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BSE Limited (BSE) Department of Corporate services Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400001	National Stock Exchange of India Limited (NSE) Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai – 400051
Scrip Code: 500136	Symbol: ESTER

Subject: Transcript of the Earnings call held on 15th May 2026

Dear Sir/Madam,

In continuation of our letter dated 15th May 2026 regarding Audio recording of Earnings call for Investors and Analysts and pursuant to Regulation 30 read with Part A of schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the transcript of the said Earnings call is enclosed herewith and is also available on the website of the company at the following link- [Institutional and analyst meeting – ester Industries](#)

Please take the same on your records.

**Thanking you,
Yours faithfully,
For Ester Industries Limited**

**Poornima Gupta
Company Secretary & Compliance Officer
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Encl: As above

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“Ester Industries Limited
Q4 and FY26 Earnings Conference Call”

May 15, 2026



MANAGEMENT: **MR. VAIBHAV JHA – CHIEF EXECUTIVE OFFICER –
ESTER INDUSTRIES LIMITED**
**MR. PRADEEP RUSTAGI – EXECUTIVE DIRECTOR,
CORPORATE AFFAIRS – ESTER INDUSTRIES LIMITED**
**MR. SOURABH AGARWAL – CHIEF FINANCIAL
OFFICER – ESTER INDUSTRIES LIMITED**

MODERATOR: **MR. AMIT SHARMA – ADFACTORS PR INVESTOR
RELATIONS**



Moderator: Ladies and gentlemen, good day, and welcome to the Ester Industries Limited Q4 and FY26 Earnings Conference Call, hosted by AdFactors PR. As a reminder, all participant lines will be in listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touch-tone phone.

I now hand the conference to Mr. Amit Sharma from Adfactors PR. Thank you, and over to you, sir.

Amit Sharma: Thank you, Riya, and good afternoon, everybody, and a very warm welcome to you all. Thank you, everyone, for participating in the earnings call of Ester Industries Limited for the fourth quarter and full year ended 31st March 2026. On the call today with us, we have Mr. Vaibhav Jha, CEO; Mr. Pradeep Rustagi, Executive Director, Corporate Affairs; and Mr. Sourabh Agarwal, CFO of the company. The management will take us through the operational and financial performance for the quarter and full year gone by, following which we will open the forum for the Q&A.

Before we begin, please note that this conference call may contain forward-looking statements about the company, which are based on the beliefs, opinions and expectations of the company as on the date of this call. The statements are not a guarantee for future performance and involve risks and uncertainties that are difficult to predict.

I now request Mr. Vaibhav Jha to take us through the company's performance. Thank you, and over to you, sir.

Vaibhav Jha: Thank you, Amit. Thank you, everyone, for joining us. I will briefly talk about the key business developments for Q4 and full year FY26, post which Sourabh will walk you through our financial performance.

The quarter ended March 31, 2026, marked a meaningful inflection point for the company. The major headwinds that weighed on business segments through much of FY26 were aggressive price competition in BOPET films from Chinese dumping and disruption caused by imposition of U.S. trade tariffs, both of these factors adversely affecting performance of BOPET films. Both these factors have now undergone a significant degree of moderation.

On the trade tariff front, the reciprocal and punitive trade tariff imposed by USA government has been rejected by Supreme Court of USA. However, the USA government has now imposed a global tariff of 10%. Even global tariff of 10% has been challenged in the courts and the matter is sub judice. This development has meaningfully stabilized export dynamics for Indian manufacturers, including us.

On the domestic front, the Directorate General of Trade Remedies, DGTR, has imposed antidumping duties on BOPET film imports from China and certain other countries. Formal imposition by the Ministry of Finance is expected in due course for this to take effect. This measure is set to establish a more balanced competitive landscape and deliver sustained relief to Indian producers.



Domestic and export BOPET film industry witnessed margin expansion during the last quarter, which is Q4 FY26. This was due to increase in global prices on account of higher prices being charged by Chinese producers, also because of the inflationary geopolitical situation since last 2 to 3 months and also the depreciation of rupee. This development has significantly enhanced the competitiveness of Indian BOPET film players, including ourselves, and we intend to leverage this opportunity proactively.

The ongoing conflict in West Asia has kept crude oil prices elevated and volatile, contributing to a firmer raw material cost environment during the quarter. We continue to monitor this closely and manage our procurement accordingly.

On the regulatory front, the implementation of Plastic Waste Management Rules, PWMR, with effect from 1st April 2025, continues to drive structural demand growth for sustainable BOPET film solution. The mandate requires 10% PCR content in flexible packaging in FY26 and '27, and this increases further to 20% in the subsequent years of FY28 and FY29. The company is actively collaborating with leading players of the ecosystem and partnering with them to capture this opportunity.

Now coming to the Polyester Films segment performance. On a consolidated basis, the films segment revenue for Q4 FY26 stood at INR321 crores, reflecting year-on-year growth of 14.9%, with film volumes at 19,656 metric tons. The volume is an increase of 2.3% on Y-o-Y basis. For the full year FY26, film volumes increased 5.1% year-on-year to 80,517 metric tons. Consolidated capacity utilization for Q4 FY26 stood at approximately 78% with Ester Filmtech operating at 85% and Ester Industries at 72%.

The company continues to focus on value-added and specialty products to reduce the cyclicality in the film business. The volume of VAS products stood at 25% of total sales volume in FY26. In volumetric terms, the growth in VAS products was 14.5% despite adverse effect of USA volume loss partially due to the trade tariffs.

Chips revenue during the year grew approximately 2.2x year-on-year to INR65.7 crores, driven by higher third-party sales volume. Segment EBIT for Q4 FY26 stood at INR42 crores, representing a robust 73% year-on-year improvement, with EBIT margins expanding by 440 basis points to 13%, a clear demonstration of recovery as the impact of prior headwinds progressively moderates.

The Specialty Polymers segment continues to serve as a mitigation against cyclicality in film segment. In Q4 FY26, sales volume stood at 658 metric tons. For the full year FY26, Specialty Polymers sales volume grew 21% year-on-year to 3,836 metric tons, with segment revenue growing 16% year-on-year to INR179.3 crores from INR155.2 crores in FY25. Segment EBIT for FY26 stood at INR58.7 crores with healthy EBIT margins of 32.7%, primarily supported by strong IP protection for certain marquee products.

While Q4 FY26 saw some volume moderation in our core specialty products, other value-added Specialty Polymers products witnessed strong traction with meaningful higher volumes. Supported by our R&D pipeline, strong human capital and focused marketing, we remain



confident of delivering good growth in this segment. Concerted efforts are being made in product development and customer acquisition across geographies, and this is likely to result in growth in the business in coming times.

Recycled PET performance has been one of the most compelling growth stories within our portfolio. We have been able to rapidly scale the recycled PET business with rPET volumes surging 126% year-on-year in Q4 FY26 to 1,677 metric tons. For the full year FY26, rPET volume grew approximately 258% year-on-year to 5,325 metric tons, and rPET revenue surged 3.7x year-on-year to INR59.3 crores from INR16.2 crores in FY25. This reflected both rising demand for sustainable packaging solutions and our rapidly expanding manufacturing capabilities.

The implementation of Plastic Waste Management Rule with effect from 1st April 2025, which mandated 30% PCR content in rigid packaging, continues to drive structural growth for rPET demand. We have commissioned a state-of-the-art rPET extruder in Hyderabad with a capacity of 20,000 metric tons per annum.

This extruder is going to generate value as the demand for usage of rPET increases in BOPET films due to implementation of PWMR rules. It positions us to vertically integrate this important capability to cater to the upcoming ramp-up in PCR film demand as well as create revenue generation opportunities through sale of film-grade rPET and textile-grade rPET.

Ester Filmtech delivered an impressive performance during the Q4 FY26. Capacity utilization reached 85% in Q4 FY26 compared to 59% in Q4 FY25. Total income surged 67.7% year-on-year to INR131.7 crores, driven by 53.3% growth in sales volume. EBITDA, excluding MTM and reinstatement losses on foreign currency term loan, for Q4 FY26 stood at INR24.6 crores, a significant improvement year-on-year, reflecting the combined impact of higher volumes, larger proportion of VAS products, improved realizations and operating leverage.

Turning to our pathbreaking chemical recycling of polyester textile waste initiative through our 50-50 joint venture, Ester Loop Infinite Technologies Limited. All project-related activities are being pursued diligently. Land acquisition for the project is under progress. Following the completion of front-end engineering and design study by Tata Consulting Engineers, we have engaged Toyo Engineering, a globally recognized detailed engineering firm, as our engineering consultant. This represents the final engineering phase ahead of commencement of construction.

The European Union's Ecodesign for Sustainable Product Regulation, or ESPR, stipulating mandatory collection of textile waste, destruction of unsold apparel, shoes and finalizing specific recycled content percentages for garment with provision for payment of fees for all noncompliant fashion brands is expected to trigger growth in demand for T2T recycled PET by end of calendar 2028.

This will provide a significant structural boost to demand for products that ELITE will be uniquely positioned to deliver globally. ELITE's facility will enable global brands, including our anchor customer like Nike to achieve their sustainability targets by establishing complete circularity in the polyester textile-to-textile value chain.



We are pleased to report that subsequent to balance sheet date, the company has successfully secured INR165.25 crores against its INR175 crores share warrant issue. This substantial capital infusion underscores the deep confidence our promoters and investors place in the company's long-term value proposition and growth trajectory.

In summary, we believe BOPET Film segment has now emerged from the bottom of the cycle with antidumping duties that are soon expected to be notified by customs, we expect meaningful margin improvement in FY27 and beyond.

The convergence of growing Polyester Film demand, IP-protected Specialty Polymer products, a rapidly scaling rPET business and the transformative ELITE project advancing, albeit with some delays, gives us confidence in continued and incremental value creation for our stakeholders.

We remain committed to driving sustainable and profitable growth, advancing our circular economy vision, investing in operational excellence and R&D and delivering long-term value to all our stakeholders. We look forward to a significantly stronger FY27.

I will now hand over to Sourabh to walk you through our financial performance. Over to you, Sourabh.

Sourabh Agarwal:

Thank you, Vaibhav. Good evening, everyone. Let me take you through our financial performance, after which we will open the floor for question and answer. First, I will talk about the stand-alone financial performance for quarter 4 FY26. On a stand-alone basis, the company reported total income of INR257.3 crores in quarter 4 FY26 with a marginal decline of 1.6% on a year-on-year basis, primarily on account of lower BOPET film volumes. However, domestic margins improved sequentially, supported by strong pricing discipline and a healthier product mix.

Stand-alone EBITDA for the quarter stood at INR25.6 crores with an EBITDA margin of 9.9%. Excluding mark-to-market and reinstatement loss of INR4.22 crores on foreign currency term loans, which are noncash in nature, adjusted EBITDA would have been at INR29.8 crores, representing adjusted EBITDA margin of 11.6% with adjusted cash profit of INR19.3 crores. Profit after tax for quarter 4 FY26 stood at INR4.4 crores with a PAT margin of 1.7% and an earnings per share of INR0.45 per share.

For the full year FY26, stand-alone total income stood at INR1,059.6 crores. Stand-alone EBITDA stood at INR85.9 crores at a margin of 8.1%. Adjusted for mark-to-market losses on foreign currency term loan, EBITDA would have been INR93.97 crores at a margin of 8.9%. Full year PAT stood at INR4.4 crores with a PAT margin of 0.4%. The Board of Directors have proposed a dividend of INR0.25 per share for FY26 to the shareholders of Ester Industries Limited.

Now I will talk about Ester Filmtech stand-alone performance. During quarter 4 FY26, Ester Filmtech witnessed a turnaround in operating and financial performance. Sales volume reached 9,886 metric tons, a year-on-year growth of 53.3%, while the total income rose 67.7% to



INR131.7 crores. Reported EBITDA stood at INR18.6 crores, while representing a 10x improvement over quarter 4 FY25 with an EBITDA margin of 14.1%.

Excluding mark-to-market and reinstatement losses on foreign currency term loan of INR6.02 crores, adjusted EBITDA would have been INR24.6 crores with an adjusted EBITDA margin of 18.7% and adjusted cash profit of INR17.3 crores. Profit after tax for quarter 4 FY26 recovered to INR4.3 crores compared to a loss of INR11.5 crores in quarter 4 FY25, a significant positive inflection.

For the full year FY26, Ester Filmtech recorded a total income of INR455.4 crores, growing at 29.3% year-on-year basis. Reported EBITDA for FY26 was INR27 crores, adjusted for total mark-to-market and reinstatement loss on foreign currency term loan of INR29.3 crores across the full year. Adjusted EBITDA would have been INR56.30 crores at a margin of 12.4%.

Ester Filmtech is entitled to some state-level subsidies. These subsidies will be accounted for as other income as and when it is received. Till March 2025, subsidy amounting to INR9.57 crores has been approved by the government. We are waiting for the final receipt of the amount. When received, it will boost the financial performance and liquidity position of Ester Filmtech. For the period beyond 31st March 2025, an application has already been submitted to the relevant industry department.

Now I'll talk about the consolidated financial performance for the quarter as well as the full year. At consolidated level, the total income for quarter 4 FY26 was INR345.1 crores, a year-on-year growth of 7.2%. Reported EBITDA was INR43.3 crores, which is 10.7% up on a year-on-year basis, with an EBITDA margin of 12.6%, an improvement of approximately 40 basis points over quarter 4 FY25.

Excluding mark-to-market and reinstatement losses of INR10.24 crores on foreign currency term loan, adjusted EBITDA would have been INR53.6 crores, implying an adjusted EBITDA margin of 15.5% with adjusted cash profit of INR35.8 crores. Consolidated profit after tax for quarter 4 FY26 recovered strongly to INR7.9 crores from INR2 crores in quarter 4 FY25.

Earnings per share for quarter 4 FY26 stood at INR0.81. The Board of Directors has proposed a dividend of INR0.25 per share for FY26 to the equity shareholders of Ester Industries, reflecting the company's improved financial position.

For the full year FY26, consolidated total income grew 7.2% to INR1,392.7 crores from INR1,299 crores in FY25. Reported EBITDA for the full year was INR110.6 crores at a margin of 7.9%. If we exclude the mark-to-market and reinstatement losses of INR37.4 crores on foreign currency term loans, adjusted EBITDA would have been INR147.9 crores at a margin of 10.6% with adjusted cash profit of INR79.8 crores.

At the full year consolidated level, the company reported a net loss of INR27.5 crores impacted primarily by cumulative noncash mark-to-market losses on foreign currency liabilities and onetime increase in gratuity and leave encashment liability of INR2.7 crores due to the implementation of new Labor Codes, which came in effect from 21st November 2025.



Now I will talk about the balance sheet and the liquidity. So as on 31st March 2026, consolidated equity stood at INR782.7 crores, bolstered by proceeds from share warrant issue. Total consolidated assets stood at INR1,673.9 crores. Closing cash and bank balance, including other bank balance, stood at INR104.9 crores, providing adequate liquidity coverage. Funds amounting to INR79.5 crores has been received against share warrants subsequent to the balance sheet date.

Both Ester Industries Limited and Ester Filmtech Limited have remained current on all term loan repayment as per the agreed schedule. Based on the expected improvement in the profitability as outlined by Vaibhav, combined with our available cash and bank balance and adequate working capital limit to support the budgeted FY27 operations, we remain confident of continued adherence to our repayment schedule going forward.

So as we close, overall quarter 4 FY26 represents a clear inflection point for Ester Industries. The moderation in key external headwinds, combined with our operational progress across all business segments positions the company well for a strong FY27. The investments we have made in operational excellence, including R&D, rPET and the ELITE chemical recycling for polyester waste project, are expected to translate into meaningful improvements in profitability in the year ahead.

That concludes our opening remarks. We can now commence the Q&A session. Thank you so much.

Moderator: Thank you very much. We will now begin the question-and-answer session. Anyone who wishes to ask a question may press * and 1 on their touch tone telephone, if you wish to remove yourself from the question queue, you may press * and 2. Participants are requested to use handset while asking a question. Ladies and Gentlemen, we will wait for a moment, while the question queue assembles, First question is from the line of Harshit Khadka from RoboCapital.

Harshit Khadka: Am I audible?

Pradeep Rustagi: Yes, yes.

Harshit Khadka: **Thank you for the opportunity**, Sir, I can see in the PPT that the full operational EBITDA is around 15% when we adjust for the MTM losses. So is it sustainable? Or what can be the steady EBITDA margins going forward?

Vaibhav Jha: Yes. So let me answer this. So 15.5% EBITDA without mark-to-market is because of the structural industry improvement that we have seen. Now whether it will be 15% or lower than 15% will depend on the prevailing market conditions. But I think what we can be assured of is that the EBITDA margins are going to be far better than what we had seen, say, on an average over the last 12 months or 15 months.

Harshit Khadka: This is in FY27 or in FY28 as well



- Vaibhav Jha:** Our take is that when we look at the global supply-demand dynamics and the domestic supply-demand dynamics, we see that the sustenance of BOPET margins is going to continue for around 18 to 24 months at least.
- Harshit Khadka:** Right. I Understood. And, sir, my second question is regarding our ELITE JV. So what kind of numbers are we expecting in FY27?
- Pradeep Rustagi:** So ELITE is going to be operational by end of calendar '28. So in FY27, there is not going to be any impact in the profit and loss account of the company due to ELITE operations. It will be still a company where the project is under implementation.
- Harshit Khadka:** Right. Understood. So sir, what can be the peak revenue and PAT, let's say, 3 to 4 years going forward, once it is operational after FY28?
- Pradeep Rustagi:** So in the -- when the first phase is completed, which is about 70,000 tonnes of recycled material, we are looking at close to \$150 million revenue from operations at 100% capacity utilization.
- Harshit Khadka:** Right. And margins on that would be?
- Pradeep Rustagi:** It is already covered in the presentation. It will be in the range of 40% to 45% EBITDA margin, 40% to 45%.
- Harshit Khadka:** I understood, Thank you.
- Moderator:** Next question is from the line of Saransh Gupta from SVAN Investments. Please go ahead
- Saransh Gupta:** Hello sir, Thank you for the opportunity, am I audible?
- Sourabh Agarwal:** Yes, you are audible.
- Saransh Gupta:** Yeah, thank you sir and congratulations on a great set of numbers. Sir, I have a few questions. So first, I wanted to understand how...
- Pradeep Rustagi:** Saransh, if you can speak from the handset.
- Saransh Gupta:** Is it better now, sir? Hello?
- Sourabh Agarwal:** No, it is not very clearly audible.
- Saransh Gupta:** It is better now, sir?
- Sourabh Agarwal:** Now it is better, yes.
- Saransh Gupta:** Basically, I wanted to understand like how was the spread movement pre-war and post-war? Like, how did the demand and the spreads move in the industry for BOPET?
- Vaibhav Jha:** Sorry -- yes, so see, it's a very precise information you are asking pre-war, post-war. So indeed, there was an improvement in spread after the war because the global supply chain got disrupted and imports into India or anywhere else in the world became more expensive. So there was an



improvement in spread post war, but it will be difficult at this point of time to give you a precise number on pre-war and post-war spread because war started on some date in midst of a month, right? So to give you a precise number, we'll have to do a lot of number crunching to come to that.

Saransh Gupta: So sir, if not a precise number, but can you help us what was the average spread that we got in Q4? And what are the average spreads currently?

Vaibhav Jha: Right. So when it comes to spread, I think what we are talking about is what -- the way we look at the market is plain 12-micron VA, right? And what we have seen is that the average spread in Q4 was around INR32 to INR33 for 12-micron VA, right? And as we go into this quarter, we are expecting that the average for this quarter should be somewhere between INR30 to INR35 as well.

Saransh Gupta: Okay. So if you look on the quarter-on-quarter basis, there is not an improvement if you look at the current quarter?

Vaibhav Jha: Yes, we are expecting that similar VAs or -- I mean, the range I gave you, the VA should be there somewhere within that range.

Saransh Gupta: Right. So now if you look on the overall number basis, we have seen an improvement in the polyester film business substantially on a quarter-on-quarter basis. But at the same time, the Specialty Polymer business has seen a decline in the overall EBIT margin. So was it pertaining to the deferment in the shipment or a lower realization? How shall one look at it?

Vaibhav Jha: Yes. So there are 2 factors involved in Specialty Polymers margins. One is the cyclicity. The last quarter is generally lower because of the dynamics of the product that we sell. However, having said that, what we have been doing over the last 1 year is we have been developing and aggressively approaching the market with value-added products to build the operating leverage in this business.

And as a result of that, we are now selling and scaling up many products, which do not have as high a margin as the high specialty products, but have good margins, right, compared to the normal PET or other such products in the market. So as a result of which you would see that the EBIT percentage structurally may look a little lower than what we have been historically reporting.

Having said that, in last quarter, there was also an issue related to demand of one of our key specialty products. And we are trying to assess the situation and trying to figure out how this trend will look like going forward.

Saransh Gupta: So sir, now when you said that you are focusing more on the value-added product and which will give you a better operating leverage, but the new product will have a lower margin as compared to our existing product mix. So with the current 13% overall contribution from a Specialty Polymer to the revenue, what sort of contribution one can assume over the next 2 to 3 years? And what will be a steady-state margins once the new product comes in place?



Vaibhav Jha: See, I will just rephrase what I said. So we didn't mean to say we are not going to focus on high specialty products. Of course, those products remain in focus. But in order to improve the operating leverage, we are also going to focus now on VAP products because we have a large capacity. We are running a part of that capacity, and the rest of the capacity is not being utilized. So why not utilize that capacity as well to add to our cash flows. So that's the idea.

The idea is not to reduce the focus on high specialty. The high specialty products and even these VAP products are long gestation products. So these will take time to establish in the market, but we expect to see steady growth in this business. In terms of our expectation on the share, I think we are targeting that in next 2 to 3 years, this should reach somewhere between 20% to 25% or even slightly beyond that.

Saransh Gupta: Yes. And sir, when you indicated that one of your marquee products had a lower demand in this quarter due to which we had seen an overall blended realization for Specialty Polymer coming down. So what sorts of other products are we coming in to offset that? Or probably is there any chance that we'll see a revival in the demand of that particular product?

Vaibhav Jha: To be honest, we are still assessing the situation with respect to this product. So right now, it's not the right time to comment on what will it be. But apart from this, there are many other products which we are working on. There is a strong demand for specialty PET products originating from PCR. And this is a unique capability that we have within our portfolio, which is being sought after -- across the world. So we are leveraging on this theme.

We are also very strong in developing many resins related to BOPET film industry, which are basically specialty resins. So there also, we are trying to penetrate the market, not only in India, but across the globe. We have seen very strong response to those products. So these are the 2 key platforms on which we are playing. Apart from this, there are the established textile products and demand for new textile products, which we are seeing in the market and trying to capture those, leveraging our existing portfolio as well as some new products which we are developing.

Pradeep Rustagi: Saranshji, just to supplement what Vaibhav told you, while there may be -- the reasons have already been stated by Vaibhav why the volume in this quarter was lower. But if you look at the yearly growth in volume terms in Specialty Polymer, it's been significant. We have achieved growth of more than 20% in value terms and in volume terms. So quarter-to-quarter, there may be sort of variations. But on a yearly basis, you see consistent growth.

Saransh Gupta: Sure, sir. And Vaibhavji, is it possible to quantify the impact of the loss in demand of that particular product?

Vaibhav Jha: Like I said that we are still assessing the situation. And right now, we don't want to take a call on that until the situation becomes clear.

Saransh Gupta: And one question on the Loop, the previous participant, you indicated that once the land is acquired, it will take near about 2 years to complete the entire project. So is it fair to assume that the numbers will come from FY30?



- Pradeep Rustagi:** No. So the land acquisition is expected to be completed in the next few months. And therefore, we expect the commencement of operations by the last calendar quarter of '28.
- Saransh Gupta:** That means...
- Pradeep Rustagi:** For the first calendar quarter of '29.
- Saransh Gupta:** Okay. That means you are talking about the Q4 of FY29 where you commence the production. So in the trial run and everything, so major benefit, one should assume from FY30 onwards only?
- Pradeep Rustagi:** Yes, you are right.
- Saransh Gupta:** Okay sir, that's all from my side as of now, if there any further question, I will come back in queue. Thank you.
- Moderator:** **Thank you.** Next question is from the line of Saket Kapoor from Kapoor & Company. Please go ahead.
- Saket Kapoor:** I hope I'm audible now.
- Pradeep Rustagi:** Yes, you're audible.
- Saket Kapoor:** Yes. Thank you for the opportunity, sir and congratulations to the entire team for posting strong set of operational and financial numbers. Sir, the opening remarks and also the comments on the results speaks about we are looking -- I'm just quoting, "The management remains highly optimistic regarding our medium- to long-term performance prospects."
- And as you were answering to the earlier participant that the spreads are in the vicinity to INR32 to INR35 per kg and we're moving to the premium segment also going ahead, are these factors that have enabled us to comment on being highly optimistic in a segment where things changes very widely, the swings are very wide? So, sir, what are the factors that have enabled you to comment on being highly optimistic in a segment where things changes very widely, the swings, so, what are the issue that are highly optimistic number and how can you relate to that?
- Vaibhav Jha:** Saketji, thank you for the question. See, industry structure, the way it is positioned right now, the Indian manufacturers are operating at an OR, operating rate, of 80%, and the upcoming demand, what we are seeing, is going to see a surge. So we expect the demand to grow in the rate of -- at the rate of 8% to 10% instead of 6% to 8% that we had seen in previous years.
- This is happening because of the growth expected in the FMCG market in the -- due to the usual economic growth that we see in India. Plus there is a big pull in the BOPET film industry due to the PWMR rules. The BOPET film is the only substrate used in most of the food packaging where you can implement these PCR rules.
- So there is going to be a shift -- not only going to be, let me say that there has been a shift from other substrates like BOPP and BOPE to BOPET as many brands have taken a view that they should shift in order to comply with the PWMR rule. So with the industry operating at a, I would



say, higher-than-usual operating rate, with the strong growth that we are seeing, we feel that the industry is going to see sustained period of strong operating rate going forward for at least next 7 to -- 6 to 8 quarters.

Other than that, there has been an improvement in global BOPET margins because of the Chinese producers charging more than usual, because they also have taken a position that they don't want to sell at sustained losses, which they were doing so far. So that might -- there is a chance that there is going to be lesser exports and dumping from them aided by the ADD that we are seeing in India -- that we are expecting in India. So overall, I think the demand is going to be very good in India, and we are going to see strong operating rates. This will give us some price stability.

Also, our whole thesis, so to say, is to become a specialty producer. So right now, we are selling 25% of films as specialty films and almost all of our Specialty Polymer business is specialty. Our target is to grow this 25% share of VAS films to 60% plus in next 2 to 3 years.

So in summary, we are trying to get out of the cyclicality of the commodity volumes in the packaging film business, and this is going to give us better margins than what we have seen in the past. We have seen success in this endeavor. On the Specialty Polymers, we have grown by 20% year-on-year. On the VAS films business, despite losing some volumes in U.S. market due to tariffs, we saw a growth of 14% to 15% year-on-year.

So we are on the right track, and this gives us the confidence that we should be seeing sustained improvement in EBITDA margin in medium to long term. We are working on many cost-saving initiatives within the organization. We have seen a lot of it getting realized. We are seeing very good cost saving realizations going forward this year and next year. So overall, the margins should be better than what we have seen so far.

Saket Kapoor:

Okay. And sir, then what should we expect in terms of the utilization levels shaping up going ahead? I think so, there is operating leverage that will kick in from that aspect also?

Vaibhav Jha:

Operating leverage will come in mainly in Specialty Polymers business, where we are working on value-added products, which will improve the volumes of -- on our assets. On specialty films, see, we can run the plant at 100% any time, right? It is a conscious call not to do it because the moment we do it, we'll have to start taking on businesses which are going to be not so remunerative.

So we have taken a conscious call to have a balanced operating principle wherein we optimize our production so that we don't have to take on the loss-making opportunities. So the focus is mainly on improving the share of VAS films and the volume of VAS films, and margins, we can increase as and when opportunities come, as long as the additional opportunities give us positive margins.

Saket Kapoor:

Just to conclude before I join the queue. Sir, especially for the Specialty Polymer, you did attributed it towards the seasonality factor. But even if we take that into account, from last year, the numbers for Specialty Polymers are -- the profitability has halved, and also the revenue has declined. So for the current year and with the type of steps, I think so, which you have just



alluded to, how should this segment perform? And then I have closing questions for Rustagji also.

Pradeep Rustagi: Saketji, there has not been a degrowth in the Specialty Polymer business. The value in terms of -- sales value, the volume of sales, all have shown improvement.

Saket Kapoor: Sir, when we look at the category in the segment revenue, correct me here, Specialty Polymers posted under -- the consolidated number was INR22.62 crores, which was -- comparable number was...

Pradeep Rustagi: Yes, for the quarter. Yes, that is for the quarter.

Saket Kapoor: Yes, sir, I'm talking for the quarter only.

Pradeep Rustagi: This is what we told that quarter-to-quarter, there may be variations, but if you look at on a yearly basis, there is a consistent growth, both in volume and value of sales.

Saket Kapoor: Correct, correct. But margins are included -- yes.

Vaibhav Jha: But, Saketji, I attributed it to 2 things, if you heard me. I said that there is definitely a seasonality, right? Then on top of that, there were issues on demand of our -- one of our specialty products. And we are still assessing the impact of that, but that was an issue last quarter. So that is why you are seeing lower revenue, and the margin makeup is also affected by the fact that we sold value-added products, which have lower margins than the high specialty products that we sell, right? So these are the factors which I had said led to the specialties -- affected the specialty segment.

Saket Kapoor: Right, sir. So this will get corrected this year, or we still have to wait for that to play out, in our operational and financial numbers?

Vaibhav Jha: Yes. So we are -- like I said, we are still assessing the situation, and we'll have to let it play out for some time before we can give a clearer picture on this.

Saket Kapoor: Okay. And since, sir, we are expecting better cash flow also from the operations currently, so what are our targets for reduction of debt? And what is our current maturity for this financial year, sir?

Sourabh Agarwal: So Saketji, the total debt as on the balance sheet as we speak on 31st March '26 is INR730 crores roughly. And in terms of maturity, our annual repayment is around INR85 crores. So as you mentioned about the cash flow, so yes, we are looking at an opportunity of reduction in our debt next year going forward. However, that is also going to depend on our capex plan.

Saket Kapoor: So sir, can you give us some number of what have we planned for capex and which projects, if you could just give the breakup of the same?

Sourabh Agarwal: Yes. So the total capex that we are planning for next year is around INR70 crores, and that will be funded partially from the cash flow that we are going to generate from the business and a part



of it may also be funded through additional debt, which we will take. However, on an overall basis, you will see a significant reduction in the debt as on 31st March 2027.

- Saket Kapoor:** Sir, can you allude to the projects where we are going to invest for the INR70 crores?
- Sourabh Agarwal:** So in terms of INR70 crores, Saketji, there are certain projects which are a high payback period, the projects, which is roughly around INR15 crores, and the balance projects are mainly focused on sustenance and maintenance of the plant.
- Saket Kapoor:** Okay. So these are pertaining to both the Specialty Polymer as well as our Film business? This is where...
- Sourabh Agarwal:** Yes. And for both locations. That, I'm talking at a consolidated level.
- Saket Kapoor:** Right, sir. And lastly, sir, on the currency part, I think so, currency, the euro played a spoilsport for our results. I think so, a significant MTM factor have been factored in. So sir, going ahead, how will -- is it the exports that will take care of the same in terms of our -- when the repayment comes? Or what is our strategy going ahead with the type of significant depreciation that has happened in terms of the repayment?
- Sourabh Agarwal:** Absolutely. So this depreciation, which has happened in the currency, we should look it into the perspective that this has been unprecedented, right? In the last 10 years, we have not seen this type of depreciation in both dollar as well as euro. And because of the events which has happened in '25 as well as first quarter of '26, this currency has depreciated so much.
- So our strategy is twofold. Number one is, yes, a part of it is going to be balanced with the exports. And for the -- and the balance portion, we are closely watching the situation. And as and when we get opportunities, we are going to take appropriate hedge to ensure that our losses on account of this, on depreciation of currency, is adequately covered.
- Saket Kapoor:** Okay. Sir, only to conclude to it, when we took euro loans as they were competitive at that point of time or what was the...?
- Pradeep Rustagi:** So when we got the loan sanctioned in '21, and it was a markup of 75 basis points over Euribor, and Euribor was negative, so the floor for us was zero. So the rate of interest was only 0.75%. So in the initial -- let's say, in the calendar year '21, '22, '23, '24, for 4, 5 years, we had very massive savings.
- Had these loans been taken in rupee terms, the interest cost would have been much more higher than what we paid as interest on the euro loan. So it is the last 1.5 or 2 years that we have been hit because of the exchange fluctuation. The first 4 years was very, very remunerative due to the fact that we had taken a euro-denominated loan.
- Sourabh Agarwal:** So as we -- when we took the loan, the euro was at INR84. And even on 1st of January '25, the euro was hovering around INR88, INR89. So that is the range in which euro was moving against rupee. But since then, euro has appreciated to INR112 over a period of 15 months.



- Pradeep Rustagi:** So in the 4 years, it appreciated only by INR4 from INR84 to INR88. But in the last 12 to 15 months, it has appreciated by almost INR24. That's the main cause of concern, yes.
- Saket Kapoor:** Yes, sir. So what has been now the effective cost of funds for us if you take it for the entire project, which we had worked out?
- Pradeep Rustagi:** Keeping -- so even today, the Euribor is only 2.2%. And if you take a markup of about 75 bps, so we are still availing the loan at less than 3%. And because of this fact only, our weighted average cost of debt in Ester Filmtech is less than 7% even today.
- Saket Kapoor:** In rupee terms?
- Pradeep Rustagi:** Yes. 7% per annum, yes.
- Saket Kapoor:** 7% per annum in rupee terms?
- Pradeep Rustagi:** Yes, yes.
- Saket Kapoor:** Okay. And lastly, sir, how is our RM mix now? I think so, PTA and MEG prices, we have also must have moved up significantly. So if you could just give us some color?
- Pradeep Rustagi:** So Vaibhav stated in the opening remarks that it has been volatile, and there has been increase, but it is changing. It changed a lot in the month of March and April, but things are stabilizing now, and it is in the range of about INR100 per kg of chips as we speak now.
- Moderator:** **Thank you**, next question is from the line of Ravi Nagda, an Individual Investor. Please go ahead.
- Ravi Nagda:** **Good afternoon sir**, i have 2 questions, sir. My first question is, sir, what is the ROE and ROCE target of the company? Because mutual fund will only enter the company if ROE and ROCE is 15%. And sir, my second question is, we have 10 patents shown in investor presentation of Specialty Polymer, but still we are dependent on 2 or 3 products. And 1 product -- if 1 product goes down, all revenue will collapse. And sir, my question also is that, next year revenue target of Specialty Polymer business?
- Vaibhav Jha:** So I'll answer on the business side of Specialty Polymers and then Sourabh can give more color to ROE and ROCE. So see, on Specialty Polymers, like I mentioned that we are working on VAP products, value-added products, as well as new high specialty products. So what we are selling now, the number of products we are selling now, and the number of customers that we have now is much more diverse than what it was, say, a couple of years back, right?
- And so the idea is to derisk ourselves from this kind of revenue and profitability fluctuations when we are depending on a few products and a few customers. So we are working on that direction, and we have made good success -- we have achieved good success in last 12 to 15 months. And going forward, we are seeing that we are going to become more and more diversified. Over to you, Sourabh.



- Sourabh Agarwal:** So if we talk of the return on capital, we, if historically, I mean, leave aside the last 2 years when the performance has been down, our return on capital employed has been in the range of -- just hold on, I'll give you the number, was about -- say, in the financial year '20-'21, it was about 32%. In financial year '19-'20, it was about 28%. So in a normal scenario, which we are going to see now in the following, let's say, as Vaibhav told, in the next 8 to 10 quarters, we are going to get a return on capital employed of more than 20%.
- Ravi Nagda:** Okay, sir. And sir, Specialty Polymer, can we do INR200 crores revenue this year?
- Pradeep Rustagi:** Yes. We are confident. We would not like to be specific with the numbers, but the plans that we have, and the detailed annual operating plan that we have prepared, we should be achieving that number.
- Ravi Nagda:** Because, sir, in last con-call, you have said that each year, we will do 20% growth in Specialty Polymer. That's why I am asking.
- Pradeep Rustagi:** We stick to that.
- Ravi Nagda:** Okay Sir, Thank you.
- Moderator:** Thank you, Ladies and Gentlemen, please limit your question to two per participants, should have a follow-up question, we request you to rejoin the question queue. Next question is from the line of Rutvi Gandhi from Family Office. Please go ahead.
- Rutvi Gandhi:** **Hello sir, Good evening sir, thank you for the opportunity,** i just want to understand that since the 2 primary feedstocks for Polyester Films -- am I audible?
- Sourabh Agarwal:** Yes, you're audible.
- Rutvi Gandhi:** Yes, yes. So sir, since the feedstock for Polyester Films are crude oil derivatives, and Brent crude has been volatile throughout FY26. So how much of our cost base is directly linked to crude? And what is the net feedstock cost impact on our margins -- EBITDA margins that we are looking at?
- Vaibhav Jha:** See, the industry operates on VA, right? So what it means is that the supply-demand dynamics determine the value add that you can get over the raw material. So if the raw material increases, there will be some price elasticity, but the VAs are dependent mostly on the operating rates, global operating rates as well as domestic operating rates. So even if the RM increases, unless it goes up by 100% or 50%, something like that, we don't expect price elasticity to come in.
- And therefore, the VAs should remain consistent with the industry structure and the industry supply-demand balance. So this is just to let you know that the raw material typically does not eat into the profits, right? Because the profits are, like I said, dependent on many other factors other than just the RM price. Pradeepji, do you want to add on the RM side?
- Pradeep Rustagi:** Yes. So this is what we have seen in the past, the margins for the Polyester Film or for the product that we deal in would be determined by the demand supply and other various factors. Raw material is not something that is going to affect the margins because it's a pass-through



model that we have. So as in the month of April, the raw material prices increased by about 40%, but our value addition also increased to that extent. So it is not going to eat into the margins of the product that we sell.

- Rutvi Gandhi:** Got it, sir. So our business model gives us a cushion, like we pass it on to our customers?
- Pradeep Rustagi:** Yes. Value-added, yes.
- Moderator:** **Thank you**, next question is from the line of Saransh Gupta from SVAN Investments. Please go ahead.
- Saransh Gupta:** Hello? Am I audible sir?
- Vaibhav Jha:** Yes, Saransh.
- Saransh Gupta:** **Hello** sir, thank you for the follow-up opportunity, i just wanted to understand, like, right now, we are trying to understand how our value-added products in specialty will pan out. So with current capacity, what can be the peak revenue that one can look at before Loop comes in before -- like, by end of FY29? Or revenue growth, if you can help us with?
- Vaibhav Jha:** Yes. So see, with the current asset base, if we run at 100%, we are looking at INR2,000 crores to INR2,200 crores kind of turnover.
- Saransh Gupta:** And sir, how much of capex will we have to do to achieve this number?
- Vaibhav Jha:** So this is with the existing -- sorry, go ahead. Sorry.
- Pradeep Rustagi:** No, you go ahead, Vaibhav. Go ahead.
- Vaibhav Jha:** Yes. I was saying that this is with the existing assets, right? So the question was on existing assets. We might do some sustenance -- not might, but yes, we'll have to do sustenance capex to keep the plants running. But other than that, we expect small capex going forward till the ELITE project comes up as we want to have a strong capital discipline within our company, and only those projects which have very high ROI and which do not drain our cash flow or reserves will be undertaken.
- Saransh Gupta:** Sure, sir. Understood. Sir, just one clarification. I guess there was some connectivity issue at my end. You mentioned that the next year capex would be INR70 crores. So if you can give me a bifurcation, like how much will be maintenance capex and other capex?
- Sourabh Agarwal:** So INR15 crores is new project, and the balance is sustenance and maintenance. And this is for both the companies together.
- Saransh Gupta:** Sure. Sir, if you can like give us more details on the INR15 crores capex on new project, like what kinds of returns we can expect and where are we deploying this?



- Sourabh Agarwal:** So, this is slightly particular information that you're asking for, because disclosing each and every capex may not be feasible on this call. But on an overall basis, this INR15 crores is going to give us an attractive IRR of plus 20%.
- Saransh Gupta:** Sure sir, Thank you so much.
- Moderator:** Thank you, next question is from the line of Saket Kapoor from Kapoor & Company. Please go ahead.
- Saket Kapoor:** Yead, thank you for the opportunity, so Sourabhji, as you mentioned about the capex to be at INR70 crores. And since you did mention the fact that there will be significant reduction in terms of our borrowing closing balances for 31st March '27. So if you could just specify, sir, what are the numbers of this year and what path are we going to tread for the next financial year?
- Sourabh Agarwal:** Yes, sure. So Saketji, as I mentioned to you, the total repayment is around INR85 crores for the next year. And we are trying to limit our borrowings for the next year to below INR40 crores. So that is going to give me a leverage of INR45 crores on the debt side.
- Saket Kapoor:** So for this year, sir, on a consol basis, what is our long-term borrowing? And how will this -- and the cost of fund also, sir?
- Sourabh Agarwal:** So the cost of the fund is in the range of between 9% to 10% on a consolidated basis. And our total borrowings, as I mentioned to you, was INR732 crores, which includes both short term as well as long term.
- Pradeep Rustagi:** Long-term is about INR380-odd crores.
- Sourabh Agarwal:** Yes.
- Pradeep Rustagi:** The long-term borrowings are, Saketji, about INR380 crores.
- Saket Kapoor:** Sir, when we look at our performance for this quarter, and especially the consolidated one, we did EBITDA margin of 12.6 and the absolute EBITDA number at INR43 crores. So taking the scenario into play and the type of efforts in the big pipeline, which you are mentioning, especially in terms of the Specialty Polymers and we increasing our percentage in the value-added film segment, does the environment allows us to extrapolate this number going ahead to be on the -- even on the conservative side, the run rate to be maintained both in the terms of margin and the EBITDA number?
- Vaibhav Jha:** Yes, absolutely. I mean, we have built up, over the past 12 to 15 months, a very strong pipeline on both Specialty Polymers as well as VAS films. So we are extremely confident that we are going to maintain or even exceed the run rate that we have seen so far.
- Moderator:** Mr. Kapoor, we cannot hear you. That was the last question of the day. I now hand the conference over to Mr. Vaibhav Jha for closing comments. Over to you, sir.



Vaibhav Jha:

I would like to thank all our stakeholders for their continued trust and support. Q4 FY26 marks a decisive turning point for Ester Industries. We enter FY27 with improved visibility, structural tailwinds and a strengthened competitive position across all our business segments.

We remain committed to sustainable and profitable growth, the advancement of our circular economy vision and creation of long-term value for our stakeholders. We look forward to a significantly stronger FY27, and thank you all for participating in today's call.

Sourabh Agarwal:

Thank you.

Pradeep Rustagi:

Thank you very much. Thank you. Bye-bye.

Moderator:

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