with us in the coming time as well.

Let me now take you through the numbers, starting with the quarter first. So talking about the Q2 FY '27 consolidated performance, revenue from operations for Q2 stood at INR 201 crore, an increase of 66.5% over INR 120 crore in Q2 FY '26 and a 6.6% increase over what we reported in Q1 FY '27. This is the highest quarterly revenue the company has ever reported.

EBITDA for the quarter stood at INR 26.96 crore, which is an increase of 142% year-on-year. EBITDA margin stood at 13.25% compared to 9% in Q2 FY '26,

which is an improvement of over 400 basis points. Net profit for the quarter was INR 14.89 crore compared with INR 2 crore in Q2 FY '26, an increase of 610%. Earnings per share for the quarter were INR 12.78 against INR 1.91 in the same quarter last year.

I would like to address the sequential movement. So EBITDA margin in Q2 was 13.25% against the 7.18% in Q1. While we always compare on a quarter of last year to the quarter of this year basis, that is a standard measure of comparison. I just wanted to point this out that when we reported the Q1 numbers, we said clearly that the quarter included some inventory gains and that margin in the Blue business was somewhat above what we consider sustainable over the long term.

Q2 is a cleaner quarter. It does not carry any such benefits. It absorbed volatility in raw material prices and still delivered a margin well above anything we reported through FY '26. We see this as a better indicator of underlying earning power of the business today.

Now moving on to the H1 FY '27 consolidated performance. For the first half, revenue from operations stood at INR 390 crores, which is an increase of 44% over H1 FY '26. EBITDA for the same half year was at INR 59.56 crore, an increase of 157%, and EBITDA margin improved to 15.15% from 8.45% in H1 FY '26, an expansion of 670 basis points.

Net profit for H1 FY '27 was INR 33.92 crore, an increase of 623 percentage points over H1 FY '26. And as I mentioned a little earlier, to put it in context, our EBITDA for the half year is already higher than the INR 56 crore we reported for the full year FY '26. More than even that, our net profit for the half year is about almost 2x the INR 17.7 crore we earned in all of FY '26.

Now moving on to the standalone businesses and a little description on all 3 of them. To start with our Blue pigments, I think Q2 FY '27 was an extremely strong quarter for our Phthalocyanine pigment business with improvement on every key measure compared with the same quarter last year. For the half

year, revenue from the business grew by around 47% over H1 FY '26, and 3 things largely drove this performance.

First is, our partners and our supply chain. The past few quarters, we have seen sharp disruptions in the availability as well as pricing of key raw materials. Our longstanding supplier relationships and the way we have structured procurement allowed us to keep the plant running, keep our customers supplied, and pass through cost movements in a very split energy efficiencies and cost disciplines at the ground level across every head of expenditure.

So several things that we have been doing that, as I mentioned earlier, we hope is more structural and continue to give us benefits in the coming quarters and years as well. On this basis I can say that we are confident that the Phthalocyanine business can sustain EBITDA margins of 13% to 15% over the longer term.

On the near term, I would like to be a little bit measured. I think the 3rd quarter typically sees some softness in demand since key export customers would like to tighten inventories towards the end of the calendar year. This is a phenomenon that is globally seen and has been seen for several years. Hence, we expect the same pattern. Even so, we do expect Q3 FY '27 to be significantly better than Q3 of the previous year.

Our priorities in the Blue business remain completely unchanged. We will hold quality and reliability for our global partners and customers and continue to work on ourselves, improve our product and our service, and be able to extract further efficiencies from the existing asset base and protect margins through the cycle.

I will now turn to the AZO and API businesses and a little bit on the balance sheet.

Talking about the AZO business:

Let me be very direct. I think Q2 was a challenging quarter and its performance was below our expectations. After a very difficult first quarter in which we mentioned the steep rise in raw material costs led to customers deferring their purchases. Sales in Q2 recovered to earlier levels. As we mentioned at the time, we were confident of getting back on the original track after a very poor Q1. We were able to do that.

The AZO revenue for the quarter stood at INR 28.82 crores and for the half year at INR 47.35 crores. Volumes have grown. However, pricing remains tough and competition continues to weigh on realizations.

The business remains EBITDA positive and cash positive. Our focus now will be to win and grow with larger customers, to continue improving our product quality, increase our product base, and to be able to bring down our cost of production. We have seen that due to global challenges in terms of demand as well as the China plus One factor not playing out and very competitive pricing from China, we have seen large customer approvals, but the pipeline continues to build and we continue to push towards that. We do expect H2 FY '27 to be better than H1 FY '27.

Now moving to the API business, I think we operated through our wholly-owned subsidiary Atlas Life Sciences, where we have mentioned previously as well that volumes have grown at around 18% a year for the last 3 years. For most of that period, a steep fall in selling prices offset that growth from turning into strong finances for the company. Price pressure continued to hold back performance in the first half of this year as well.

However, I am happy to report that the revenue from the API business in Q2 and for the half year increased at about 33% over H1 FY '26. We expect to improve the further improved performance in the second half as we hope price pressures ease.

Our priority here is to continue working in growing our volumes, being able to increase our sales, be able to increase utilization. And as the price trend turns, we will be making sure that we are able to get strong performance out of our API business as well. Here as well, if you compare it, we have already outperformed in terms of earnings in H1 '27 our previous year for the API business, and we hope that H2 is even stronger than H1, and we are confident of delivering that.

Now moving on to the balance sheet and a little bit quickly about capital allocation. I think strong cash generation in the first half has allowed us to reduce gross borrowings by about INR 49 crores. Deleveraging has been a stated priority since borrowing INR 200 crore, and the pace has been faster than we expected. The lower debt is already reducing our finance costs, and it gives the company considerable headroom.

With a stronger balance sheet, we are now evaluating opportunities for the Group's next phase of growth. We will be extremely disciplined in that evaluation, and we will share more with you when there is something concrete to share. The Blue business has delivered a step change in profitability that we believe is largely sustainable, and the AZO and API businesses are EBITDA as well as cash positive now with clear room to improve in the second half. And the balance sheet is the strongest it has ever been for our company.

With that, I would request the moderator to please open the floor for questions. Happy to interact with you and take any questions that you guys have. Thank you.

Moderator: Thank you very much. Ladies and gentlemen, we will now begin the question-and-answer session.

Gokul M. Jaykrishna: If you could give me a minute, just want to say a couple of words before the Q&A starts. So ladies and gentlemen, thank you for being on the call today. You have already heard our CEO Arjun speak about the H1 as well as the structural changes or improvements that we have undertaken. The balance

sheet, as he said, does get stronger quarter-on-quarter. As we deleverage and move towards '27, we would be substantially below 1x EBITDA in terms of total debt, that is long-term and short-term debt combined. And we would be probably about 0.15x to 0.20x net worth to debt. So very lowly leveraged balance sheet, which gives us the opportunity and places us very beautifully for possibly doing any new business or capital allocation, but mindful of the fact that we would be doing it very carefully so that whatever we do, we will do with utmost regard for the return on capital employed on shareholder money that is deployed.

With that, we would like to open the session for Q&A.

Moderator: Thank you so much. First question is from the line of Yug Jain, an individual investor. Please go ahead.

Yug Jain: So, sir, my first question is on the FY '26 call, you said AZO utilization was about 65% and would reach 75% to 85% within 3 to 4 quarters. So like 2 quarters from there, where is the utilization till Q2 FY '27?

Arjun G. Jaykrishna: Yes, we are at around 70% right now, 70%-75%.

Yug Jain: 70%.

Arjun G. Jaykrishna: Yes.

Yug Jain: So the next thing is that as your revenue was about INR 17 crores to INR 19 crores in Q1 and INR 28.82 crores in Q2, you described Q1 as a timing effect from deferred purchases. How much of Q2 was catch-up of deferred Q1 orders rather than a new run rate? What is fair quarterly revenue base for AZO going into H2?

Arjun G. Jaykrishna: So exactly as you said, and this should be a, a more sustainable one. So it is not a one-time increase because of deferred orders. We are hopeful that we will be able to maintain a run rate similar to this, that we have this quarter.

Yug Jain: So third question is, FY '26, as AZO revenue was like INR 78 crores with a PBT loss of INR 2.42 crores and you guided to PBT breakeven in FY '27. Given that Q2 was below expectations and pricing remains tough, Is PBT breakeven for AZO in FY '27 still achievable or?

Arjun G. Jaykrishna: Yes, this is still our goal. It is achievable. We are working towards that. And as I said, we are hopeful that the second half of this year will have better performance than H1, and we hope to reach that milestone. As we had earlier mentioned, we strive to do.

Yug Jain: So briefly, can you just mention out what is the margin in AZO today and what would be the 2-3 specific levers to take it to the 13% around something?

Arjun G. Jaykrishna: I think that is a slightly complex question. I think we have dealt on it a little bit in the past as well. I think we are confident eventually profit reaching those levels. Right now, what is happening? I think it is a mix of two things. One is obviously that we are facing a lot of price pressure.

I think, globally, demand remains slightly lower at the moment and we are seeing a phenomenon where when we talk about Indian players, I think Sudarshan is obviously very clearly the market leader in AZO pigments. They have done very well. Similarly, we, Asahi is the market leader for the Blue. We have done very well, but the rest of the market for both has not done very well, including us in AZO. So there I think it is something seen overall by the industry as well when we look at the margins everyone's achieved.

For us, the goal is simple. It is to be able to achieve those margin levels, and we have to work on two things. One, as I said, we hope to open up stronger, larger. And secondly, then we will need to be more efficient in production, cut our overheads wherever we can. That will come hand-in-hand as we grow in production as well, the reduction in cost per kg. So those two things combined would help us achieve, I think, the margins that we had stated. And we continue to remain optimistic we will have in the future on the longer term.

Yug Jain: Sir, you said a meaningful AZO line addition would need about INR 10 crores to INR 15 crores and lift capacity about 1.5 tons to be triggered at 85% utilization. With deleveraging ahead of plan, would you bring this CAPEX forward or wait for the utilization to get there first?

Arjun G. Jaykrishna: So, I think, as our managing director has said, I think we mentioned new growth opportunities and that is something we will actively look at. But overall as a company, I think we have the mandate from him to be very mindful of any CAPEX we do, even if they may be small in perspective of the company. So, we are evaluating everything.

I think we constantly evaluate this question as we reach these utilization levels. It is always a question in our mind, but we want to make sure that we are only doing any CAPEX when it is thoroughly justified and very clearly identifiable as a good use of available money which we have from all investors.

So, we will continue to keep evaluating that. As and when we see the right opportunities, and as and when we see there is merit in increasing capacities, we will make sure to do that expansion. And whenever we do, we are extremely confident that there the return on investment will be much better because at a very minimal CAPEX, we will be extracting good additional profit. We are mindful of that, waiting for that, and when the opportunity presents, we will be ready to make that small CAPEX and try to leverage the benefits of reaching that quantity milestone.

Yug Jain: Sir, just a last question. I read somewhere that the Chinese pigment prices rose about 30% to 40% earlier this year. So, has the price gap held and has it helped AZO win share from Chinese suppliers, or has Chinese pricing softened again?

Arjun G. Jaykrishna: So that is a very good question actually, and I think what you mentioned, I think, prices have increased, raw material prices have increased for Indian producers as well. I think to answer your question a little more clearly, we are seeing off late, I would not say start of the year. I think those things are

relatively seen the same way in India. But currently we are seeing an increase given by Chinese suppliers, which is not really very common for them to do. Even in increases, they usually absorb it and keep the same price. So right now that is there, and that is the opportunity we are using as well to work with several customers and hope to expedite testing and approvals in an attempt that we will be able to be more competitive. And it also gives us hope.

I think our original strategy of China Plus One has not really played out yet, but it is something we still do have in our mind with the dominance they have globally and the disruptions that are there. That is something that we hope will play out at some point. Within India, when we talk, the run rate we are going at, we are almost barring Sudarshan and one or two players who are extremely large in the AZO, the bulk of the market is now at the same volume as us.

We have operated for the last five years while several companies have been there for three decades. So we have grown finally that we are the fastest grown AZO Company in India by far in terms of volume per year. But the financial performance clearly is not where we want, but these are a few things that I identified earlier to you, clear ways for us to get there. And we hope that the Chinese increase in raw material prices would sustain and is passed on so that we get a better opportunity in our global pricing as well.

Moderator: Next question is from the line of Preet Nagarsheth from Wealth Finvisor. Please go ahead.

Preet Nagarsheth: Sir, my question is that the profitability from a quarter-to-quarter basis over the last 4 or 5 quarters is all over the place, from very low profitability, say, Q3 last year, to extremely high profitability in Q1 and then slight subdued one in Q2, but still far better. I think, would you be able to help us get a sense of the overall top line and blended EBITDA margins that we can expect considering all your 3 businesses put together, so that at least we have a sense of what to expect quarter by quarter?

Arjun G. Jaykrishna: Yes, so I will let our Managing Director answer that question. Just really quick, I think in terms of what you mentioned, agreed, I think there has been, when you talk about last 4 quarters, I think Q3 last year was not a good quarter for us. However, Q4 was much better, Q1 was very good, and Q2 continues to be very good as well.

So the last 3 quarters we have had improved performance. And the fact is that as we have mentioned in previous calls as well, I think different things can be attributed to performances in each quarter. But overall, there is a lot of structural change that ensures that a lot of the gain we have made over this half year as well as in Q4 last year is all things we have been working on for a while and we hope are structurally gonna keep helping us in the coming time as well.

And Q3, as I mentioned in this commentary as well, structurally has always been, if you look at many years, a little bit subdued in terms of demand and hence performance. And similarly, this year it continues to remain. The demand cycle globally just is like that towards the end of the year. But overall, in terms of talking about the full financial year, as I have said, I think we are confident of a lot of the changes made to be structural and we will continue to have similar performances over the next few years.

And EBITDA margin, I think, as we said, 13 to 15 is sustainable for the Blue business. For the other two, I think we have just turned EBITDA positive and cash positive. And there we will continue to grow our EBITDA margins. We will continue to keep pushing towards a similar number. But there it will be structured growth, not something we can expect immediately in the next month.

Preet Nagarsheth: Sorry, but Arjun, just to summarize what you are saying is that, so should we expect something on a blended basis for the entire business, say, somewhere around 10%-11% EBITDA? Is that something that is sustainable quarter-on-quarter?

Gokul M. Jaykrishna: Yes. I think that on a group level basis, consolidated basis, what you said, 10%-11% should be definitely sustainable. However, that would not be our internal aim. We would internally aim for a group-level EBITDA sustainability to be around 13%. That would be our aim.

Other than that, Arjun has, I think, answered the question quite deeply and well. The only thing I would add is that I would encourage everyone to look at the results on quarterly basis compared to the quarter of the previous year, not the last quarter, because in our business, as Arjun said, Q3 is normally the weakest of the quarter. Q4 is very, very strong, and it's best to compare to the same quarter previous year than the last quarter. Even on a weak Q3 basis, it will be much better than the Q3 numbers of last financial year. So in that sense, the bottom line I would like to answer is that the sustainability of some improvement in EBITDA should be continuing.

Moderator: Next question is from the line of Aditya Baid, an individual investor. Please go ahead.

Aditya Baid: Sir, the first question is, the Q1 press release said that API realizations rose for the first time in a long period, but the Q2 press release says that price pressure has kept performance subdued. So, did the pregabalin prices fall again in Q2 after recovering about 15% from the bottom?

Arjun G. Jaykrishna: Yes, I think that's a good observation. And exactly as you said, I think we saw a little better realization in Q1, hence you can see the better financial performance. Once again we saw again a little bit of a tough market in Q2, hence our performance went a little bit down. But here, as I said, we are clear and confident that realizations would improve a bit in H2, and we as well continue to increase our volumes and continue to show volume growth along with those realizations to have a better H2 performance than H1.

Gokul M. Jaykrishna: I would just like to add the pricing part of it. Again, in the API business, it i's not ideal to look at the average pricing on a quarterly basis because it does depend quite a bit on product as well as customer mix. So, what you observe

in Q2 compared to Q1, which is a reduction in overall pricing, may not be reflecting the absolute picture.

So, to answer your question, is there a 15% drop? No, I don't think so. You will see that in Q3 that the realizations would show improvement. So that is because of the customer and product mix changes.

Aditya Baid: And also, sir, in the Q4 FY '26 call, it was mentioned that you guys are confident about the Pregabalin CEP by the end of FY27. So what is the status there? Has the dossier been filed, and is March 2027 timeline intact?

Arjun G. Jaykrishna: Yes, absolutely. We are actually hopeful of earlier than that. Everything has been filed. There were studies they would like us to further work on, which was also done and filed. So, we are now just waiting for them. What we had given them is based on their average or routine timelines, we have completed everything a few months back, and we are hopeful even earlier than that we get the approval. Definitely by March we are expecting.

Aditya Baid: I will rejoin the queue.

Moderator: Next question is from the line of Gunit Singh from Counter Cyclical PMS. Please go ahead.

Gunit Singh: Can you help me with the volumes for all the 3 segments in Q2, and how do they compare year-on-year? How much volume growth did we see this quarter?

Maulik Shah: So in our Blue business we have H1 volume is 4,691 tons against the 4,190 tons previous year. And for the current quarter, we have a volume of 2,357 against 1,748 tons in last year Q2. For ATC business, we have volume of 915 tons for the current quarter as against 907 H1 for previous quarter. And for the Q2, we have 546 tons in current quarter as against the 497 tons in the previous quarter. And for API business, we have 196 tons for the current H1 as against 149 tons against previous H1, and for the current quarter Q2, we have a 99 ton in current quarter against the 78 ton in the previous quarter.

Moderator: Next question is from the line of Shikha, an individual investor. Please go ahead.

Shikha: So the press release says you are evaluating opportunities for the group's next phase of growth. Should we read that as acquisitions or a new plant or capacity expansion in an existing business, or will it be in pigments only, or you will diversify?

Arjun G. Jaykrishna: Can you repeat the question?

Shikha: So the press release says you are evaluating opportunities for the group's next phase of growth. So, should we read that as acquisitions or capacity expansion in the existing business, or will it be in pigments only, or you will diversify?

Gokul M. Jaykrishna: A very good question. So, what we are communicating clearly is that the company is deleveraging and putting itself in a very good position to grow further. We definitely have a young team at the leadership level as well and renewed vigor in the company. And over the next 3 to 5 years, we would want to significantly grow our business.

Where we will allocate this capital, as Arjun has already stated previously in the call, is not at all decided. So we would not be in a position to comment on that. It could be a possibility of acquisition. It could be possibility of putting up a Greenfield project, and it could also be possible that we look at if the opportunity presents something more attractive, which is higher on return on capital employed.

So, I would not be able to answer that question because we don't know ourselves. However, all these 3 possibilities are and will remain under consideration till we come up with various options and then are able to choose a good option for capital allocation in the best interest of shareholder wealth.

Shikha: Also another question. So in the last call, you set a goal of INR 1,000 crore revenue in a few years. So H1 annualizes to about INR 780 crore. How do you bridge the remaining gap through existing assets debottlenecking or new capacity or acquisition?

Gokul M. Jaykrishna: So we came to an end of a CAPEX cycle where we leveraged significantly a couple of years, 3 years back. And since we have been generating free cash and deleveraging, this cycle continues. And to reach the goal of INR 900 crores - INR 1,000 crores, as was stated in the previous call, over the next few years would not require significant capital allocation.

I am saying this because we have underutilized capacities in our API facility. The intermediate facility at the new Greenfield plant is working at higher capacity levels, but the API capacity at Atlas's new Greenfield plant in Chhatral is working below 50% I believe, if I am not wrong, even closer to 40% of utilization leaving significant room for improving.

And even in the AZO Dahej plant, there is improvement from moving from 70%-75% utilization, as Arjun has stated so far, to moving to 85% or even 90%. And then at both Atlas and Chhatral, the way we have designed both the units, both the greenfield units that we put up for the AZO plant in Dahej and the Chhatral API plant of Atlas, these units have already, we have already incurred the CAPEX for construction and building for a much larger capacity.

So whenever the next phase of small capital allocation to increase capacities here would be done, the investment-to-turnover ratio would be significantly higher than our group-level ratio or the first-stage ratio, which, of course, was significantly lower.

Shikha: So yes, that's it from my end.

Gokul M. Jaykrishna: Nice question.

Moderator: Next question is from the line of Sajal Vats from Green Portfolio Private Limited. Please go ahead.

Sajal Vats: I just wanted to understand the current volumes and utilization at our AZO and API plants the capacity utilization levels basically at both the plants of API and the AZO pigment plant.

Arjun G. Jaykrishna: I think we already shared earlier. I think the AZO pigment is somewhere around 70%-75%, and the API plant, our Odhav facility, is almost working at full, I would say, 95% utilization. And our Chhatral Greenfield facility, as our MD just said, I think the intermediate facility has better utilization because the APIs sales and--

So I think I will just continue. [**Inaudible** 00:41:47] facility near full percentage, 95% utilization. And Chhatral facility, as our MD said, I think the intermediate facility is utilized a little more because we are fully backward integrated and for our key molecule and now not reliant on any outside party. Our facility is utilized at Chhatra only around 40%, so there is a lot of room for improvement utilization over there, and we are working towards that to see how we improve our utilization levels.

Sajal Vats: Noted. Sir, I just wanted to understand also the long-term rationale of owning the API business along with long-standing pigment business. So I just want to understand what has been the vision for the API business, and after starting it, what insights we get, what new enlightenment and insights and learnings we got after starting the commercial production in the API business for the last 2-3 years. So just wanted to understand the long-term rationale, the two different types of business, the pigment and the API business together.

Arjun G. Jaykrishna: I think that is a good question. I think, to answer that, I will start by just giving the reasoning for the API business. I think the business remains a mainstay and continues to remain the integral part of our company's earnings as well as operations. However, we wanted to have an opportunity to diversify and enter a field where the opportunity for growth is extremely large, and I think API and pharmaceuticals very much fit that space.

I think talking about the pharma industry in general, it is very huge, and India is extremely dominant, I think, in formulations and pharma, in generic drugs,

and India continues to be dominant in formulations. Yet APIs, there are several where India is still reliant on outside countries like China. So there is further room and a huge opportunity in the API space. That is our justification reason to get into it.

Second question, I think there are some things we have highlighted that we have done well. I think in API where increasing volumes is not very easy because of long lead times, legislations, basically anything that intended for human consumption require a lot of testing and approvals to go through is something we have learned, which is much more than things like pigments. So we have learned the difference in industry in that sense.

And second, I think we learned as a company, as I said, as well as MD said, we now want to be even more thorough in our planning before we enter into any new business, and we will make sure that next time we do that so we can have better and faster return for everyone involved in the company.

But I think the diversification to API is justified. We are now starting to run, and we will see in this full year as well the earning capabilities of, of the company as we have right now. And this will continue to get better, and we continue to work towards the higher volumes and higher sales as we have done for the past 3 years in the coming years as well. Coupled with good market conditions, we will be able to deliver a strong performance in the API vertical and it will be our avenue for growth.

As our MD said, there is a lot of utilization left. Current companies to grow to INR 1,000 crore, this would be one of the key driving factors there, and we are confident that in the talking of the next several years, it will become a key contributor to the company on a consol basis.

Sajal Vats: Just the last question regarding this. Are we working upon getting some approvals in the semi-regulated or regulated markets to improve pricing and margins in the API business?

Arjun G. Jaykrishna: Yes, definitely. I think there as well, the goal remains that, I think, one of the key things for that will be the CEP has to open several doors in not only Europe, which is the body that gives the certification, but several other countries, several semi-regulated countries where they can buy based on the CEP certification. So as we get that by the end of this year, as we highlighted earlier in the call, we are hoping to get it by March. So, we are confident that this will help us drive not only a little bit of incremental volume growth but add to the bottom line with improved pricing for that additional business as well.

Moderator: Next question is from the line of Niraj K from NMDT Family Office. Please go ahead.

Niraj K: So my question was on the growth plan or the growth. How do we basically look at the growth for the company for the next couple of years? Is it something that we are expecting or we are targeting a 20%-25% growth rate over the next couple of years? What is it? What is the overall plan from a growth perspective?

Arjun G. Jaykrishna: I think we are looking to do two things. One is obviously you know, the 3 things rather. One is our core business to continue to make sure that we work behind the scenes to make it sustainably in the margin profile that we want. And we are hopeful of being able to maintain and continue to do that. This is not really growth, it will help us continue doing well.

Second thing is increasing utilization and improving performances in our subsidiaries. I think while we have been slow, I think, as we discussed now, both are EBITDA positive and both are cash positive as well. We are working on that and have them to be meaningful contributors to top line as well as bottom line in the next few years.

And third, I think as our balance sheet continues to get stronger, as I said, it is the strongest it's ever been, debt levels are reducing at a rate faster than we would have expected as well in the core business, and we will continue to do that. And look, now we are actively working on opportunities for where we

can deploy that capital and continue our growth story and be able to grow much faster than we have in the past, but this time structured and in a more well-planned and executed way with our next investment.

Niraj K: My next question was, if I look at, compare my half-year Financial Year '26 versus '27, we have grown by almost 44% over year. So, is it the same growth rate that we can expect for the second half of this particular year? And if we basically extrapolate that particular thing, then is it that by next year, maybe by Financial Year '28, is it something that the INR 1,000 crore revenue is achievable?

Arjun G. Jaykrishna: So if I understand right, you are asking if in H2 we will have a similar percentage increase to last year's H2. Is that correct?

Niraj K: Yes.

Arjun G. Jaykrishna: Difficult to say exactly, but yes, we will definitely have an improved performance to last H2. I think a lot of the structural changes we described are in effect, and you will see that in the coming two quarters as well. And as we said, not only this year, but it is more sustainable. So it is not just for a few months. I think next year as well we will continue to have those structural benefits continue to give us, we maintain performance from our core business while the two new businesses should add more. So, we are hopeful that in the next 2 years we would breach that INR 1,000 crore mark.

Niraj K: And just one more question is basically on the pigment prices. So this pigment price is currently sustainable you feel across for the next at least for half year going ahead, the current pigment prices whatever are currently being done or quoted in the market?

Arjun G. Jaykrishna: This I think is just a very tough question to answer. I don't think anyone can answer.

Niraj K: I know. I am just asking you because you have been there in the market for such a long time.

Arjun G. Jaykrishna: No, no, fair, but very honestly, I think neither us nor pigment giant like Sudarshan can really answer that even for next week. I think a lot of it is basically dependent on external factors. Then this I am [**Inaudible** 00:51:27]. In terms of realizations and in terms of what we can achieve in terms of performance, we can say sustainably that we can do it. As I said, the pigment margins will be sustained long term, but prices, even one week, I can't tell. If tomorrow something new happens, the prices will change, but that will not affect or should not affect our realizations.

We are confident that the margins we aim to get would be sustained through bad periods and good ones. So, over the next few years, that margin profile will be sustained. But pricing, even for next year, it is not feasible to comment because a lot of it is dependent on outside factors.

Gokul M. Jaykrishna: I will just add to this. Basically, at group level, at Asahi, we have a basic thinking that we would not worry about volatility. In fact, at a group level, we like volatility. So, whatever brings volatility in business, whether it is war or other outside circumstances which are not in our control, we are happy to deal with it.

Historically, we have seen that as a group level, we have and you can see it too, that Asahi has done better than competition, and actually done better than its own average during volatile times.

So we don't fear volatile times, but like Arjun said, price and turnover depends on price, and price is something that could go up and down with the volatility. We wouldn't worry about it. We would be more concentrated in terms of how to manage that volatility so that the margins remain within a band.

Niraj K: Just one more question if I can ask is on the raw material pricing. How is the trend going across? Because we had the benefit of the raw material in the first quarter when the prices were very, very low. Now, how is the trend across for the raw material prices?

Gokul M. Jaykrishna: So first quarter, yes, we have already commented earlier that we had a benefit of the raw material. But it was part of the reason, not the only reason. There were other reasons. But in the second quarter of the H2, there was no raw material benefits that occurred like in Q1, but we have been able to maintain a very good performance.

So the trend of raw material prices has been on the up move, which you have seen because of the war and uncertainties of war and various other circumstances geopolitically. So as of now, we have seen an uptrend in prices. Eventually there will be a downtrend as well.

And as I said, we would not worry about it. We would be very equipped and ready to meet those challenges. And if we do it right, as we did it right in the uptrend, on the downtrend also, we should be able to manage it better than the average. And that is the goal.

Niraj K: And normally we keep a 1-month inventory or something like that for our production?

Gokul M. Jaykrishna: So we do work on just-in-time inventory. So we do try and keep inventory levels lower than raw material inventory levels at about two weeks also, because as traditionally we have been as a company very strong at generating and managing cash and finances. And one of the ways we do it is through strict inventory controls, and we can afford to do that because of our fantastic supplier relationships. And that is why in volatile times we do better because our relationships with suppliers are the best in the industry.

Niraj K: Nothing further from my side.

Moderator: Next question is from the line of Janesh Shah, an individual investor. Please go ahead.

Janesh Shah: I just have a couple of questions for one, on the profitability, I think we are already on a run rate which is exhibiting about INR 100 crore kind of an EBITDA. Is this the sustainable number which we can continue to see going ahead, even as you have been alluding that the H2 should be better and

generally the trend has been to extract more from the existing capacities. So, is that something which is a milestone which we are already there for delivering that INR 100 crore sustainable EBITDA?

And second is same on the cash flow. Related to that, there is a cash flow. It is already showing that there's been a significant or an acceleration reduction in the debt. It looks like with the same pace, the next year, the company should be a net cash company. So, is that assessment correct in terms of understanding?

And the second question is that you mentioned that the uncertainty in the global market, basically the supply chain disruption, also help you fill some of the spaces. Is that a tactical kind of an increase in the revenue which you saw because of this supply chain disruption, or these are permanent customer wins or the volume wins which you had in the first half which is going to sustain going ahead in next second half and also going ahead in next few years? If you can just give some more color on this disruptive part also, how is it helping you in that?

Arjun G. Jaykrishna: So just quickly, the first question, I think, I will clarify again. I have said the H2 performance will be better for Atlas as well as for the AZO business than H1. I think half year-on-half year and quarter-on-quarter, we will improve on all our businesses and overall consol level. But what I mentioned of H2 being better is for our two subsidiaries. In terms of overall EBITDA and overall long-term achievable goals year-on-year, we have mentioned already the kind of percentages of EBITDA we are looking at, and we hope that we will be able to deliver on those.

In terms of the second question that you asked, and as our MD said, I think, volatile times, the opportunity for businesses, and historically, we have done well during COVID, during this war as well. I think because of that is one reason I think the volatility that has helped our performance as well as improvement in our relationship with key customers.

We were one of the few suppliers who throughout was able to deliver efficiently and was able to maintain production irrespective of what is going on in the market. That helps strengthen our customer ties, which will obviously help us long term. There is some part of it which can be attributed to these prices because of raw materials, but there is some genuine increase in volume as well that we saw, which we hope would be sustainable.

So, in terms of the revenue number, a lot of that depends on price. But in terms of sales and in terms of overall business, I think it's definitely put us in a stronger position. We have won with our key partners. They see the value of working with us as well as we see of supplying to them. And this is a mutually beneficial relationship that will continue despite once the turbulent times go away. And we hope that this will help us increase customer satisfaction, help maintain higher volumes, and be able to give a stronger year-on-year performance.

And in terms of where we want to reach, I think we have highlighted where we can reach with the current businesses and in terms of the debt question you asked, you are absolutely correct. If we go at this run rate, that would be the result. But we are hopeful that before we reach that level, we will identify and be able to seek out the right opportunity for our group for the next leg of growth. And, as I said, we are working on that in a structural manner, and we hope that in the coming months, we are able to identify and work on the right opportunity, at the point we will share when we know more as well.

Moderator: Next question is from the line of Praveen Sharma, an individual investor. Please go ahead.

Praveen Sharma: I think, first of all, heartiest congratulations on this hat-trick of good results, three consecutive quarters very good results. Hopefully, it will continue. And my question is first on the API. Post this CEP accreditation or certification, what kind of realization improve and margin improve? What is the total addressable market after this which we can target on Pregabalin? And what kind of margins and the revenue we can generate from there? And have we

started marketing activities? Because I am sure that that will also be long phase wherein customers will approve samples and things like that.

Arjun G. Jaykrishna: Yes, absolutely. I think to answer your second question first and move on to the first, I think the good part is, I think Atlas has been able to generate a very strong name in the Indian Pregabalin community. This has meant that most people are aware about the product we make.

I think that is one key thing that we will look to tap our existing goodwill in the Indian market to be able to tap as soon as we get CEP, which will be working with customers, high-level formulators who are exporting their formulations to countries like Europe, which require CEP certification. So for that discussions as well as things are routinely in place.

Over and above that, obviously, the general marketing and discussions with different people is something we continue to do. We hope that the CEP addition in the eventuality would help us increase the Pregabalin sales by 5%, and the bottom line would be a more substantial gain on a percentage point of view. I think we would be able to extract much better value for the CEP-grade business at only an incremental increase in the cost.

So the bottom line will definitely be that we are able to get this in March and then be able to work on getting the approvals done. I think here, as you rightly said, the way the business is structured, we cannot, no API of a pharma company can exchange even samples till a grade is CEP approved, they cannot take CEP samples for their product. So that work itself will start only once we get it. But discussions are in place, and we are confident that once we get it, we will be able to leverage existing relationships as well as start new relationships to get testing and approvals in place. And we are confident that this will help us in the top line, but more so the bottom line.

Praveen Sharma: Now second question is, we are at 40% utilization, so INR 75 crores is there. So I think we can generate INR 170 crores, INR 160 crores, INR 170 crores probably out of the existing facility. So, once this approval is there, is there any further roadblock which prevents us from actually exhausting this

particular capacity which we are having at a decent margin, which we earlier, when we did the backward integration, we were thinking that once we do that, we will have 12% to 15% kind of margins there. So, we will be able to reach that particular margin level and that kind of INR 150 crore top line once this approval is there?

Arjun G. Jaykrishna: Yes, when we get better utilizations, 100% we would be able to get those margin percentage numbers. That is our goal, and that we are confident of doing as utilization numbers become good from the Atlas subsidiary.

Praveen Sharma: And what is the total addressable market for Pregabalin in India and in that market which we are targeting after CEP approval? Just to understand, INR 150 crores will be how much of that universe?

Arjun G. Jaykrishna: Yes, so I think we will remain to be a very central part. I think the market for that is, it is a large molecule where there is a strong addressable market even in terms of growth. But to be able to fully utilize our plants, we will have to also be commercially active on other [**Inaudible** 01:06:09] we are working on, and we are open even to other discussions and things where we can manufacture products and sell it to Indian formulators.

So, we are working on several products. Hopefully, we are able to [**Inaudible** 01:06:29] Pregabalin volume growth with CEP and within India, but over and that work on other molecules as well to be able to get full utilization and get to the numbers that we have mentioned we want to.

Praveen Sharma: Those 8 to 10 products which we have mentioned in the presentation, Levosulpiride, Amisulpride, and Phenylephrine, those kind of products we are looking at, correct?

Arjun G. Jaykrishna: Yes. Correct.

Praveen Sharma: Now the second question is in the presentation, in the current Blue site, which is Padra, there it is mentioned that 25,000 square meters is the land available for further expansion, which is a huge chunk. So what are we planning there?

Is it, you know, further Blue expansion will come, or have we planned anything for that?

Arjun G. Jaykrishna: Not, right now no planning anything there. I think we are also using for us sustainability and greenery is very important. A lot of that land is green land, as we call it. So, we are maintaining as is right now. I think there we want to continue to push our [**Inaudible** 01:07:49] work on efficiencies, and be able to maintain stronger performance, even continue to slightly grow in our volumes and performance. But at the moment, no new CAPEX is planned there, and we will continue to keep and want to make sure that we have adequate sustainable and green space at our plant as well. So, we have a solar plant in-house, and we have some designated green areas that we want to keep as is at the moment.

Praveen Sharma: Okay. Because it was written that further available for further expansion.

Arjun G. Jaykrishna: Yes, it would be available, but right now we are not wanting to expand or put any new CAPEX over there.

Praveen Sharma: My last question is on AZO pigment. The way we have derived success in Blue, unfortunately we have not been able to get the similar success in AZO pigment. What are the roadblocks? One was sample approval because it is almost 3 to 4 years since we started commercial production and approval and things like that after COVID. So, I just wanted to understand, is the China plus One, is actually the plus one is going to Sudarshan? Or because we have the similar same customers would be there for AZO, correct? DIC, Sun, and others. What prevents us from scaling up AZO beyond the initial capacity which we had put up? What prevents us to go to 10,000 tons per annum? Because the market is very big. So this was my—

Gokul M. Jaykrishna: I'll take this. I can take this question. Praveen, The Azo business is very different from the Phthalo business, and your question is very valid. See, the couple of things in the Phthalo business, in the Blue business. One, there we are dominant players globally and we are the market leaders. So that puts us

in a very strong position vis-à-vis competition or anybody new coming in. It is very difficult or nearly impossible for them to compete with us.

Now, AZOs, we are new, so there is a learning curve. Like you said, yes, already been 3, 4 years, so we should have been there. Yes, that is true, but the enamel is completely different in the AZO side. There the Chinese players dominate the global market with about 70%-75% of global supply.

Blue, exactly the opposite, India dominates with about 75% or 70% of global blue supply. So the Chinese, China plus One thing has not played out, even Arjun referred to it earlier, as we had expected. Because for whatever reasons, Chinese companies became a little lax in compliance and other things because of these global uncertainties and tariffs that were struck by US. All of these side impacts were there on the China Plus One. It hasn't played out the way it is. So none of the Indian companies have been able to, in the AZO space play the China Plus One yet.

However, that always remains an open card. I would not like to comment too much on it, but at some point, even if a small fraction of the Chinese business, for geopolitical reasons, price reasons, or compliance reasons, if even 5%-10% of the business moves, it will probably move only to India. This is sure, because the only second alternative to China is India. Though we are including Sudarshan's dominance, we are totally only 10% of the global market, about, give or take. So the chance of, if 5% or 10% moves away from China, our business in India for AZOs, our India's AZO business could double, and that could create opportunities. But that has not played out. So it would be, we need to be patient and just wait ourselves out. And if we do it with fiscal prudence, which we are always comfortable doing, we should at some point get some reward for this.

Praveen Sharma: My only submission is, we have 51% stake and TTC has 49%. Can we look at buying out their stake? Because at the end of the day, I don't know what value they are bringing onto the table, that you can lighten us, because we are doing hard work, land and everything, and 50% goes to them once consolidated

numbers are created. So, are we looking at that? Or it is just [**Inaudible** 01:12:40]?

Gokul M. Jaykrishna: So to be honest, TTC has been a very good partner, and they have put money also behind the thing. As I said, the AZO business in India hasn't panned out the China Plus One hasn't panned out. So I think from a partner's point of view, we are both very happy. They are very happy with Asahi, Asahi is very happy with TTC, and there could be possibility, given the reputation and business of TTC, to do further business with them as well. So no, we don't have any such plans of buying them out or anything right now.

And in terms of bringing value to our business, they are an important customer. So in exports, they are currently our number one export customer. So in that sense, there is value. Also being the top export customer so far, there is a lot of learning that we take from their needs and technical capabilities, which would put us in a good position to go and deliver these AZO products to the other companies that you mentioned with whom we do business and have great relationships.

Moderator: Thank you. Ladies and gentlemen, that was the last question for today. I now like to hand the conference over to Mr. Gokul Jaykrishna for closing comments.

Gokul M. Jaykrishna: Arjun will give the closing comments.

Arjun G. Jaykrishna: Thank you. I would like to thank you all for joining us this evening, and thank you for your questions and your continued interest in Asahi Songwon. If any of you have any further questions, please feel free to reach out to our investor relations team at TIL Advisors or to Mr. Saji Joseph. Thank you once again and hope you all have a great evening.