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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 18th August 2026

Dear Sir/Madam,

In continuation of our letter dated 18th August 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
Q1 FY27 Earnings Conference Call”
August 18, 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**



Moderator: Ladies and gentlemen, good day, and welcome to the Q1 FY27 Earnings Conference Call of Ester Industries Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star and then zero on your touchtone phone. Please note that this conference is being recorded.

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

Amit Sharma: Thank you, Sagar. 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 first quarter ended 30th June 2026. On the call today, 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, following which we will open the forum for the question-and-answer session. 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 today. I will take you through the industry environment and key business developments during the quarter, following which Sourabh will walk you through the financial performance. I would first share with you a short perspective on the industry landscape before I move to company-specific key updates.

The operating environment for the BOPET film industry continued to improve during Q1 FY27. Global prices of BOPET have seen stability due to tighter trade flows, raw material shortage as well as increase in raw material and freight costs. At the same time, the disruptions and uncertainties caused by imposition of reciprocal and punitive trade tariffs by U.S.A. during Q2 and Q3 of FY26 have largely moderated, subsequent to rejection of such trade tariffs by the Supreme Court of U.S.A.

India now enjoys a favourable import tariff scenario for imports into U.S. This has resulted in regaining of lost market share in U.S. between Q2 and Q4 of FY26 in this quarter. We continue to see strong structural tailwinds emerging from the circular economy. The implementation of plastic waste management rules and the increasing requirement for the PET and BOPET films, which stipulate post-consumer recycled content, are creating additional demand opportunities for rPET and recycled content BOPET films.

Among the various films and substrates used for the flexible packaging, BOPET film is the only food-grade approved substrate and the only substrate which can have sufficient post-consumer



recycled content to help brands meet their sustainability targets. Further, new capacity additions are projected to be moderate and evenly phased out given the volatile scenario experienced by the industry players during last 2 to 3 years.

Overall, while industry cycles will continue to influence the business, we believe the combination of improving industry discipline, buoyancy in international prices and growing demand for recycled content products provides a more favourable operating environment for the BOPET industry.

Sustainable solutions are at the core of Ester's strategic growth platform. The regulatory environment is becoming increasingly supportive of recycled materials. In India, recycled content requirements under the plastic waste management framework are stipulated to increase progressively. For Ester, this creates an opportunity to participate across multiple points of the value chain.

Ester has invested in creating recycled PET capacities of 30,000 tons per annum. This enables us to produce recycled PET for use as feedstock in the recycled content films. In addition, this gives us a platform to supply best-in-class bottle-grade recycled PET to prestigious brands as well as textile grade and film-grade recycled PET to various leading customers.

We are also building capabilities to participate in higher-value circular applications over time through ELITe. Against this backdrop, Ester continues to strategically transform itself into a manufacturer of specialty BOPET films and polymers. The consistently increasing volume and proportion of value-added specialty products and strong business development pipeline of new products within specialty polymers showcase this key strategic focus.

Exploring new customers in new markets in various other geographies continues to be the highest priority. We continue to invest rapidly in R&D to innovate at a rapid pace and fast-track our journey to specialty manufacturer. These strategies are aimed at improving realizations, enhancing the overall product mix and importantly, reducing earning volatility arising from the inherent cyclicality in the commodity BOPET film products caused by demand-supply imbalances from time to time.

Now moving on to the key business updates, starting with the Polyester Film segment. In this segment, we delivered a healthy improvement in the performance during the quarter. Consolidated film volumes increased 2.7% year-on-year to 22,120 metric tons, while film segment revenue grew by approximately 38% to INR399.5 crores.

The significant difference between volume and revenue growth reflects the improvement in realizations and margins as well as the continued improvement in our product mix. Consolidated capacity utilization also improved to 84% compared with 82% in Q1 FY26, supported by the better market scenario.

A particularly encouraging development was the continued growth in our VAS films portfolio. VAS volume increased 23% year-on-year to 6,368 metric tons in this quarter, and their contribution to total film volumes increased to approximately 29% from 24% a year ago. We



consider this shift in mix to be an important indicator of the progress we are making in the business.

As the volume and proportion of VAS products increases, our ability to compete is increasingly based on product performance, satisfying new application requirements and customer qualifications rather than being driven purely by price. Encouraged by the recent performance and positive outcomes of our strategic focus, we are targeting proportion of VAS products at about 50% to 60% over the next 2 to 3 years.

We will, therefore, continue to invest in product development, customer approvals and capabilities to serve more specialized applications. Chip business revenue during the quarter was around INR5 crores, driven by higher third-party sales volume. In this quarter's performance, we saw a significant improvement in realizations driven by growth in VAS sales as well as favourable industry dynamics.

Consolidated film revenues grew by approximately 38% year-on-year, while the segment delivered around 10% EBIT margins, supported by better throughput and a higher contribution from VAS products. Going forward, our focus will remain on maintaining price discipline, improving utilization and increasing the volume and proportion of VAS products.

We believe this will help us improve the overall quality of earnings and build greater resilience in the film business through industry cycles. Now turning to Specialty Polymers. The segment reported consolidated sales volume of 725 metric tons during the quarter compared with 954 metric tons in Q1 FY26.

Consolidated revenue stood at INR32.7 crores compared with INR48.1 crores in the corresponding quarter last year. While the overall volumes and revenue were lower due to demand pressure in one of our high-margin specialty products, the profitability of business improved meaningfully with EBIT margin increasing from 31.7% to 45.3%.

This was primarily driven by a better product mix during the quarter. We continue to focus on optimizing the product mix and expanding the portfolio while maintaining the healthy margin profile of this business. The growth in Specialty Polymers will be driven by increase in volumes with a mix of high-margin specialties as well as mid-margin value-added products or VAP.

The focus on VAP will help us improve operating leverage and cash flows while also diversifying our business while the growth in high-margin specialties will provide the profitability buoyancy. However, given the strength of our business development pipeline, we expect to recover the revenue growth in this business by the end of this financial year.

We are targeting growth at a CAGR of 20% over the next 3 to 5 years in the Specialty Polymer segment. Coming to the rPET business, consolidated volumes increased 19% year-on-year to 1,394 metric tons, while revenue grew 24% to INR17.5 crores during the quarter. We continue to see rPET as an important part of our broader film strategy as well as an important sustainable solution that we offer to our customers at large.



Coming to Ester Filmtech, we saw a meaningful improvement in the business during the quarter. Capacity utilization reached approximately 83%, the highest level achieved so far, while sales volume increased 22.7% year-on-year to 9,807 metric tons. More importantly, the business is now beginning to demonstrate the better operating leverage that comes with higher capacity utilization.

The improvement is being supported not only by higher throughput, but also by better production efficiency and a healthier product mix. As we continue to ramp up utilization and increase the contribution from VAS and recycled content products, we see Ester Filmtech becoming an increasingly relevant part of the consolidated business. Our focus will remain on continuing this ramp-up, improving the mix and translating the improvement in operating performance into consistent cash generation.

I would now like to touch upon ELITE. Our 50-50 joint venture with Loop Industries. We see ELITE as strategically different from our existing recycling activities as the objective is to establish a chemical recycling platform for polyester textile waste and enable textile to textile recycling. The project is progressing through the engineering phase.

The FEED study has been completed by Tata Consulting Engineers and Toyo Engineering India has been appointed for detailed engineering. Land acquisition is also progressing and is expected to conclude within the next 2 months. The facility is targeted to become operational in CY 2028 and will use Loop's proprietary depolymerization technology to convert 100% textile waste streams into virgin-quality monomers, which will then be polymerized into virgin-quality polyester resin.

An encouraging development for ELITE has been early and regular customer validation. Following Nike's earlier commitment as an anchor customer, our JV partner, Loop Industries has now secured a letter of intent from a leading global sports and athletic brand for the potential offtake of up to 15,000 metric tons per year of Loop PET fibre-grade resin annually under a multiyear commercial framework.

The resin will be supplied from the upcoming manufacturing facility in Gujarat to be operated by ELITE, the 50-50 joint venture between Ester Industries and Loop Industries. With commitments from these marquee global brands, a substantial portion of the planned capacity is now covered with contracts and LOIs well ahead of commercial startup.

We view this as an important validation of both the technology and the market opportunity, and it reinforces the growing interest from global brands in circular textile to textile recycled polyester. We will continue to progress the project through the remaining qualification permits, approvals and execution stages in a disciplined manner.

Looking ahead, our priorities remain clear. We will continue to focus on sustaining the improvement in film realizations and capacity utilization, increasing the volume and proportion of VAS products and expanding the specialty polymers through new products, customers and geographies.



At the same time, we will continue to scale our rPET capabilities and integrate them more closely with the BOPET film business while progressing ELITE in a disciplined manner towards its targeted commissioning in calendar year 2028.

With that, I hand over to Sourabh to take you through the financial performance. Over to you, Sourabh.

Sourabh Agarwal:

Thank you, Vaibhav, and good afternoon, everyone. Let me take you through the financial performance for the quarter, after which we will open the floor for questions. I will begin with the standalone performance of Ester Industries.

Stand-alone total income for quarter 1 FY27 increased 22% on a year-on-year basis to INR347.7 crores compared with INR284.9 crores in quarter 1 FY26. The improvement was primarily driven by the Film segment, where higher realizations, better capacity utilization and an improved product mix supported the revenue growth.

Stand-alone EBITDA increased 25.2% on a year-on-year basis to INR40 crores, with the EBITDA margin improving to 11.5% from 11.2% in the corresponding quarter.

Profit after tax increased 50.5% to INR14.5 crores compared to INR9.6 crores in quarter 1 FY26, resulting in an improvement in PAT margin from 3.4% to 4.2%.

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

Coming to Ester Filmtech, our 100% subsidiary, the quarter marked a significant improvement in the financial performance of the business. Sales volume increased 22.7% year-on-year to 9,807 metric tons, while the total income increased 62.7% to INR159.6 crores. EBITDA improved to INR19.5 crores compared with a loss of INR2.7 crores in quarter 1 FY26, resulting in an EBITDA margin of 12.2%. PAT also turned positive at INR4.7 crores compared with a loss of INR16.5 crores in the corresponding quarter last year.

As Vaibhav mentioned earlier, capacity utilization in BOPET film in Ester Industries stood at 85%. Capacity utilization Ester Filmtech reached approximately 83%, which is the highest level so far. This resulted in a consolidated capacity utilization standing at 84%.

Coming to the consolidated performance of the company. Consolidated total income increased 27.4% year-on-year to INR441.9 crores compared with INR346.9 crores in quarter 1 FY26. Consolidated EBITDA increased 103.4% to INR58.9 crores with the EBITDA margin expanding to 13.3% from 8.3% in the corresponding quarter.

Profit after tax turned positive at INR18.6 crores compared with a loss of INR7.2 crores in quarter 1 FY26. PAT margin stood at 4.2%. The improvement in consolidated profitability was broad-based with all businesses, including polyester chips, polyester film, Specialty Polymers, rPET, contributing meaningfully to the operating profit. Though Polyester Film segment remained the principal contributor.



Within the Film segment, consolidated revenue increased approximately 38% year-on-year to INR399.4 crores, while segment EBIT increased significantly to INR39.1 crores from INR6.9 crores in quarter 1 FY26.

Consequently, EBIT margin improved to 9.8% from 2.4%. Film volumes increased 2.7% year-on-year to 22,120 metric tons, while rPET volumes increased 19% to 1,394 metric tons. Specialty Polymer SBU also continued to demonstrate the strength of its business model. While volumes and revenue were lower year-on-year, segment EBIT stood at INR14.8 crores with EBIT margin improving significantly to 45.3% from 31.7%.

This reflects the continued strength of Specialty Polymer business and its contribution to the overall quality of earnings. As on 30th June 2026, the gross total debt of the company was INR722 crores and liquidity of INR236 crores. The company aims to gradually deleverage in the coming years by paring its debt on an overall basis.

Overall, the company has demonstrated resilient operational progress with enhanced margin and profitability during the quarter and setting the stage for improved profitability in the coming quarters. This concludes our opening remarks.

We can now commence the question-and-answer session. Thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session. Anyone who wishes to ask a question may press * and then one on their touchtone phone, if you wish to remove yourself from the question queue, you may press * and then two. Participants are requested to use handsfree while asking question. Ladies and Gentlemen, we will wait for a moment while question queue assembles. Again to register for a question, you may press * and then 1. First question comes from the line of Shlok Patel with Zenflow Finance. Please go ahead.

Shlok Patel: Hi, am I audible...?

Moderator: Yes.

Shlok Patel: Firstly, congratulations on good set of results. I just wanted to know that can we maintain similar run rate for the rest of 3 quarters? And were there any one-off gains in this quarter?

Vaibhav Jha: Yes. Thanks for that question, Shlok. So yes, as you must have seen in the financial statements, there is an other income component. Other than that, I think the industry structure is quite favourable to us on the BOPET film industry side. We are seeing very stable and reasonably priced global markets. We are seeing that there are enough opportunities to place volume profitably in India as well as across the world.

And we are also seeing opportunities to be at a sustained higher volumes compared to our past quarters because of the current supply-demand balance in the industry. So, all this give us confidence that we should have sustainable good earnings going forward, not only for the next 3 quarters, but I would go on to say, for next 6 to 8 quarters.



Shlok Patel: Okay. thanks, That helps. And another question, just wanted to know about our goal for next 2 years to 3 years. As you said that now the cyclicalities has moved away and the industry is improving now. And once you mentioned that our -- with our existing facilities, we can generate some INR2,000 crores to INR2,200 crores of revenue with our business segments.

Just wanted to understand that which segments will drive these revenues? And how will margins come up in next 2 years to 3 years as our product mix from value-added products will increase a lot and also our existing capacities will get utilized more?

Vaibhav Jha: Yes. So, you have answered the question in your question itself. So, this increase in the revenue will be driven by multiple factors. So, one is the price itself. Like I said that we are expecting that the global prices to hold at a higher level than what we have seen in the last 2 years to 3 years.

So, that itself is going to lead to improvement in revenue. Other than that, the capacity utilization is going to improve not only in films, but also in specialty polymers going forward as well as rPET. Third, the -- as the share of specialty products increase in our product mix, these specialty products are usually much higher priced than the commodity products.

So, as the proportion increases, it will automatically lead to an increase in revenue because of the increase in the high-priced sales that we would be doing. The fourth factor which is playing out is that as we march towards operational excellence, we are able to run the plants more efficiently and are able to derive more tonnage out of the same asset class that we have.

So, even that is going to lead to, you know, better production and better sales volume. And all of these put together are going to result in increasingly improved top line.

Shlok Patel: Okay. So, is it fair to assume that in next 2 years to 3 years, we can achieve that target of INR2,000 crores to INR2,200 crores?

Vaibhav Jha: Yes. I think we are steadily marching towards that, and we should definitely be hitting there in next 2 years to 3 years.

Shlok Patel: Okay. Thanks. I will get back to the queue.

Moderator: Thank you. Participants, to ask a question, you may press star and one now. The next question comes from the line of Saransh Gupta with SVAN Investments. Please go ahead.

Saransh Gupta: Thank you for the opportunity, sir. I hope I am audible.

Vaibhav Jha: Yes, Saransh.

Saransh Gupta: Yes. Congratulations on a decent set of results. Sir, I had a few questions. First of all, I just wanted a ground reality on the China anti-involution policy that they have implemented. Like have the imports declined? And is that leading -- is that benefiting us in price bonds?

Vaibhav Jha: Okay. So, let me address this question. So, see, in general, what has happened is that the global price situation has improved simply because the trade flows are restricted right now, right? And



what we are seeing is that this set of factors which are playing are going to sustain. So, multiple factors are leading to stability in the prices that we are seeing right now globally and also in India. In India, specifically, if you see, there has been hardly any capacity addition in the last couple of years.

The capacity addition, I would say, has lagged the demand growth. And we see this trend lasting for next 2 years to 3 years. So, especially in the local market, we see the demand supply balance being strong. And similarly, in global market, we see enough opportunity for Indian manufacturers to place their volumes profitably.

Saransh Gupta: Understood, sir. Sir, and what were the spreads last quarter?

Vaibhav Jha: So, spreads last quarter were in the range of INR28 to INR30. When I say spread, I mean VA, value-add over raw material for 12-micron film.

Saransh Gupta: Understood. So, for the base BOPET film of 12-micron, the spreads would be around INR7 to INR8 for last quarter?

Vaibhav Jha: No. I said INR28 to INR30 for 12-micron corona commodity film.

Saransh Gupta: And sir, we charge a higher premium of around INR20 to INR25 on the value-added, right?

Vaibhav Jha: Yes. So, value-added products range from, you know, INR25 to much, much higher levels because it's a mix. So, the more specialized the product, the more value add we are able to get out of it.

Pradeep Rustagi: There are off-line coated products which command a higher premium, much higher than the normal value-added products.

Saransh Gupta: Understood, sir. So, sir, with this China Anti-Involution Policy, will it be fair to assume that these spreads can sustain for the year-end?

Vaibhav Jha: See, like I told you that we are very positive that for next 6 quarters to 8 quarters, the global and domestic supply-demand balance is going to hold. And I think that is going to give us some respite and is going to keep the margin steady.

Saransh Gupta: Understood, sir. So, sir, I just wanted to understand like currently, our value-added contribution in this quarter was 29%, which has been highest since the implementation. So, what can the contribution be by the year-end? Is it going to be in the similar levels? Like, we are aiming for 50% to 60% in the next 2 years to 3 years. So -- but I just wanted to understand like with exports being opened up for U.S. as well. So, what can be the contribution by year-end?

Vaibhav Jha: See, we are seeing up to 35% contribution of VAS product out of our own -- up to the overall portfolio by the quarter end, I mean, in the exit quarter.

Saransh Gupta: Understood, sir. Sir, just one more question. Like in this quarter, our rPET volumes declined sequentially. So, I just wanted to understand like, what led to that decline?



Vaibhav Jha:

See, this is a temporary, I would say, slowdown because what you are seeing is external sales. And the external sales had to take a hit because the demand -- internal demand for rPET in our packaging films increased. But we see that this situation should change in the -- in this quarter towards -- in September of this quarter, and this trend will be more visible in the quarter of October to December, wherein you will see a much larger rPET volumes being sold externally.

Saransh Gupta:

Understood. Sir, just one last question, then I'll come back in the queue. Sir, with our ELITE project being operational in the calendar year 2028 and by in the next 2 months, we'll have the land buy with ourselves.

So, I just wanted to understand that there are other competitors as well who are getting into the same segment of textile-to-textile recycling, and they have already set up the capacity. So, will we be a bit late or will there be a competition by the time we are ready with the facility?

Vaibhav Jha:

See, first of all, the market for this type of product is very large and the demand is very high. So, the space is there for many, many players. Number two, the technology is fundamentally different. And what we will be able to do is we will be able to process low-cost feedstock, which cannot be processed by our competitor technologies.

And that is the differentiator for us and which is going to bring in the required economies and is going to create a much larger appeal for our customers. So, just to expand on this factor a little bit more, the competitor technologies usually look for textile waste, which do not -- which are close to 100% polyester.

And there is a difficulty in processing when there is a blend along with polyester. And if you look at any practical textile waste, it is always a blend of polyester, whereas our technology can manage any kind of blend with any kind of colour, pigment or dye and give out virgin-like quality. Also, the maturity of this technology is far, far higher than our competing technologies in most cases.

You know, Loop has been working on this technology for a long period of time for more than 10 years. They have scaled up to, you know, a small-scale plant in Canada. Where all the practical textile waste has been processed, all possible combinations has been checked and not only by us as a joint venture partner, but also by these customers who are going ahead and giving large-volume contracts to us 1.5 years ahead of the planned commissioning.

So, the maturity definitely is at a different scale. And therefore, the -- I would say, the production confidence in terms of being able to process the waste and hitting the rated capacity is much higher in our case. And the economics are much more I would say, we are more confident about economics in our case than the competing technologies.

Pradeep Rustagi:

And there is another point. We are targeting to park all our volumes coming out from the ELITE project outside of India. We are not sure or we are not aware of the marketing strategy of the competitors. But for us, the entire production is going to be exported.

Saransh Gupta:

Understood, sir. So, it will -- just to close it up, so it will be a good assumption that we will also have a better premium to the market at that moment when we are available with the facility.



- Vaibhav Jha:** Absolutely.
- Saransh Gupta:** Thank you, sir. I'll join back the queue, and all the best.
- Moderator:** Thank you. The next question comes from the line of Raj Shah with Fident AMC. Please go ahead.
- Raj Shah:** Hi. Thank you for the opportunity. So, I wanted to understand from a 2-year to 3-year view, how do you see the rPET volumes? And now we have that -- we have a 28,000 ton capacity. Over the next 2 years to 3 years, do we plan to reach optimum utilization and revenues of close to INR400 crores -- INR500 crores? And what can be the margins at those levels?
- Vaibhav Jha:** See, I think let me clarify about rPET. So, the major logic of investing in rPET for us was in-house consumption. However, we saw a demand for high-quality rPET in the market, which was very -- which was not being fulfilled by many of the existing players. And therefore, we thought of utilizing that opportunity to make bottle-grade rPET and, you know, other film and textile grade rPET.
- But that is, to be honest, more of a secondary objective for us. Our objective is to derive value with our in-house consumption. Having said that, I think the right measure of knowing how we are doing with respect to rPET would be the value generated by rPET through external as well as internal utilization -- external sales as well as internal utilization.
- So, let me tell you that giving you approximate numbers right now, we are producing any much larger volumes than what we were producing last year. And we are extremely confident that we will hit more than 100% of the rated capacity by the exit quarter of this financial year.
- So, a lot of it won't be visible in the financial statements because it would be used internally, but a large part will be observed in the external sales. But like I said, the logic for us is the internal consumption as much as the external sales.
- Raj Shah:** Understood. And on Specialty Polymer, we saw margins up close to 12% to 13% on a year-on-year basis. So, I mean these margins are sustainable at these levels because the value-added share is increasing? Or what could be the full year kind of margins for FY27, assuming I mean, the prices stay at these levels?
- Vaibhav Jha:** Yes. See, right now, the share of VAP is at a much smaller scale because we have built a pipeline and this pipeline takes some time to mature. And therefore, the influence of mid-margin VAP is not too apparent. But you are right. As we go forward, we are going to see some moderation of the percentage margins, right? Because the mid-margin is going to pull down the high specialty margins a little bit in percentage terms.
- But because of the improving operating leverage, we are going to see better financials in terms of EBITDA or EBIT because we are essentially just, you know, improving the capacity utilization and improving the operating leverage. But I think we should focus more on the absolute top line growth as well as absolute EBITDA growth and EBIT growth.



- Raj Shah:** Understood. And lastly, in terms of debt repayment, so what is the targeted debt repayment for this year? And for the ELITE also, would we require any additional debt?
- Sourabh Agarwal:** So, this year, the debt repayment target is around INR100 crores. And as far as ELITE is concerned, as you are aware that it's a separate project other than Ester. It's a joint venture between Loop Industries Canada and Ester. So, there is going to be additional debt, which will be raised in the JV company, not in Ester balance sheet.
- Pradeep Rustagi:** And it will not be consolidated with Ester because it's a 50-50 JV.
- Raj Shah:** Correct. Understood. And, you know, capex of the JV, there is no major capex for FY27.
- Sourabh Agarwal:** Sorry, can you repeat the question?
- Raj Shah:** Capex of the JV, there is no major capex for FY27 in the stand-alone and polymer business.
- Sourabh Agarwal:** No. So, apart from our sustenance and maintenance capex, we are not planning any major capex.
- Raj Shah:** Understood. Okay. Thank you so much.
- Moderator:** Thank you. The next question comes from the line of Charchit Maloo with Genuity Capital. Please go ahead.
- Charchit Maloo:** Hi, sir. Thanks a lot for the opportunity. Sir, can you give me the split of other income like the INR10 crores split?
- Sourabh Agarwal:** So, the other income basically comprises of our income from our investments. And as you know, that we have got a total cash available with us in plus of INR200 crores. So, that is number one. Second, the other income also comprises of the favourable gains on the foreign exchange, which we have got, which was a negative last -- in the last quarter.
- Charchit Maloo:** Okay. Like -- and just if you can give the guidance for FY27 and FY28, that is revenue, EBITDA and PAT?
- Sourabh Agarwal:** Can you repeat the question? I'm sorry, the line is a little disturbed.
- Charchit Maloo:** Can you give the guidance for FY27 and FY28 of revenue, EBITDA and PAT?
- Vaibhav Jha:** So, I think what we can say is that we are looking at sustainable growth in revenues and our profitability. But at this point in time, we would just hold back from giving very firm guidance on the specific revenue and EBITDA numbers.
- Charchit Maloo:** That's all from my side.
- Moderator:** Charchit, does that answer all your questions?
- Charchit Maloo:** Yes. That's it.



Moderator: Thank you. We remind all the participants, if you wish to register for a question, you may press star and then one. The next question comes from the line of Saket Kapoor with Kapoor Company. Please go ahead.

Saket Kapoor: Yes. Namaskar, sir.

Vaibhav Jha: Namaskar.

Saket Kapoor: Hope I'm audible?

Vaibhav Jha: Yes.

Saket Kapoor: Yes, sir. Sir, firstly, coming to the other income part. Sourabh-ji, you mentioned this is out of the treasury operation. So, can you elaborate more since we are also -- net of how do this income got generated? And what is the forex exchange benefit included into it?

Sourabh Agarwal: Yes. So, the other income, Saket-ji, if you remember, in the last quarter, there was a pressure on the other income in terms of negative foreign exchange loss as well as we also had some negative return on our mutual fund investments in the last quarter.

And in this quarter, we have a positive return on the investments as well as a favourable gain on a foreign exchange because of which the other income is looking on a higher side. But again, this is a one-time gain. On a sustainable basis, you're not going to see this high number on a quarter-on-quarter basis.

Saket Kapoor: Can you give the split of the same? How much was the foreign exchange contribution and the treasury? And sir, since we are having debt, what is our book size currently for mutual funds we have invested into?

Sourabh Agarwal: The total book size for mutual funds is around INR60 crores. And the total FD that we have right now is more than INR160 crores. So, if you remember Saket Ji... Yeah, I will explain.

Saket Kapoor: Okay. And what is the gross?

Sourabh Agarwal: Yes. I will explain you. If you remember, Saket-ji, we have already raised money for the purpose of equity contribution in our joint venture, right? So, there was a share warrant, which the company has raised, and we have already got the money in our bank account. And so, the primary driver for our other income is mainly because of the interest on that piece.

Saket Kapoor: Okay. Do you have the split, sir? How much was from the treasury and the interest, the FD interest? I mean, I just wanted INR9.8 crores split between forex, treasury and -- forex and the treasury part?

Sourabh Agarwal: Yes. So, if you want, I can give you an overall split. So, on treasury, it was around INR3 crores. And interest on FD and other investments is around INR3.5 crores. And then there is certain other income -- the foreign exchange gain is around INR1 crore and then there are balance other income.



- Saket Kapoor:** Okay. And sir, we are saying that we have INR100 crores repayment for this year. So, what is the current net debt number? And what will be the closing balance for the year, expected closing balance?
- Sourabh Agarwal:** Yes. So, our gross debt is INR720 crores, which is going to come down by INR100 crores. By the end of the year, we will have a gross debt of INR620 crores. And the current cash and cash balance, which we have right now is INR235 crores.
- Saket Kapoor:** Okay. So net debt number, you can -- we can keep this INR230 crores will be remaining for...
- Sourabh Agarwal:** No. So, part of this -- so as I told you, INR140 crores out of this for the JV. So as and when we invest in the JV, this liquidity will go away. So, around INR100 crores is what is the sustainable liquidity that we will have.
- Saket Kapoor:** Correct. And sir, Vaibhav ji, you were mentioning that further capacity addition is not there in BOPET. I think so lastly, one of your competitors in the BOPET segment added -- BOPET film capacity last year or I think for this year itself. So, taking into account the current dynamics, there is no further lines that are coming up for the current financial year? That is what the understanding should be?
- Vaibhav Jha:** Yes. So Saket ji, what I had said was that, there have been very few capacity additions and the capacity additions have lagged the demand growth. So, what I mean is demand growth has been more than the capacity addition. So, 2 lines have come up in the last 1.5 years, but the growth has been far more than the capacity that they brought on stream. We are expecting another 2 to 3 lines coming up in the next 1.5 to 2 years.
- But again, if you look net-net, the supply-demand balance is going to only tighten because there is a very strong BOPET demand growth happening in India, and we are seeing some green shoots in Europe also, mainly because of the plastic waste management rules in India, which is leading to the brands switching over from other substrate to BOPET to meet their sustainability targets.
- And a similar trend has -- very early to say, but we are seeing some green shoots of something similar happening in Europe as well. So that is why the demand growth in India, at least, is at a much higher level than the capacity addition.
- Saket Kapoor:** Okay. So, sir, do you have the number for the entire industry for domestically, what is the installed capacity for BOPET and the current utilization level for the industry?
- Vaibhav Jha:** See, the total capacity should be around 1.35 million tons. And the operating rate is well in around, let's say, 85% or so because a lot of it is also exported out of India. And right now, the way trade flows are lined up, Indian manufacturers are going to see enough opportunity to keep sustained levels of profitable exports.
- Saket Kapoor:** Okay. Now sir, coming to the Specialty Polymer part, you correct me here. Sir, you mentioned that our revenue guidance is 20% to 25% for this year or you are commenting on the margin part? I missed your comment.



- Vaibhav Jha:** Sorry, go ahead, Saket.
- Saket Kapoor:** You proceed sir.
- Vaibhav Jha:** Yes. So Saket ji, what we were saying was that we are seeing a 20% CAGR over the next 3 to 5 years. We are not saying it for this year, mainly because we are seeing some demand pressure on one of our high specialty products.
- But having looked at the other pipeline products that we have and the way market is set up, we are extremely confident that, we should be gaining the lost demand in terms of sales of other products by the exit quarter of this year. And then going forward, we should be hitting 20% plus CAGR.
- Saket Kapoor:** So, sir, just to understand further, on a top line of INR180 crores for the last financial year, we did INR32 crores, INR33 crores for the first quarter. And then you are saying that there is some demand issue going ahead.
- So, what is -- in the likelihood this is going to be a flat year then for the Specialty Polymers with normalized margins going ahead or because these margins are also, I think, because of some product mix advantage that we got these extra nominal margins of 40% and above. So if you could just explain to us where are we heading?
- Vaibhav Jha:** Right, right. Sure. So, see, what we are seeing is that we are going to be at least at a flat or get a single-digit growth in this financial year because a lot of our pipeline is going to mature in the second half of the year, especially towards the last quarter.
- So, we will see improvement in top line as we go through the year, especially as we go into -- deep into the second half of the year. But going into the next financial year, we are going to see good CAGR revenue growth and profitability growth.
- And like I mentioned that our focus is on improving the operating leverage here. So, while you might see some normalization in EBIT percentage, EBITDA percentage, but absolute number of EBITDA and EBIT should start growing significantly starting from next financial year.
- Saket Kapoor:** Okay. So, sir, just to model it, last year, the margins Specialty Polymers, we will be able to match those numbers or we can expect some growth there? I think last year.
- Vaibhav Jha:** Yes. So, it would be -- either we will be -- yes. So, what we are seeing is that we should be able to match and probably clock some single-digit growth by the time we finish the year.
- Saket Kapoor:** In margins also?
- Vaibhav Jha:** Yes. Because VAP products have larger volumes, though the margin might be lower, but volumes are larger.
- Moderator:** Sorry to interrupt, Mr. Saket sir. We request you to...
- Saket Kapoor:** Okay.



- Moderator:** Your next question comes from the line of Amit Kumar with Determined Investment. Please go ahead.
- Amit Kumar:** Yeah, thank you so much sir, can you hear me?
- Amit Kumar:** Sir, my first question is with respect to your raw material sourcing. So, 2 parts to it. One is that how are you looking at the availability scenario right now? And second sort of related question is that a few projects on PTA, MEG energy sort of coming in India as well, GAIL, IOC, RIL, a few projects in the pipeline, slightly delayed, what I need to understand, but something is coming -- some capacity is coming in India itself this year.
- So, have you tied up with any of these players, any of this capacity just to sort of localize your raw material in the future and maybe a little bit protection from the kind of volatility that we have seen in the past?
- Pradeep Rustagi:** So we have long-term contracts, and we are sourcing all our requirement of PTA and MEG locally. So, we have long-term contract with the suppliers of PTA and MEG, which ensures that we generally don't run short of the requirement that we have. As far as the new capacities are concerned, nothing is going to be up and running before December of this year. And the annual contracts that we have, they are January to December. So as and when the...
- Amit Kumar:** Next year, you can maybe sort of...
- Pradeep Rustagi:** Yes, yes, this is what I'm coming to. So, we are already in discussion with GAIL, which is likely to start by end of this calendar. And the Indian Oil will take some more time to start. Reliance is still some time away.
- On the MEG, there is no new capacity coming up, but all our requirement is getting met from the existing suppliers because polyester film is not a large consumer of PTA and MEG, unlike the PET resin or yarn. So, we have our raw material tied up, which is getting reflected in the operations of the first quarter, where we did not lose any production because of the availability issues.
- Amit Kumar:** All right. Understood, sir. Sir, my second question is just if you can sort of give us an update on the PWM waste management rules. What is the current sort of situation? And so, our sort of understanding is that, you know although the government has sort of implemented those rules, but it's not clear whether there is complete acceptability of those rules at the industry level.
- I mean there is a little bit of flexibility which is available on how much of rPET you need to sort of use now, and how much you can sort of do, and you can sort of catch up later or stuff like that. So, can you just sort of explain what is the current sort of status of the implementation of the rules, basically in terms of, what is there on paper and what is the situation on the ground?
- Vaibhav Jha:** Yes, sure. See, we need to differentiate on two aspects of the question that you're asking. One is the usage of our rPET in the laminates due to PWMR. And second is what the brands are doing to be better prepared for stricter enforcement of this PWMR.



So, the recycled content in the films, you are right that the enforcement is yet to be done. But we work with leading brands who are not going to be noncompliant with these rules, whether the government is strict with the enforcement or not.

And this is where the major pull for the recycled PET-based film is coming from. Also, all brands, big and small, are gradually switching, not gradually, but rather rapidly switching from other substrate to polyester film substrate, so that they can keep the laminates ready.

And in case there is a tighter scrutiny from the government and the compliance is enforced even more strictly, they can rapidly switch to rPET content-based films, right? So, this is leading to increase in BOPET film demand much beyond what the usual growth that we used to see. So, I hope, I was able to give you a perspective on the question that you asked.

Amit Kumar: Yes, Thank you so much.

Moderator: The next question comes from the line of B. Surendra, an Individual Investor. Please go ahead.

B. Surendra: Hello, Good evening, Thank you for taking my question.

B. Surendra: My question is on rPET capacity. Sir, what is our rated capacity?

Vaibhav Jha: Our rated capacity should be somewhere in the range of 28,000 tons.

B. Surendra: So, sir, what is the timeline to achieve that?

Vaibhav Jha: So, see, like I explained that we are already running at a very high throughput. It is not very apparent in the financial reports because a lot of it is being used internally as part of -- as a raw material for our films, right? But we should be going beyond the capacity utilization by the exit quarter of this financial year. So, we should be producing more than the rated capacity, that's what we are seeing.

B. Surendra: Sir, one more question is that is there any backward integration for our Telangana plant?

Vaibhav Jha: So right now, you can call the recycled PET extruder, which we have put there as a backward integration. But if you mean if we have a CP unit, then we don't have anything localized there. But we are feeding Hyderabad from our in-house capacities of raw materials in Khatima. So that way, to that extent, majority of Hyderabad's raw material requirements are catered in-house.

B. Surendra: Sir, one more question is on our specialized polymer. Sir, any new inventions there...

Vaibhav Jha: So yes, so I think this year also, we filed a few patents on new products. So, invention is a way of life for us in the specialty polymers. The challenge is on the gestation period, which is very, very high for such novel inventions.

But we continue to invest very heavily in R&D, and we continue to see a lot of patent-worthy invention and many trade secrets, which we don't patent because we don't want the competitors to know about those inventions. But innovation is quite evident in this business.



- B. Surendra:** Sir, one last question. Sir, regarding sun-control films and paint-protection films is now very coming in the market. So, our plan to manufacture or something like that?
- Vaibhav Jha:** So, we are looking at various products and from time to time, we take those decisions. And right now, we don't have any news on this front for you.
- B. Surendra:** Thank you very much, sir.
- Moderator:** The next question comes from the line of Saket Kapoor. Please go ahead.
- Saket Kapoor:** **Yeah, Yeah, thank you sir,** As you were mentioning that major of the rPET is being consumed internally that is the captive use. So, sir, how are these being accretive to our margins? If you can give some color of how the consumption leads to first the recyclable bit of story is there, but how much contribution is there in the margin from not taking raw materials from outside and using rPET?
- Vaibhav Jha:** See, because we are making in-house, we are able to capture the margins which we would have typically paid to an external supplier, right? So, to that extent, the margin is credited internally. It is also most of the times and majority of the times cheaper than the virgin raw material. So that also gets accrued.
- Saket Kapoor:** No sir. What will be the arbitrage from purchasing your raw materials or chips from outside and using the rPET internally?
- Vaibhav Jha:** Sir, we would like to avoid answering specific number.
- Saket Kapoor:** No issues, sir. Correct, sir. I got your point. It is not right for competition also. Sir, for spreads, you mentioned that commodity film, we made INR28 to INR30 for quarter 1. So since currently, how are -- what is the outlook on the spreads, sir? Any color you can share?
- Vaibhav Jha:** So, it is similar. It is holding, and we are seeing resilience in this kind of in the VAs -- in our commodity films.
- Saket Kapoor:** Okay. And the utilization, I'll just ask, okay, you allow me then again, only for two, Yeah, Yeah, two or more questions are there for us.
- Moderator:** I apologize, Saket, sir, but we would be able to take this as the last question due to time.
- Saket Kapoor:** Sir one point...
- Vaibhav Jha:** Let Saket sir ask one more question.
- Saket Kapoor:** Yes, sir. Sir, I wanted to see two points. One was when is your rating update coming, when is the schedule and some work is being done on succession planning, Mr. Singhanian. It was seen that some transfer of shares was done. So, sir, he is not here. So, any comment or you can take the feedback from him. And what I was asking earlier, it was interrupted that the utilization



levels of the previous quarter, are we seeing any increment in quarter two or not? That was my question which I was asking at that time.

Vaibhav Jha: Yes. So, quarter 2 from a capacity utilization is looking better than the previous quarter.

Sourabh Agarwal: From Q1.

Vaibhav Jha: Yes, from Q1. And you want to answer this.

Sourabh Agarwal: Yes. Saket ji, in terms of rating, the review is already in progress, and we expect that the rating review will be completed by the end of this month.

Pradeep Rustagi: And coming to the succession and ownership, both are 2 different things. Both are 2 different days. We already managed professionally. And what he has transferred to his son is their internal family matter.

Saket Kapoor: Okay, sir. Thank you very much for your questions. Thank you and all the best for the team, sir.

Moderator: Ladies and gentlemen, as there are no further questions from the participants, 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, partners and team members for their continued support, and thank you all for participating in this call. We are pleased with the strong start to FY27, and we are quite optimistic that we will do well during the year and see even better performance during succeeding quarters. For further queries, please reach out to our IR partners at Adfactors. Thank you.

Pradeep Rustagi: Thank you.

Sourabh Agarwal: Thank you.

Moderator: Thank you, all the members of the management. On behalf of Ester Industries, that concludes this conference. Thank you everyone for joining us, and you may now disconnect your lines. Thank you.