ester INDUSTRIES LTD.

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Date: 12th November 2026

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 5th November 2026

Dear Sir/Madam,

In continuation of our letter dated 2nd November 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
Digitally signed by Poornima Gupta
Date: 2026.11.12 14:35:18 +05'30'

Poornima Gupta
Company Secretary & Compliance Officer
Membership No.: A49876

Encl: As above

Ester Industries Limited

Q2 FY27 Earnings Conference Call

Event Date/Time : 05/11/2026, 15.00 Hrs

Event Duration : 1 hr 14 mins 8 secs

CORPORATE PARTICIPANTS:

Mr. Vaibhav Jha

Chief Executive Officer

Mr. Pradeep Kumar Rustagi

Executive Director- Corporate Affairs

Moderator

Good afternoon, ladies and gentlemen. I'm Kartikeyan, moderator for the conference call. Welcome to Ester Industries Q2 and H1 FY27 Conference Call. As a reminder, all participants will be in listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Could you need assistance during the conference call please signal an operator by pressing * then 0 on your touch-tone telephone. Please note, this conference is recorded.

I would now like to hand over the floor to Mr. Amit Sharma from AdFactors PR. Thank you, and over to you, sir.

Amit Sharma

Thank you, Kartikeyan. Good afternoon, everybody, and a very warm welcome to the earnings call of Ester Industries Limited for the second quarter and half year ended 30th Sept 2026. On the call today, we have Mr. Vaibhav Jha, Chief Executive Officer and Mr. Pradeep Rustagi, Executive Director, Corporate Affairs of the Company. The management will take us through the operational and financial performance for the quarter and half year, following which we will open the floor for the question and answer session.

Before we begin, please note that this conference may contain forward looking statements about the company, which are based on the company's beliefs, opinions, and expectations as of today. These statements are not a guarantee of future performance and are subject to risks and uncertainties. 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. Good afternoon, everyone, and thank you for joining us today. I will take you through the industry environment and the key business developments during the quarter, following which Pradeep Ji will walk you through the financial performance. Let me begin with the industry landscape. The operating environment for the BOPET film industry remained stable during the Q2 FY27, and the improvement witnessed in Q1 FY27 continued through the quarter gone by.

We continue to see better demand across both domestic and export markets. In India, the increasing adoption of polyester films in flexible packaging is being supported by favorable regulatory developments. The plastic waste management rules, which mandate 10% post-consumer recycled content in flexible packaging are encouraging brand owners to increasingly adopt polyester films with recycled content. To comply with this mandatory requirement, the brand owners are shifting from other substrates to polyester films with recycled content. On the export front, Indian manufacturers continue to benefit from new opportunities across the international markets that emerged due to the war in West Asia and disturbance in Middle East.

During the quarter, exports contributed approximately 37% of our revenue, balance coming in from the domestic market. The United States was particularly encouraging for us during the quarter. The tariff related disruptions that affected trade between India and The U. S. During the previous financial years have largely been resolved and our exports to the U.S have revived. Majority of the exports that we make to U.S. are of vast products across BOPET films and specialty polymers.

Trade tariffs now imposed on exports originating from India is comparable to trade tariffs imposed on other exporting countries. Coming to the cost environment, disruptions in crude oil supplies and volatility in crude prices arising from the ongoing geopolitical situation in West Asia and Middle East have resulted in higher petrochemical prices. Consequently, our key raw materials, PT and MEG, have also witnessed significant increase in prices. We have been able to pass on this increase to customers through improved realizations. This is reflected in the performance of our films business where revenue increased by 39.6% during the quarter against a volume growth of 13.9%.

However, the increase in raw material and freight costs, coupled with longer transit times, has resulted in higher working capital requirements. This has particularly impacted our receivables and inventory levels, which Pradeep Ji will explain in greater detail. Looking ahead, we expect the industry environment to remain stable over medium to long term. New capacity additions have been relatively moderate compared to the demand growth. Global prices have remained firm and the increasing adoption of BOPET and recycled content polyester films continues to provide structural growth opportunities.

While industry cycles will continue to influence the business, our strategic focus remains on increasing the contribution of value added and specialty products. We believe this transition will improve the quality of our earnings and provide greater resilience across industry cycles.

Moving to the business performance, let me begin with our polyester film segment. We witnessed a healthy improvement in performance in the segment during the quarter over the corresponding quarter last year. Consolidated film sales volume increased by 13.9% YoY to 24,291 metric tons in Q2 FY27, compared with 21,329 metric tons in the corresponding quarter last year.

For the first half, consolidated film sales volume increased by 8.3% to 46,412 metric tons. In value terms, film segment revenue, including rPET and chips, grew by 39.6% YoY to INR 414.5 crores during Q2 FY27. For H1 FY27, revenue increased by 38.7% to INR 813.9 crore. The higher growth in revenue compared to volume reflects the improved realization, the pass through of the increased feedstock cost and a better product mix. More importantly, the segment delivered an EBIT of INR 34.5 crores during the quarter compared to an EBIT loss of INR 6.2 crores in Q2 FY26.

The EBIT margin stood at 8.3%. For the first half, the segment EBIT improved significantly to INR 73.6 crores with an EBIT margin of 9% compared with INR 0.8 crore in H1 FY26. An important contributor to this improvement has been consistent increase in proportion of the value-added and specialty films portfolio. During Q2 FY27, sales of value-added and specialty films increased to 6,200 metric tons, accounting for approximately 26% of our total film volumes compared with 4,927 metric tons or 23% in the corresponding quarter last year.

The volume of VAS products registered a significant growth of 25.8%. I must mention that we clocked highest ever volume of 12,568 metric tons of VAS products during H1 FY27, representing approximately 27% of total film volume compared with 10,107 metric ton in H1 FY26, registering a healthy growth of 24.3%. We are targeting to increase the share of value added in specialty films to approximately 35% by Q4 FY27 and further to around 50-60% over next two to three years. This remains a key strategic priority for us.

As proportion of differentiated products increases, our ability to compete will increasingly be driven by differentiated product offerings addressing varied application requirement and customer qualifications

rather than pricing alone. We will continue to invest in product development, customer approvals and capabilities to serve more specialized applications. Coming to our rPETbusiness, we continue to witness healthy growth during the quarter. rPETT sales volume increased by 37.4% YoY to 1,437 metric tons in Q2 FY27, while revenue grew by 51% to INR 18.4 crore. For H1 FY27, volumes increased by 27.7% to 2,831 metric tons, while revenue grew by 36.7% to 35.8 crores.

We currently have an installed rPETT capacity of 28,000 metric tons per annum across our Sitarganj and Hyderabad facilities. Major share of the production of rPETT is consumed captively for production of BOPET films with recycled content. Our primary strategic objective in rPET is to use recycled rPET as a feedstock for our own recycled content for BOPET films. Therefore, the overall strategic value of this business extends beyond the external revenue generated from standalone rPET sales. The strategic investment in installing two rPET extruders is now bearing healthy fruits.

Our integrated recycling capabilities position us well to address the growing demand for the sustainable packaging solutions and help our customers meet their recycled content requirements. Coming to polyester chips, sales during the first half stood at 496 metric tons, generating revenue of approximately INR 5.3 crores. There were no external chip sales to third parties during Q2.

Moving to Ester Filmtech, our wholly owned subsidiary, we continue to witness a meaningful improvement in its operating and financial performance. During Q2 FY27, sales volume stood at 10,306 metric tons, broadly in line with the corresponding quarter last year. However, total income increased by 40.5% YoY to INR 168.2 crores due to increase per unit realization consequent to increase in feedstock prices.

EBITDA increased significantly to INR 16.9 crores compared with INR 4 crores in Q2 FY26 with the EBITDA margin improving to 10%. The company also reported a profit after tax of INR 2.2 crores compared with a loss of INR 10.3 crores in the corresponding quarter last year. For H1 FY27, total income grew by 50.5% to INR 327.8 crores, while EBITDA stood at INR 36.4 crore with a margin of 11.1%. Profit after taxes was INR 6.9 crores compared with a loss of INR 26.8 crores in H1 FY26. Capacity utilization during the first half improved to 85.3% compared with 78.4% in the corresponding period last year.

The improvement has been supported by higher exports, including our VAS products, enhanced capacity utilizations, better margins across both domestic and international markets, and an increasing contribution from value-added and specialty films. Usage of rPET and another recycled material has also contributed to improved bottom line. Sorry. Importantly, Ester Filmtech has now reported profitability in every quarter since Q4 FY26. We remain focused on sustaining this improvement through better capacity utilization, operational efficiencies, and an enhanced product mix.

Now coming to our Specialty Polymers business. This segment witnessed a decline in volumes and revenue during the quarter, primarily due to demand erosion in one of our marquee high-margin specialty products. Sales volumes stood at 711 metric tons in Q2 FY27 compared with 1,161 metric tons in the corresponding quarter last year. Revenue declined by 49% to INR 29.3 crores from INR 57.4 crores. Within the segment, specialty product volume stood at 418 metric ton compared with 1,059 metric tons last year.

However, our value-added product portfolio continued to perform well with volumes increasing by 187% to 293 metric tons. Despite the decline in revenue, the business continued to maintain a healthy profitability profile. Segment EBIT stood at INR 9.9 crores with an EBIT margin of 33.9% compared with

37% in Q2 FY26. For H1 FY27, revenue stood at INR 62 crores, down 41% YoY, while EBIT was INR 24.7 crores with a margin of 39.9%. We acknowledge the near-term demand challenges in one of our key specialty products.

However, we remain confident about the recovery potential of this business. We have a strong pipeline of new products, and one of these products is currently awaiting customer approval. Following a marginal capital expenditure, we expect this product along with other new products in our development pipeline to partially compensate for the lost volumes and margins in the coming months. We expect a large part of this recovery to materialize during the last quarter of FY27 and into the next financial year.

Our medium-term ambition remains unchanged. We continue to target approximately 25% CAGR in specialty polymer revenue over the next three to five years, taking FY27 as the base year. Now I would like to talk about Elite, our 50-50 joint venture with Loop Industries, which represents an important step in our journey towards building a circular economy platform. The project continues to progress through the engineering phase. The front-end engineering design study has been completed, and Toyo Engineering India has been appointed for detailed engineering. Land acquisition is expected to be completed by Q4 FY27.

The facility being established in Gujarat is targeted to commence commercial operations during the last quarter of calendar year 2028. The plant will use Loop Industries proprietary chemical recycling technology to convert polyester textile waste into recycled dimethyl terephthalate or RDMT and recycle nonethylene glycol, or RMEG. These will subsequently be polymerized to manufacture approximately 45,000 metric tons per annum of recycled polyester chips. This technology will enable the recycling of difficult to recycle polyester textile waste and support the development of a true textile to textile circular economy. On the commercial front, we have already secured encouraging validation from global customers.

Nike has signed on as an anchor customer for the facility through a multiyear offtake agreement. In addition, Loop Industries has secured a letter of intent from another leading global sports and athletic brand for potential uptake of up to 15,000 metric tons per annum of loop PET fiber grade resin under a multiyear commercial framework. These commitments ensure that a significant portion of the planned capacity is covered well ahead of commencement commercial production. We believe this early customer validation reinforces the potential of the project and the growing demand for sustainable recycled polyester solutions among global brands. It is also important to highlight that any additional debt requirement for Elite will remain at the joint venture level and will not be consolidated with Ester Industries.

With that, I would now like to hand over the call to Pradeep Ji to take you through the financial performance for the quarter and the half year.

Pradeep Kumar Rustagi

Thank you, Vaibhav, and good afternoon, everyone. Let me take you through the financial performance of the company for Q2 FY27 and H1 FY27, beginning with the standalone performance. Standalone total income for Q2 FY27 increased by 38.9% YoY to INR 365.8 crores, compared with INR 263.3 crores in Q2 FY26. For H1 FY27, the total income grew by 30.1% to INR 713.5 crores. Standalone EBITDA, including other non-operating income, more than doubled YoY to INR28.6 crores during the quarter with EBITDA

margin improving by approximately 250 basis points to 7.8% compared with 5.3% in the corresponding quarter last year.

For the first half, EBITDA increased by 49.2% to INR 68.6 crores with EBITDA margin improving to 9.6% from 8.4% in H1 FY26. Profit after tax turned positive at INR 6.1 crores during Q2 FY27 compared with a loss of INR 4.8 crores in the corresponding quarter last year. For H1 FY27, the PAT increased more than fourfold to INR 20.6 crores from INR 4.8 crores in H1 FY26. Other non-operating income during the quarter stood at INR 5.7 crores compared with INR 3.3 crores in Q2 FY26. Increase was primarily on account of higher interest earned on fixed deposits created out of fresh equity days.

Overall, the standalone business delivered a healthy improvement across revenue, operating profitability, and bottom line.

Coming to Ester Filmtech, our wholly owned subsidiary. As Vaibhav mentioned earlier, the company continued to demonstrate a significant improvement in its operating performance. Total income increased by 40.5% YoY to INR 168.2 crores during Q2 FY27, while EBITDA stood at INR16.9 crores with an EBITDA margin of 10%. The company reported a profit after tax of INR 2.2 crores against a loss of INR 10.3 crores in Q2 FY26.

For H1 FY27, total income increased by 50.5% to INR 327.8 crores. EBITDA stood at INR 36.4 crores with a margin of 11.1%, while PAT was INR 6.9 crores compared with a loss of INR 26.8 crores in the corresponding period last year. Improvement reflects higher exports, better realizations, improved production efficiency, and a better product mix.

Coming to consolidated performance of the company. Consolidated total income for Q2 FY27 increased by 25.7% YoY to INR 449 crores compared with INR 357.2 crores in Q2 FY26. For H1 FY27, consolidated total income grew by 26.5% to INR 891 crores. Consolidated EBITDA increased significantly by 160% YoY to INR 45.1 crores during the quarter compared with INR 17.3 crores in Q2 FY 26. EBITDA margin expanded by approximately 510 basis points to 10% compared with 4.9% in the corresponding quarter last year. For the first half, EBITDA increased by 124.6% to INR 104 crores, while EBITDA margin improved to 11.7% from 6.6% in H1 FY26. Profit after tax for Q2 FY27 stood at INR 7.8 crores compared with a loss of INR 15.8 crores in the corresponding quarter last year.

For H1 FY27, the company reported a PAT of INR 26.5 crores against the loss of INR 22.9 crores in H1 FY26, representing an improvement of approximately INR 49 crores. Earnings per share stood at INR 0.75 for the quarter and INR 2.57 for the first half. Improvement in consolidated profitability was primarily driven by robust performance of the polyester film segment supported by higher volumes, better realizations, improved capacity utilization, and increasing contribution from value-added and specialty films.

I would also like to briefly address the sequential movement in our financial performance. Consolidated EBITDA for Q2 FY27 stood at INR 45.1 crores compared with INR 58.9 crores in Q1 FY27.

At the segment level, EBIT in polyester film moderated to INR 34.5 crores from INR 39.1 crores in the previous quarter. Similarly, Specialty Polymers EBIT declined to INR 9.9 crores from INR 14.8 crores primarily due to lower volumes discussed earlier. Other income was also lower during Q2 at approximately INR 5.2 crores as the previous quarter had benefited from certain onetime foreign exchange and investment gains. However, on a YoY basis, the improvement has been broad based with all businesses

contributing to overall improvement in profitability and polyester films remaining the principal contributor. Coming to balance sheet and cash flow.

As of 30th Sept 2026, shareholders' equity stood at INR 887.6 crores compared with INR 782.7 crores as of March 26. Company maintained cash and bank balance of INR 180.4 crores along with liquid investments of INR 47.9 crores taking the combined liquidity position to approximately INR 228.3 crores. A portion of these funds remain earmarked towards our equity contribution to Elite project with INR 7.1 crore invested in this joint venture during the first half.

Coming to working capital, the increase in crude oil and petrochemical prices together with higher freight costs and longer transit times has resulted in higher requirement of working capital for sustaining enhanced operations. Trade receivables increased to INR 264.3 crores as of September 26 from INR 184.9 crores as of March 26.

Similarly, inventories increased to INR 245.2 crores from INR 208.7 crores. These increases were partly offset by higher trade payables, resulting in an increase in net working capital by INR 66.7 crores during the first half. This was partly funded through short term bank borrowings of INR 51.7 crores. On the debt front, on consolidated basis, we repaid term loans of INR 53.5 crores during H1 FY27 against our full year repayment target of approximately INR 100 crores. During the same period, we also raised fresh term loan of INR 18.9 crores.

Consequently, total borrowings stood at INR 748.8 crores as of September 26 compared with INR 729 crores as of March 26. On our overall objective of gradually reducing debt during the financial remains unchanged. We also expect working capital requirements to ease as the raw material prices and freight environment stabilizes. But for increased requirement of working capital, we would have seen reduction in debt during H1 FY. Capital expenditure and cash flow.

Coming to capital expenditure, the company incurred Capex of INR 15.1 crores during the first half of FY27. Going forward, apart from routine sustenance and maintenance Capex and the marginal capital expenditure required for new specialty polymer product, we are not planning any major capital expenditure. Cash profit before tax and depreciation for H1 FY27 stood at INR 69.7 crore. During the period, the company also paid a dividend of INR 2.5 crore.

To conclude, we have delivered a profitable first half with a meaningful improvement in operating performance, profitability, and cash generation.

Our focus for the second half will remain on improving working capital efficiency, maintaining operating profitability and continuing with our planned debt reduction. With this, I conclude our opening remarks, and I request the moderator to open the call for Q&A. Thank you.

Moderator

Thank you, sir. Ladies and gentlemen, we will now begin the question and answer session. If you have a question, please press * and 1 on your telephone keypad and wait for your turn to ask a question. And wait for your turn to ask a question. If you would like to withdraw your request, you may do so by pressing star and one again. Ladies and gentlemen, we'll wait for a moment while the question queue assembles.

The first question comes from the line of Mahesh Tolani from Goquarter. Please go ahead. Mahesh Tolani, please go ahead with your question. The line is unmuted. Sir, there seems to be no response.

We will move on to the next question. Next question comes from the line of Vishal Bhalada from Valerium Advisors.

Vishal Bhalada

Hello?

Vaibhav Jha

Yes.

Vishal Bhalada

Hi, sir. Congratulations on great YoY growth. So, my first question is that your polyester film segment has witnessed a significant turnaround, like the EBIT margins have improved from negative 2.1% in Q2 last year to 8.3% in this quarter. So, how should we look at the sustainability of these margins going forward, particularly considering the volatility in raw material prices and the cyclical nature of the film industry?

Vaibhav Jha

Right. So, thank you. The overall medium term, when I say medium term next two to three years, there are many tailwinds for the BOPET film industry, especially in India. So, in terms of addressing the question on **Cyclicity** i, the demand is growing in between 8-10% YoY. Right now, the demand in India is around 900,000 to 950,000 tons a year. So, 8% of that will be something like 70-80,000 tons a year.

So, to absorb this, two new lines need to be put in every year. But what we have seen is that over last one year, there was no addition. And we anticipate that in next two years, there is going to be only two or maximum three new additions. So, which means that the capacity addition is going to trail the demand growth. So, we expect that for next eight to ten quarters, the overcapacity situation should not recur.

So that is one. Second is that, overall, there is lot of background noise from your side, sir. If you can mute it.

Vishal Bhalada

Sorry.

Vaibhav Jha

Alright. So, the second thing is around the pricing. So right now, other than the demand supply balance, which has improved quite a bit for this sector, there is support that we are getting right now in terms of multiple opportunities which have opened up for us globally because of India being the one which is not affected by war and there are issues in the Gulf capacities. On top of it is our push to specialize our offering. So, as you have seen that there's a healthy growth, almost 25% growth in these, our specialty sales.

So, even if the cyclicity plays out after eight to ten years, the way we are seeing things unfolding, by the time cyclicity comes in, we should have become a specialty film producer with 50-60% of volume being

shared by specialty and commodity becoming a minor share. So that is kind of giving resilience to our business. On the raw material side, this business is such that, there is a raw material pass through, which is very well demonstrated in the last two quarters, wherein though the raw material prices increased, we were able to pass that on to our customers, and that reflects in our revenue. And the EBITDA, if you see, has only improved and not reduced. So, we are kind of insulated as such from the raw material volatility in prices.

Vishal Bhalada

Right, sir. Another question is that you have outlined and ambitious target of increasing the share of value-added products in the polyester film segment to be around 35% by the Q4 of this year and around 60% in the next two to three years. So, what are the key challenges in achieving this transition? And how much of incremental improvement in segment margins could this product mix shift potentially deliver?

Vaibhav Jha

So, in terms of the challenges, the biggest challenge is the approvals that we need from our customer. That is the thing which kind of delays us and delays the realization of that. But when we look at the pipeline, it's a very healthy and robust pipeline. So, in terms of the opportunity that we have tapped in, right, wherein the products are at different stages of approval, at our customer ends, we are extremely confident that in next two to three years, we should hit 50-60% specialization.

In terms of margins, I think, see, what this will ensure is that we are in respectable teams as far as EBITDA is concerned, and on a sustainable basis. So, in fact, our internal target is to bring it to a sustainable 15% EBITDA margin kind of profile. And for this to happen, we need to hit 50-60% specialty film share.

Vishal Bhalada

Right. So, last question from my end. So, with the Elite project targeting commercial product operation by end of last quarter of calendar year 28, if I'm not wrong. And the significant portion of this planned capacity already receiving customer commitments. Could you elaborate on the project's expected capital requirements, the funding structure, and targeted returns? And also, like how should investors look at the potential contribution of this project to the consolidated earnings once the operations are commercialized?

Pradeep Kumar Rustagi

So first, will address the consolidation part. It is a 50-50 JV. So, the consolidation would not be line by line, only the bottom line of the JV company will be consolidated with Ester's bottom line. So, it is not going to affect the top line and the expenses. The bottom line will be affected to the extent of contribution made by the JV, 50% of the contribution made by the JV.

So that's the consolidation part. Coming to the project economics, that has already been disclosed, but I will repeat it. The project is now going to be for 45,000 metric tons of polyester chips with capital outlay of about INR 1,200 crores to INR 1,400 crores. And the EBITDA margins are going to be very healthy, I would say, in the range of 40-45%. And with the majority of the volume pre-sold before the commencement of the commercial production, so to that extent, the sales is not a concern area for the Elite project.

Vishal Bhalada

Sir, makes sense. Thank you so much for the opportunity and patiently answering my questions, and all the best for the future, sir.

Vaibhav Jha

Thanks.

Moderator

Thank you. We have the next question from Ravi Nandha, an individual investor. Please go ahead.

Ravi Nandha

Hello, sir. Sir, I have a question on Loop Industry. I have heard the control of Loop Industry in that they said, that they are in financial trouble. That's why the project size has been reduced. And in future also, is it difficult that they will able to put equity or debt for the project? So, in case they fail, what is the plan B of establishing this industry?

Pradeep Kumar Rustagi

So, number one, the elite project doesn't require any debt from Loop Industries. The elite project needs only equity contribution. What we understand, we have been interacting very on daily basis from Loop. They have commitments from the private equity firms subject to certain milestones. And these milestones are being achieved. So, one of the milestones was related to financial closure, etc., for the Elite project. We are glad to inform that we have received in principle approval for the term loan that Elite was looking forward to from a very reputed public sector bank.

And there is a process which will be completed in the next three to four months. And after that, we will have the final sanction. And Loop has the commitment from the private equity for the equity contribution. They may not have the funds today, but they have fund commitment from the private equity partners.

Ravi Nandha

But the project is getting delayed of loop?

Pradeep Kumar Rustagi

No, project is not getting delayed. In India, the acquisition of land is a very tricky area, and the state where we are acquiring land is Gujarat, where there's a shortage of land, but we have been able to put it together. And in the first quarter, calendar 27, we would be having the position of the land.

Ravi Nandha

So, sir, you said that we should not worry about the equity contribution from Loop. So, there is no need for plan B.

Pradeep Kumar Rustagi

Absolutely.

Ravi Nandha

And, on specialty polymer, you said that you have a new product. So, I am watching this company from 2008. They always, on the investor presentation, they said that they have 15 to 19 product patent and work, but we are only stuck in two or three products that we sell. So, it is a risk. If we have 10 to 15 products, then this kind of revenue drop, we will not see. And on a new product, you said that in fourth quarter. So please elaborate on that product also.

Vaibhav Jha

So, you're absolutely right. That if a business relies on two products, then there are risks. So, which is why a couple of years back, we started working on accelerating the go to market for the products which we had. And if you look at the value-added products, right, which we have in our list, that has seen a very impressive growth YoY. And this is going to accelerate even faster in the next calendar year. And all of these are new products. All of these are new customers.

So as of now, if you look at the number of products that we are selling, we are selling close to seven to eight different kind of products from two to three products that we were doing two years back. And from a customer base of six to seven, we have increased it to around 15, 16 number of customers. So, this shows that we have worked in this area, and lot of this product that we are talking about is about to get mature in terms of approval. So, we are expecting that in sometime in next quarter, it should start ramping up, and you would see volume and contribution coming in from this class of products. Actually, it's couple of products, but a single class of products where a minor tweaking was required, and we got delayed because it required a Capex investment to get those tweaking, which should be over in this current quarter.

So next quarter, we are expecting this sales and product to ramp up. Not only this, there is a very healthy pipeline of customer projects across value-added product as well as high specialty product, and we are working with 27 customers at different stages of product approval life cycle on eight to nine different products, which are going to mature in the next calendar year, and all of them are likely to mature over the next six to eight quarters. So, I think we are going to see consistent increase in volume and contribution going forward. And that is why in our investor call, we said that we are very confident of 25% CAGR in this business from starting from this calendar year as a base. I mean, taking this calendar year as a base. This financial year as a base. Sorry.

Pradeep Kumar Rustagi

So, just to supplement what Vaibhav told, if you look at the, in terms of quantity, the two marquee products are contributing only close to 50-55%. Balance sales in volumetric coming from the other products that have been launched and made successful. So, it's not in terms of margin, yes, these marquee products have a very huge share. But in terms of quantity, there are other products which we are selling into the tune of 40-45% every quarter.

Ravi Nandha

And, sir, that one product that got discontinued, any chance that in future it will come back?

Vaibhav Jha

So, see this product, per se, there is demand erosion, but we have innovated on that product. But the innovation product is being considered as a new product by our customer. So, it is going through a full approval life cycle. And this is a very cutting-edge product application where it goes in. So typical gestation period is anywhere between one and a half to two years. So, any forward movement in terms of commercial sales, we will be seeing over next six to eight quarters, not immediately.

Ravi Nandha

Thank you, sir.

Moderator

Thank you. We have the next question from the line of Mr. Surendar, an individual investor. Please go ahead with your question.

Surendar

Hello?

Pradeep Kumar Rustagi

Hello?

Surendar

Good afternoon, sir.

Pradeep Kumar Rustagi

Good afternoon.

Surendar

Sir, I'll speak Hindi. Elite ka jo land ka aquisition he, vo 2 saal se ham log sun rahe he conclude hoga, pehle to Surat me baat chal rahi thi abhi hamne suna ki Dahej me chal raha he, sir, exactly kya status he, mujhe jan na hai.

Pradeep Kumar Rustagi

Dekhiye, jo land ka ham acquire kar rahe he vo Bharuch ke pass he, shuru se vahi par he. Ye baat sahi he ki shuru me hamne GIDC ko approach kiya lekin hamare size ki land vaha nahi mili. Fir ham private industrial park me gaye the vo bohot mehenga bhi tha or bohot late bhi mil raha tha, to hamne aggregator ke route ke through kiya, or ye activity hamne sometime middle of last calendar, matlab, 25 July me shuru kit hi. Number of pieces jo he, dekhiye ek seller nahi he, jab aap itna bada piece land ka lete ho to ussme ek seller nahi hota he, ek se kayi jyada hote he.

To vo multiple level pe engagement hoti he, unse baat karni padti he, fir unke ek hi piece me bohot saare owners hote he. So, time lagta he, India me agar kahi bhi aap dekhe, acquisition of land, other than industrial park develop by government, baaki sab me time lagta he. And, hamne shayad ambitious

target liya tha ki ham isey September, October 25th tak complete kar lenge. Lekin ab lag raha he ki January, February tak complete hoga.

Surendar

But sir, ye Dahej me aapka hamne kuch view suna tha ki aap vaha pe lene vale he, GIDC se aapka kuch agreement hua tha?

Pradeep Kumar Rustagi

Sir, Dahej, Bharuch, or jaha ham le rahe he, sab ek hi 50 kilometer and distance me hai, koi bohot dur nahi he. Dahej issliye bol dete he, kyuki Dahej is a prominent area. Agar me aapse kahu ki land ham ABC village me le rahe he, to aap samajh nahi paayenge, issliye ham Dahej bol dete he.

Surendar

Sir, mera ek aur question tha, ki Elite ka jo project he jissme ham RDMC aur RMEG banana vale he, abhi sir, polyester ka jab industry start hua tha, to uss samay aapko yaad hoga ki do alga product bante the lekin phir realince aaya [usne PTA ka project dala, because of superiority of PTA, aap dekhenge ki vo dono plan jo the, Bombay-dying, vo band ho gaye. To me yahi jan na chahta tha ki RDMC is equal to PTA or something like that?

Pradeep Kumar Rustagi

Sir dekhiye, ham log RDMC banake polymerize kar rahe he, ham RDMC ko bech nahi rahe he. In terms of quality there is no difference between DMT or PTA. Aapke knowledge ke liye me batau, even Ester ke andar hamlog 2001 tak DMT se hi chips or film banate the. Sirf kya hota he ki jab aap, ye jo recycling ka process methylal se karte he, instead of PTA you get DMT. Because DMT se jab process karte he to by product methanol nikal jata he. Banane me bhi lagta he or process karenge tab bhi niklega. So, in terms of quality there is not going to be any change, or DMT ham bech nahi rahe he, ham captive consume karenge.

Surendar

Sir, ek last question hai. Hamara jo recycling ka plant he, ek to Khatima me he, 8,000-ton ka, aur doosra jo hamne plan daala 20,000-ton ka, Hyderabad me, Telangana me. Abhi sir, recycling is the big industry, abhi jese reuse ho raha he material, sir ham log or koi jaga plan, jese ki abhi Gujrat me ham land le rahe he jaha pe, vaha aaju-baju me kahi plan daal sakte he kya? Ya fir central side me, I think, Nagpur or something like that. I mean, that side, Eastern side. In future our active consumption will be remain competitive.

Vaibhav Jha

Right, as you rightly said, hamara jo main objective tha extruders lagane ka, vo captive demand hi thi. Aur abhi jo hamari capacity he, lagbhag 30,000-ton ki vo sufficient he hamare internal consumption ke liye. Kal ko agar aisa hota he ki hame feel hota he ki ye captive requirement badh rahi he, so now we know this technology very well and we are into the ecosystem, it's just a matter of expanding this capacity. Aur uske liye hamare pass enough available land hai Hyderabad me, so our first right will obviously will be

Hyderabad and not some other location. And anyways, jo land aap bata rahe he vo joint venture ki rahegi, vo Ester ki to rahegi nahi. So, I mean, that's a very separate land, will not be in usual usage of Ester.

Surendar

Sir, vo Arvind Singhania Ji, uno namaskar kahiye, unse kahiye ki aapka vision kafi accha he. Unke vajha se Telangana ka plan bohot hi accha success ho gaya he. Aise hi ham chahte he ki isi tarah se Elike ka project bhi unke vision ke vajha se success ho jaaye.

Pradeep Kumar Rustagi

Jaroor. Thank you.

Surendar

Thank you, sir.

Moderator

Thank you. We have the next question from the line of Amit Kumar from Determined Investments. Please go ahead.

Amit Kumar

Yes. Thank you so much. This is Amit Kumar from Determined Investments, actually. Just one sort of follow-up on the specialty polymer the loss of business that you have seen. And it's quite surprising. I think this is, you know, beyond my understanding because being a sort of specialty product and the customer would also be sort of using it within their operations, within their business. So, what has actually happened here? I mean, it's highly unlikely that, have they sort of changed the chemical process that they're using, or have they sort of found an alternate supplier?

I just wanted to understand that this is generally not the way we see specialty chemical business operate that one fine day, the customer basically decides to just shut consumption of a particular product.

Vaibhav Jha

So, like you're rightly saying, there has been a technology change, process change at the customer's end, and therefore, they have gone for a completely different chemistry. And therefore, there has been loss of market at the largest customer of this product. There are other customers also where, it is still being used, but the largest one there, there has been a demand erosion.

Amit Kumar

Understood. That's it, Thank you.

Moderator

Thank you. We have the next question from the line of Deepak from Cap Grow Capital. Please go ahead.

Deepak

Hello. Am I audible?

Pradeep Kumar Rustagi

Yes, sir.

Deepak

Hello. Namaste, Rustagi sahab and Vaibhav ji.

Pradeep Kumar Rustagi

Namaste, Deepak. Namaste.

Deepak

So, my question is regarding, if we look at the Q1 and Q2 numbers on a sequential basis, on the standalone, the EBITDA margin has dropped from 11.5 to 7.8% and from 13.3 to 10%. That is number one. So, I want to understand the reason for the same. And against the backdrop of any imports from China and their involution policy and also the antidumping duty if it has taken effect, what have been the spreads if we typically look, say, for a 12-micron film, and the underlying PET chip and PET melt prices, please. Thank you.

Vaibhav Jha

Right. So, see, in our specialty polymer business is located within the EIL, Khatima. Right? And because of challenges on profitability there, we have seen a drop in the EBITDA of the EIL. On coming to your ADD and the Chinese import, so government has announced, DGTR has announced not government, but DGTR has recommended ADD on the imports from China and couple of other countries in September me hua tha, so, we are expecting government to notify it by end of December. So once that comes in, it will help the margins.

And as far as the imports are considered from China, right now, because of the Wart situation, the logistics costs are very high. The product costs in general are very high across industries across the world. So, we have had a relief in terms of the pricing, but we need to observe if this pattern will continue after the war. But looks like that it should be better than the scenario that we saw last financial year.

Pradeep Kumar Rustagi

So, Deepak ji, as you would have seen from the results of Q1 FY27 and Q2 FY27, the film business has remained almost stable. It is the drop is being, if you compare with the Q1, mainly coming because of the performance of specialty polymer, which has taken a hit as for the regions, where Vaibhav have already explained.

Deepak

Rustagi ji, what is the current spread you are seeing vis-a-vis pet chips and pet film?

Vaibhav Jha

Chips and film? Or you want

Deepak

No. Versus the film, basically. **Vaibhav Jha**

Right. So, see, right now, we are seeing around 27, 28 in that range.

Deepak

How is that behaving now in this quarter? Because I see that Reliance has typically reduced the melt prices quite a bit, even though over the last now since the election has happened, I mean, the price of crude itself has fallen from 115 to 95 as we speak. But otherwise, how the spread has been in the month of October so far?

Pradeep Kumar Rustagi

So, I tell you, so the current drop in crude is yet to be seen in the prices of PT and MEG, which will be affecting the price that will be declared on Saturday or on sixteenth. So, the current price is based on the crude before this fall, number one. Number two, the prices that Reliance declares both for PT and MEG are based on the international prices. There's an index which is followed by the industry, including Reliance, and this is which they declared the price. Yes. Because of the pressure on the textile, last week, they did not increase the price much. So that's the reason the price is at about, if you look at the enlargement, it is hovering between 120 to 116. We may see a drop as the prices come on Saturday or on 16. This is the drop in the crude oil. That is yet to be seen.

Deepak

I really like the increased focus which you are planning to have on the value-added products over the next two, three years. But there, what kind of spread we are basically targeting, Rustagi ji?

Vaibhav Jha

So, the spread in specialty are very different for different product, different customer. There's no standard pricing because these are very customized to each customer. So, these spreads could be anywhere between 50 rupees to 152-100 rupees.

Deepak

Excellent. I have one more question basically regarding what is the current gross and net debt. And also, how much of our equity contribution we have made in the loop project so far? Thank you.

Pradeep Kumar Rustagi

So far, we have invested about 25 crores in the Elite as equity from our side and 25 crores from Loop. So, the total amount invested as equity in Elite is 50 crores, 50% each by Loop and Ester Industries. Coming to the debt position, just give me a minute.

Deepak

No issues.

Pradeep Kumar Rustagi

INR 750 crore is the interest-bearing debt, but that doesn't take into account the cash results or cash that is sitting in the balance sheet. So that's the gross debt, INR 750 crore, including working capital and term debt. So, the term debt is about INR 480 crore, and INR 270 crore is the working capital debt.

Deepak

Thank you so much, and wish you all the very best. And wish you Happy Diwali. Thank you Rustagi ji.

Pradeep Kumar Rustagi

Thank you.

Moderator

We have the next question from the line of Saket Kapoor from Kapoor and Company. Please go ahead.

Saket Kapoor

Namaskar, Vaibha ji. Namaskar, Rustagi sahib

Pradeep Kumar Rustagi

Namaskar.

Vaibhav Jha

Namaskar, Kapoor ji.

Saket Kapoor

Thank you, sir,firstly for an elaborate discussion. Firstly, very specifically the opening remarks. Aap logo ne bohot jaankari di he, so not many questions. Sir, my point of concern or rather, which we as investors are looking at the question on the debt part of the story. Sir, our and other are all cyclical businesses. And there was time when we did make a very strong earnings and even distributed INR 5 as dividend, if I'm not wrong, three, four years when we were at the super cycle. Lekin sir, fir uske baad fir Capex, kahi na kahi sir margins, profitability, bottom line uss prakar se nahi chal paa rahi he jesa hamara business badhta hua dikh raha he.

So, at the end of the day, investing community or investors are looking at the probability part of the story. Or abhi tak ek naya jhatka specialty polymer ka aa gaya. Which was not at all expected because this was a niche area, very high margin. We were expecting some expanded volume ahead. So, kese padna chahiye sir aage ki chizo ko or bottom line me real metrics ya real truck kab banega. Baki sir, aap business bank ke liye apne customer ke liye hi abhi kar rahe he. Investors ke hath me abhi tak kuch nahi aa raha he, to be to be very crude about it, but, me apna point samjhana chah raha hoon. I hope, sir, I've been able to convey.

Vaibhav Jha

Right. So, Kapoor sahib, aap jo keh rahe he ham vo samajh paa rahe he. Kyuki issme do-teen alag chize hai, ek to ye hai ki agar aap EBIDTA level pe dekhe, to EBIDTA level pe hamari jo specialization ki strategy

hai uska impact dikh raha hai. Aap agar specialty film volume ki baat kare to ussme hamko kaafi success mili he. Or ye jo EBIDTA improvement hai, usme kaafi bada haath iska bhi he. So, ek to hamare jo saare efforts hai, 80-90% of our efforts in the company is to specialize as soon as possible. And that is why we keep talking about, ki ham specialty films ka share banayenge or specialty polymer ki bhi growth leke aayenge.

Now the EBITDA ke neeche aap keh rahe hai ki interest hai, working capital hai vo badhi hui he, iski vajah se interest cost dena padh raha he. Uski vajah se bottom line or cash flow pe pressure hai. But, jo ham, last do saal me agar aap dekhe, in fact do saal nahi me to kahunga ki pichle char-paanch saal aap dekhe last expansion kiya tha Hyderabad ka. Uske baad hamne Capex pe ekdam control kar liya hai. Hardly kuch YoY ka Capex kar rahe hai. Or jo Capex kar rahe he vo aise hi projects me kar rahe he jaha pe bohot hi attractive payback hai. Otherwise, ham commodity me bilkul bhi Capex nahi kar rahe hai.

Ab vo unfortunately, we got stuck in a cycle, commodity cycle with the new investment in Hyderabad. But otherwise, if you see, we should be having a very, very good control over debt in next one to two years as we keep on repaying our debt par hamne kabhi default nahi kiya hai debt me. So, going forward, jese ham specialize karte jaayenge hamari double-digit EBITDA bani rahegi or behtar hogi or debt kam hota jaayega, the results are definitely going to come and jo ham Elite ka project kar rahe hai vo bhi bohot hi attractive returns vala project hai. Or vo attractiveness uski, sirf ham nahi keh rahe hai, jo global customers he unhone hamare saath bohot hi attractive margins pe contracts conclude kiye he. Uss basis pe ham keh rahe hai. So overall, the things are looking to shape very well going forward.

Pradeep Kumar Rustagi

Strategically, there's one more important thing. What has happened that we have been repaying our debt as per schedule, and it's a significant amount. But what has happened because of the increase in the working capital, the working capital borrowings have increased, which is reflecting in the debt. Secondly, the foreign currency debt that we were repaying, it was not getting demonstrated because the rupee depreciated against dollar and euro.

So, the liabilities stayed there, but the repayment has been there. And once this working capital cycle comes back to normal level, you will see a significant reduction. So, our objective has always been to work within the prudent debt limits. We realize that it is marginally higher than the prudent level, but very soon, we are working very hard to see that it is brought under prudent limits.

Saket Kapoor

Sir, abhi hamara net debt par EBITDA ka number kya hai? have not worked out. So, if you have the number

Pradeep Kumar Rustagi

Abhi hamara net debt to EBITDA, agar envelize EBIDTA karenge to close to three aayega. 3.25 or 3 ke beech me. Net debt.

Saket Kapoor

So sir, two years down the line with the type of value added jo film ka share hai that going up and we are saying 50% reserve above jesa aapne or Vaibhav ji nay kaha, what should we be looking at net debt to EBITDA number?

Pradeep Kumar Rustagi

Hamara target to hai isko rakhneka between 2 and 2.25. uske andar. That is the target. It is very difficult to fix the timeline, but that's the objective we are working with.

Saket Kapoor

And sir, taking into account hamare industry profile ye sahi hai sir? Itna high debt ko 2 to 2.5 me carry karna?

Pradeep Kumar Rustagi

2 to 2.5 is reasonable and prudent, I would say. Very, very prudent and very reasonable.

Vaibhav Jha

Kyuki Saket ji, issme ham kar kya rahe hai ki additional Capex ekdam, we have tightened our base on the new CapEx within Ester. And at the same time, we are repaying the debt. So, ye jo long term debt hai term loan vagera kam hote jaayenge progressively. And second thing is the working capital jese Pradeep ji bata rahe the, vo abhi badhi hui he kyuki the prices of raw material and finished good both are at a very high level. It has increased by the prices of raw material and finished good have increased by 50%.

So that has put stress on the working capital. So now when this comes, the crude oil is down to 75-80 levels, which jo lag raha he ki abhi aa jaye to ye jo pressure tha working capital ka vo bhi revert ho jaayega. So, all these factors going forward are going to lead to reduction in our debt. While our EBIDTA improved. Absolute number for the EBITDA will improve from there.

Saket Kapoor

Well, when we look at the cash flow part, we find that for the first half, we have paid income tax net of refund to the tune of INR 9 crores. So, can you, Rustagi ji, Vaibhav bhai, aap bata sakte he what is the advanced tax payment we have made? Because issme kuch TDS bhi ho sakta hai.

Pradeep Kumar Rustagi

I'll tell you. The advanced cheque jo hamne first 15 June ko kiya, It's just a minute. Hold on for a minute. 15 June ko hamne INR 3.09 crore kiya that or 15 September ko hamne INR 4 crore ka advance cheque, self-assessment cheque jama karwaya tha.

Saket Kapoor

the 7 crore is what we have. 7 to 9 or something.

Pradeep Kumar Rustagi

Yes. 7.09.

Vaibhav Jha

And that is setting would be 45% of what the tax liability was?

Pradeep Kumar Rustagi

Ha, 45% of the estimated profit. Taxable profit.

Saket Kapoor

Sir, lastly, on the specialty polymer part, and I joined the Queue, so it's taking long time. But, sir, specific polymer ka kya reshape ho gaya hai business model and what we used to post earlier at the higher margin and the and the revenue. How will this number shift up? And secondly, sir, H2 ka kesa karna chaiye in terms of both the film segment, which is very volatile, but still, as per your understanding, what should be, factoring or modeling going for H2 from here?

Vaibhav Jha

So, I think in terms of film, we expect that overall, if you look at H2, both quarters put together, we should be able to achieve similar or slightly better results compared to the first half, what we have achieved. On specialty polymers also, because of the new businesses that we are expecting to mature across two or three products, which are in very advanced stages of pipeline and are likely to mature in Jan to March time line, we should be able to do slightly better in specialty polymer also compared to first half.

Saket Kapoor

Because the gap is there, sir, think, 105, the revenue for last year H1, which is down down to INR 62 crores. And the... I'm talking about the strategic polymer there. So this this will become a tall task. And and does there is a permanent rigid in the, I think, to the customer profile, which has changed now? So, this 180 number and I think to last year, INR 59 crore profitability would be a tough target to meet for this year, definitely?

Vaibhav Jha

Yes. You are right. So, this is going to make it difficult to reach that level in this financial year. But from here on, this financial year as a base, we are extremely confident that given the pipeline which is going to mature, we should be able to grow at 25% YoY from now on.

Pradeep Kumar Rustagi

Saket ji, ek chiz dekhiye, hamne jo INR 105 crore revenue record in the first half of last year, ussme EBIT to INR 36 crore. Abhi hamne INR 62 crore kiya he but uske andar EBIT ham INR 25 crore kama paaye hai. So, the EBIT percentage is being sustained. It is the the drop in the sales, which is resulting into drop in absolute terms. The drop in EBIT is not as much as in the sales.

Saket Kapoor

Correct. But sir vahi hai ki bottom line bhi impacted ho jaa rahi hai. And there is a change in the, so taking into account, the H2 should be better than what H1 specialty polymer has been because of the product part and other aspect, which you just, jo aap mentioned kar rahe the. That should be fair-fair understanding.

Pradeep Kumar Rustagi

Right.

Saket Kapoor

Bohot dhanyawad, sir. Puri team ko Shubh Dipawali and Naye Varsh ki shubhkamnaye.

Vaibhav Jha

Aap ko bhi shubhkamnaye.

Pradeep Kumar Rustagi

Aap ko bhi shubhkamnaye.

Saket Kapoor

Ji sir, bohot dhanyawad.

Moderator

Thank you. Participants, if you have a question, please press * and 1 on your telephone keypad. Next, we have a follow-up question from Ravi Nandha, an individual investor. Please go ahead.

Ravi Nandha

Sir me vapas Loop pe hi puchunga ye question, kyuki mene unki Con call attend ki thi, to unke jo CEO the unhone bola tha ki as a growing concern, matlab, routine me vo expense bhi vo maintain nahi kar paa rahe hai delisting bhi khatra hai, issliye main baar baar ye question puch raha hoon ki equity component me arrangement kya hai, kyuki unka abhi tak nahi hua. Issliye me baar baar e question puch raha hoon.

Pradeep Kumar Rustagi

As as we responded in the earlier query, they have the commitments from the private equity. As we achieve certain milestones like acquisition of land and tie up of debt, etc., they would receive the money from the private equity, which will be inducted as equity in the Elite project. So please realize they are a R & D company or sort of a technology company. They don't have a regular revenue stream, and they have to follow the U. S. GAAP, wherein as on the date of the report, they have to state the obligation that they have and the money that they have in hand. This is which they say that the going concern could be ended out. But this has been coming out since last four, five quarters, but they are continuing. So, we don't foresee any problem on that front.

Ravi Nandha

Aur sir 4th quarter me aap specialty product la rhe hai vo patented hai, matlab aap hi bana paayenge ya fir, Is product ka potential kya hai? Product ka potential.

Vaibhav Jha

Dekhiye product ka potential isse pata chalta hai ki, companies like Nike and other, very reputed brands have signed commercial contracts with us two years ago.

Ravi Nandha

Fourth quarter me laa raha hoon. Sorry, sir. Vo abhi jo fourth quarter me naya product launch kiya hai na sir

Vaibhav Jha

Sorry. I thought you're asking about Elite. That's why, I'm not sorry. So, specialty polymer me jo naya product hai that is likely when it matures, it is likely to, in terms of volume, give us almost 200 tons per month of volume. But it will take some time to reach there, Right? Six to nine months to reach there. But you will start seeing the impact in the volume starting from next quarter.

Ravi Nandha

Ye product aapne develop kiya hai matlab patented hai ya kuch?

Vaibhav Jha

Nahi, matlab abhi hamne ye jo product develop kiya hai, ye patented nahi hai but patentable hai but ham nahi karwa rahe hai co patent because of certain other reasons. But it's not something that many people can make.

Ravi Nandha

Toh high margin hi rahega ye?

Vaibhav Jha

So, this will be mid margin. Ye VAP me aayega, this this won't replace the high margin volumes contribution. This will be at lower margins, but the volumes are high. Jese mene bataya ye do-teen products ko aap add kar de to 200 tons per month ki sale ho jaayegi.

Ravi Nandha

Sir, aapne LMC 03 Ester ke baare me bhi bola than a MB 06. Ye product abhi chal raha hai?

Vaibhav Jha

Right, vo product me bhi hamko kaafi success mili hai. We have added one new customer in LMC 03 or MB 6 main bhi hamaara bohot advanced stages pe hai approvals in international customers. But ye jo high specialty products hote hai inko gestation period bohot jyada hota hai. So, hum uspe to kaam kar hi rahe hai, hamare pass aaj ke date me hamare pass capacity, utilize capacity padi hui hai. So why not leverage that and also improve the cash flow by working on the value-added product? Jaha volume jyada hai, margins medium hai or gestation period shorter hai. That is the logic behind, going for these, products.

Ravi Nandha

Thank you, sir.

Vaibhav Jha

So, these value-added products have margins much higher than the commodity products, but also lower than the high margin products that we have been focusing on so far.

Ravi Nandha

Thank you.

Vaibhav Jha

Thanks.

Moderator

Thank you. Next, we have a follow-up question from Saket Kapoor from Kapoor and Company. Please go ahead.

Saket Kapoor

Yes, sir. Just a small suggestion from my side wich I forgot. Hope I'm audible right now, sir. Hello?

Pradeep Kumar Rustagi

Yes.

Saket Kapoor

Yes sir, when we are coming up with our results, if we can arrange the press release and the investor presentation part also simultaneously within the span of, say, an hour or two, that will suffice in the phone call scheduled for the next day in post market hours and not giving us, like, more than this 48-hour gap. And we should also try to come up with our results, say, with 20-25 working days for the month and ending of the quarter, sir. These two other suggestions, since we are doing all other things, we can fall in a different league in the list of companies also. If we can practice these two aspects, sir, either from above or not.

Pradeep Kumar Rustagi

We take note of your suggestion. We internally have this target. There are few constraints which, you know, sort of don't let us achieve our stated objective or target, but we keep this in mind.

Saket Kapoor

But, sir press release vala jo document ha na.

Pradeep Kumar Rustagi

Press release or PPT vo ham ek saath hi karne ka koshish kar rahe hai. Or hope or bhi koshish karenge next call me.

Saket Kapoor

Kyuki sir, vo dono hone se number badhne ki kshamta badhti hai, otherwise, hame wait karna padta hai jabtak aapke details nahi aate hai. Bas yahi point hai.

Pradeep Kumar Rustagi

Ji sir, jaroor.

Moderator

Thank you. There are no further questions. Now I hand over the floor to Vaibhav ji for closing comments.

Vaibhav Jha

With this, I would like to conclude our presentation. We remain focused on strengthening our core business, improving operational efficiencies, expanding our value-added product portfolio and pursuing the long-term opportunities in strategic polymers and sustainable recycling. I would like to take this opportunity to thank our shareholders, investor analysts and other stakeholders for your continued trust, confidence and support. My sincere thanks also go to our employees and business partners for their dedication and contribution. As we celebrate the festive season, I wish you and your families a very happy, prosperous and safe Diwali.

Thank you for your time and participation. We look forward to continuing our engagement with you. Thank you, and happy Diwali.

Moderator

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

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