

**SEC:** 30/2024-25

**Date:** August 20, 2024

**National Stock Exchange of India Ltd.**

Exchange Plaza, 5<sup>th</sup> Floor,  
Plot No. C/1, G Block,  
Bandra- Kurla Complex,  
Bandra (East), Mumbai – 400 051

**BSE Limited**

1<sup>st</sup> Floor, New Trading Ring,  
Rotunda Bldg., P. J. Towers,  
Dalal Street, Fort,  
Mumbai 400 001

**Symbol:** PYRAMID

**Scrip Code:** 543969

**Through:** NEAPS

**Through:** BSE Listing Centre

Dear Sir/Madam,

**Sub: Transcript of earnings call with analysts/ investors.**

Pursuant to Regulations 30 read with Para A of Part A of Schedule III and other applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, we attach herewith the transcript of the Company's analyst call held on August 12, 2024, to discuss the financial results for the quarter ended June 30, 2024.

The transcript is also uploaded on the Company's website at <https://pyramidtechnoplast.com/disclosures-under-regulation-46-of-sebi-lodr/>

Kindly take the above information on record.

Thanking you,

Yours faithfully,

**For Pyramid Technoplast Limited,**

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**Zoya Jahur Shaikh**

Company Secretary &

Compliance Officer

ACS: 65907

**PYRAMID TECHNOPLAST LIMITED**

(Formerly - Pyramid Technoplast Pvt. Ltd.)

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**“Pyramid Technoplast Limited  
Q1 FY ’25 Earnings Conference Call”  
August 12, 2024**



**MANAGEMENT:**                    **MR. BIJAYKUMAR AGARWAL – MANAGING DIRECTOR  
AND CHAIRMAN**  
**MR. JAIPRAKASH AGARWAL – WHOLE-TIME  
DIRECTOR AND CHIEF FINANCIAL OFFICER**

**INVESTOR RELATION:** **MS. DEVYANSHI DAVE – GO INDIA ADVISORS**  
**MR. RAKESH ARORA – GO INDIA ADVISORS**

**Devyanshi Dave:**

Hello everyone and welcome to Pyramid Technoplast Limited earnings concall for Q1 FY25. We have with us on the call today, Mr. Bijaykumar Agarwal, Managing Director and Mr. Jaiprakash Agarwal, Whole Time Director and Chief Financial Officer. I must remind you that the discussion on today's call may include certain forward-looking statements and must be therefore viewed in conjunction with the risks that the company faces. I would now request the management to take us through the company's business and financial highlights post which we will open the floor for questions. Thank you and over to you, sir.

**Jaiprakash Agarwal:**

Hi, good afternoon, everybody. A very warm welcome to everyone. And thanks for joining us today for Q1 FY25 earning concall. So, our investor presentation has already been uploaded on the stock exchange and we hope you had a chance to view it and review it.

Our focus this quarter has been primarily in driving strategic expansions and enhancing operational efficiency. Starting with our operational updates, so at Unit 6 that is MS Drum plant, we have significantly increased our Metal Drum production capacity from 30,000 to 50,000 per month and this expansion was driven by automation, which has not only boosted our capacity but also enhanced our operational efficiency. Additionally, we have secured adjacent land to support further expansion, with a target of reaching 70,000 units per month by this September 2024 and further it can be scalable up to 90,000 as and when demand arises.

Now coming to our new IBC plant that is Unit 7, we are currently operating at 50% capacity utilising on Line 1 of our Intermediate Bulk Containers (IBC). However, the recent sharp increase in freights has impacted demand, particularly in export markets. So, considering these challenges, we have decided to reschedule the commissioning of Line 2 of IBC to the end of FY25. We believe these strategic decisions will enable us to better align our production capabilities with market conditions. Additionally, we have merged the land initially proposed for Unit 8 into Unit 7 to optimize the expansion of both IBC and Polymer Drums business, which will further enhance our operational efficiency and ensure long-term growth.

Moving on to our upcoming Unit 8 in Maharashtra. I am pleased to report that the project is progressing according to plan. Phase 1 involves a capex of INR 40-45 crores, which includes the purchase of land and civil work, with completion targeted for Q4FY2025 and commissioning in Q1 of FY26. We expect a gradual ramp-up of capacity over FY26 and FY27, aiming to achieve revenue of around INR 150 crores with the initial investment. This unit, which will house all three of our product verticals, has a total revenue potential of approximately INR 400 crores once fully operational. The development is being carried out in three phases over the next 4-5 years, marking a significant step forward in our growth strategy.

In line with our commitment to sustainability and improving operational efficiency through backward integration, we have acquired a new land in Vilayat GIDC Bharuch only in our existing vicinity to establish Unit 9, focusing on recycling plastic and plastic products, including HDPE packaging materials. This investment will also improve

operational efficiency through backward integration. The total investment for Unit 9, including the land purchase, is expected to be between INR 8 to 10 crores, with commissioning expected by FY26. At full capacity, this project is expected to help reduce our costs. Additionally, any excess production from this unit will be sold externally also, which will further boost our revenue. We believe this project will be instrumental in enhancing our competitive edge in the market.

Looking ahead, we have outlined a capex budget of INR 45-55 crores per year for FY25 and FY26. This budget will be allocated towards the new unit in Maharashtra & Bharuch, i.e., Unit 8 and Unit 9, as well as the continued expansion of Units 6 and 7. We plan to fund this capex from internal accruals and our cash balance, ensuring that our balance sheet remains healthy. Our strategic focus includes increasing the revenue share of high-margin products such as IBC, scaling Metal Drum capacity, and optimizing production across all our sites. We believe these initiatives will contribute to higher asset turnover and deliver sustainable growth in the coming years.

Now, let me provide a brief overview of our financial performance for the quarter in Q1FY25. Our overall volume increased by 14% year-on-year, driven by strong growth across all three of our verticals. We ended the quarter with a total income of INR 133.6 crores. Our gross margin stood at around 25.2%, and EBITDA margin at 9.3%.

As we have mentioned in our previous communications also, the pricing norms in our industry typically reflect raw material price changes in the selling price, with a lag, as monthly prices are announced. We maintain an inventory of around 45 days, which can result in a lag in cost reduction when raw material prices are falling. But now, as we have seen, the prices are stable in the range from last few months, so we expect results to improve further in coming quarters. To conclude, we remain optimistic about the future. As we continue to grow with a focus on forward and backward integration, automation, operational efficiency. We are committed to deliver value to our stakeholders by executing our strategic initiatives and maintain a disciplined approach to financial management.

Thank you for your continued support and keep trusting us as we have a zeal to grow further and we will keep on doing the same. Thank you so much. Now I'll open the floor for question and answers please.

**Devyanshi Dave:**

We have the first question from Mr. Saket Kapoor (Kapoor & Co.). Please go ahead.

**Saket Kapoor:**

Namaskar

**Management:**

Namaskar

**Saket Kapoor:**

Like you explained that the margins were compressed due to raw material price pass on, could you please elaborate on this further? You also mentioned that raw material prices were in a declining trend and has stabilised now, so how is the margin outlook like because year-on-year or quarter-on-quarter by numbers are flat sir, although you have also mentioned revenue growth. If you explain, how do you see margins increasing? Mr. Agarwal, in which segment did you say the utilization level is at 50%? I missed that line.

**Bijaykumar Agarwal:**

The IBC line operating at the Unit 7th, that machine is being used 50% and 50% is vacant. See margin will increase in two ways. We believe that the price of polymer will remain here. If it increases or decreases by INR 2, it will not affect the business and will not increase our margin. Earlier our EBITDA in MS Drums was 1% and now that the sale has increased, the margin has increased to 4%. In Polymer Drum by margins are good, and in IBC we are getting 13% margin and in Polymer we are making 10% margin. As soon as it increases in the Metal Drum, the overall EBITDA from all 3 verticals will increase. We have reached around 10%.

**Saket Kapoor:**

Sir, what is your revenue mix in the three segments

**Bijaykumar Agarwal:**

During the quarter it was 52% from Polymer, 36% from IBC, and 12% from Metal Drum. In comparison, last year, Polymer was 44%, IBC was 29%, and Metal Drum was 8%. If we look at the March quarter, Metal Drums accounted for 9%, and now it's increased to 11%, reflecting a 2% increase"

**Saket Kapoor:**

Sir, what will be the percentage at the end of this year in these three segments?

**Bijaykumar Agarwal:**

We are expecting that the Polymer Drum will be 50%, IBC will contribute 38% and after that, I think Metal Drum will be around 14% this year.

**Saket Kapoor:**

And are we getting best margin from Metal Drum, sir?

**Bijaykumar Agarwal:**

No, currently it is from IBC. Lower margins in Metal Drum are affecting the overall margins. However lower margins in the Metal Drum segment currently are affecting the overall margins. Once the margins from Metal Drum reach 10%, we can expect an overall EBITDA of 10-11%.

**Saket Kapoor:**

And sir, due to the low utilization capacity of the Metal Drum, the fixed cost...

**Bijaykumar Agarwal:**

The current capacity is being fully utilized, sir. While we can produce the drums, we currently lack sufficient space for movement and storage for daily production. We are in the process of expanding this space, and within a month or two, we will be able to utilize it and from September we will be able to use the double capacity. At the moment, we're unable to fulfil all orders, while we have the demand.

**Saket Kapoor:**

Sir, how better does the current quarter look in volume terms and margin terms than the first quarter?

**Bijaykumar Agarwal:**

Sir, you will see this in the December quarter.

**Saket Kapoor:**

So, September will remain the same as it was in June?

**Bijaykumar Agarwal:**

In September there will be a slight improvement, but the major difference will be seen in December and then in March.

**Saket Kapoor:**

And sir this year, the 40-45 crores that we are investing in capacity augmentation, will we get its benefit in the next ...?

**Bijaykumar Agarwal:**

We will get it in 26

**Jaiprakash Agarwal:**

It will start coming from the next financial year.

**Saket Kapoor:**

Sir, you are talking about the increase in revenue of INR 400-450 crores. Can we pencil this for full year, from the beginning of the year?

**Bijaykumar Agarwal:**

It will take 3-4 years. Even after the setup, we won't be able to utilize the full capacity immediately, as it takes time. However, I anticipate INR 150 crores in 2026.

**Saket Kapoor:**

In the next year, we will see a benefit of INR 150 crores from the capex that we are doing now.

**Bijaykumar Agarwal:**

Yee we will see a benefit of INR 150 crores.

**Saket Kapoor:**

Sir, does the Metal Drum mainly get supplied only to the lubricant industry?

**Bijaykumar Agarwal:**

No sir, speciality chemicals.

**Jaiprakash Agarwal:**

Majorly into speciality chemicals. There are lubricant customers also and construction chemicals also. So, we have all the products mix with us.

Majorly into speciality chemicals.

**Saket Kapoor:**

And for the IBC and Polymer segment, which industries are we mainly catering to? The lion share.

**Bijaykumar Agarwal:**

Sir, all three of our products go to the same line - Chemicals, lubricants, liquid oils, it goes to all of them. All three products go to a customer.

**Jaiprakash Agarwal:**

IBC driven mostly by export. So, if India's export is growing, IBC is growing this is how it is.

**Saket Kapoor:**

Ok. Sir lastly, is there any special line item in the other expenses that is growing our other expenses? We are seeing that this line item is around INR 16 crores. In the last quarter, it was INR 17 crores and it is INR 16 crores in the Q1FY25 quarter and time last year, it was INR 13-14 crores. So, what is the main component of this other expenses?

**Bijaykumar Agarwal:**

I think it will be the transport etc. I don't have that exact reason but it will be the transport.

**Saket Kapoor:**

Okay, sir. I will come in the queue. Thank you.

**Devyanshi Dave:**

Thank you. We have the next question from Mr. Tushar Vasuja (Yogya Capital). Please go ahead, sir.

**Tushar Vasuja:**

Thank you for the opportunity. My first question is, your current capacity for IBC is around 420,000 units per year. So, I want to know how much additional capacity will you bring from your new line in unit 7 and from Maharashtra phase 1?

**Bijaykumar Agarwal:**

1,20,000 IBC

**Jaiprakash Agarwal:**

From Maharashtra unit, it is total capacity...

**Bijaykumar Agarwal:**

Capacity will be for 1,50,000 IBC and we are assuming that we will get a sale of 1,20,000 IBC per year.

**Tushar Vasuja:**

This will be in FY26?



**Bijaykumar Agarwal:**

Yes

**Tushar Vasuja:**

Okay. So, my next question is that you are doubling your MS Drums capacity with potential to even further it ahead. But it will still contribute only 10-14%. So, can you explain a bit about that?

**Bijaykumar Agarwal:**

Sir, we currently have only one Metal Drum plant, whereas we have 4 Plastic Drum plants and 2 IBC plants. We entered the Metal Drums business much later. Had we been in that business from the beginning, we could have been producing 200,000 drums by now. So, when we talk about figures like 35,000, 70,000, or even 90,000, it may sound significant, but the market is vast and will be our focus and will continue to grow gradually.

In terms of revenue, since we have been in the Polymer Drum business from the start, the total revenue from Polymer Drum sales is higher contributing around 50% of our overall revenue.

**Tushar Vasuja:**

Okay, sir. So, one last question is that you faced some execution hurdles in scaling up your MS Drum business. Because it has been going on for quite a few years. So, can you speak a bit about that? What were the challenges that you faced in scaling up your business? Specifically for MS Drums?

**Jaiprakash Agarwal:**

Majorly, we had a space constraint. We added machines, we did some automation but the space was limited to produce the entire production capacity, to utilize the entire capacity. So, we have already worked on that. So, by September, we will be completing that construction phase.

And then probably we will ramp up our utilization of the existing capacity. So, we will get a capacity of 70,000 drums starting from September onwards.

**Bijaykumar Agarwal:**

When we first started, we had a small space and initially added a capacity of around 20,000 to 25,000 drums. We felt it was necessary to begin with this capacity. It took us about 5 to 7 years to establish ourselves and survive in the market. Now, the business is set.

**Tushar Vasuja:**

Okay, sir. And what can be the peak revenue and margins from once you get 70,000 per month?

**Bijaykumar Agarwal:**

Around 100 crores.

**Tushar Vasuja:**

100 crores with margin...?

**Bijaykumar Agarwal:**

Margin is around 10% Okay, sir.

**Tushar Vasuja:**

So, I have a few more questions. I will get back to you. Thank you.

**Parth Kotak (Alpha Plus):**

Hi, sir. This is Parth here. I have a couple of questions. One, sir, regarding the plastic and plastic product recycling plant. Can you provide more details on the expected cost benefit from the new plastic and plastic products recycling plant in Unit 9? And how does this backward integration align with our overall scheme of things where we are expanding?

**Bijaykumar Agarwal:**

I will tell you. The customers to whom I supply the material, new IBC, new drum, even they purchase the material from outside, chemicals, etc. When they get the same in IBC, Metal, HDPE Drum packing, they give it to a re-user who is going to pick up the old drum. I will collect it from them and clean it myself, grind it and make the grains. Being in-house, I know what kind of raw material it is. We can use it in our drum and IBC as well. I think on the cost of raw material we will be saving around INR 25-30 per kg. And the cost of making it is around will be maximum INR 7-8.

**Parth Kotak**

Wow. Okay, perfect. Like we were talking earlier, I think there are two separate channels. Like we provide drums, so this has become one route. And the second is that there is a completely different market for recycling, whereas these drums cannot be reused, so you have to sell it to the recycler.

**Bijaykumar Agarwal:**

The government also has a EPR liability. So, the government also tells us that we use 5-10% of recycled material. So, we purchase the license from outside, that is the EPR cost. So that EPR cost will also be saved, plus by handling recycling in-house, we can save on those costs and also benefit from using recycled raw materials.

Raw material re-cycling is also a big market and it is important for big companies to reuse it, whoever is the brand owner. So, wherever they buy it from, they tell them to use some recycling material and make it.

**Jaiprakash Agarwal:**

So earlier it was not an organized channel. So, with focusing, the government is pushing to be on a path to get it organized. So, this is the right opportunity for us to get into this segment. And this is just the beginning.

**Parth Kotak:**

Wonderful, sir. That is very encouraging to hear. Sir, second, if you could just give some clarification on the year-end capacities that we would have. We are currently at 24,620 in Polymer Drums, 4,20,000 in IBC and 10,800 for MS Drums. We said that we are doubling MS Drums. So, by September, MS Drums will be 20,000.

**Bijaykumar Agarwal:**

It would be 20,000 ton

**Parth Kotak**

Yes sir, ton. And Polymer Drum and IBC will continue to be at 24,620 and 420,000 at the end of the year.

**Bijaykumar Agarwal:**

We are adding some capacities in Polymer Drum. We have already ordered new machines, and some of them are expected to arrive this month. Currently, there is a scarcity of machines available for Polymer Drum production to meet the demand. We will increase capacity for Polymer Drum as per market requirements.

**Jaiprakash Agarwal:**

So that organic growth is on a continual basis. So as and when demand comes, we order machines and we set up.

**Bijaykumar Agarwal:**

We have 5-6 machines ordered, in pipeline. As it gets ready, we are using it

**Jaiprakash Agarwal:**

That is why we have already, by September-October, one of the infrastructures is getting ready in Bharuch, that is Unit 7. So, there we will be adding additional lines of Polymer Drums and IBC. So that is what the infrastructure is ready. Now when the demand comes, we will just need to add machines.

**Parth Kotak:**

Perfect sir, perfect. I will join back in the queue.

**Rakesh Arora:**

Thanks Parth. Pritesh (Lucky Investment Managers), can you go ahead with your question next?

**Pritesh Chheda:**

Yeah Sir, can you give us the IBC volume numbers for this quarter and the same quarter last year? How much you sold?

**Bijaykumar Agarwal:**

IBC has reduced from the last quarter to this quarter. 5,000 IBC has been sold less in this quarter due to the increase in freight cost, export has been reduced. Due to this, the quantity sold is less by 5,000.

**Pritesh Chheda:**

Can you give the number, how much IBC has been sold?

**Bijaykumar Agarwal:**

You will get the number. I don't have it with me at the moment. However, 5,000 fewer IBC units have been sold.

**Pritesh Chheda:**

Okay sir, and post this expansion of two lines, one line in unit 7 and one line in Maharashtra, what will be the IBC production capacity?

**Jaiprakash Agarwal:**

So right now, we are setting up, we have delayed unit 7 second line. So, Maharashtra unit will be around 1,50,000; 10,000 to 12,000 units a month. So that is confirmed that we are setting up in December this year.

**Pritesh Chheda:**

Sorry I didn't get, what is the annual volume in Maharashtra you said?

**Jaiprakash Agarwal:**

Maharashtra 10,000 to 12,000 units per month.

**Pritesh Chheda:**

So, 12 into 12, 2,40,000. 1,44,000.

**Jaiprakash Agarwal:**

1,44,000 correct

**Pritesh Chheda:**

Ok

**Jaiprakash Agarwal:**

That we are setting up in December this year. So, from first year Q1 2025, we will start getting this.

**Pritesh Chheda:**

So, your current capacity is 3,60,000 to which you add 1,50,000 .

**Jaiprakash Agarwal:**

4,20,000

**Pritesh Chheda:**

4,20,000 to which you add this 1,40,000. So, you go to 5,60,000.

**Jaiprakash Agarwal:**

Correct

**Pritesh Chheda:**

And the line 2, what is the capacity size?

**Jaiprakash Agarwal:**

Unit 7 utilization will plot 60-65%.

**Pritesh Chheda:**

That ok. What is the line size usually?

**Jaiprakash Agarwal:**

Line size is 10,000 to 12,000 per month.

**Pritesh Chheda:**

Okay, line size is only that.

**Jaiprakash Agarwal:**

Correct

**Pritesh Chheda:**

And the INR 90 crore capex that you said, you included all of this, right? You included Maharashtra, you included line 2 also and you included recycling also.

**Jaiprakash Agarwal:**

Yes, correct sir.

**Pritesh Chheda:**

Okay. The existing unit of the IBC not the unit 7, but existing unit of IBC, you are looking at full utilization, right?

**Jaiprakash Agarwal:**

Yes, that is unit 5. That we call unit 5, that is 100% utilized.

**Pritesh Chheda:**

Ok And on this volume of IBC that you sold, what is the EBITDA per IBC?

**Jaiprakash Agarwal:**

14%

**Pritesh Chheda:**

14%

**Jaiprakash Agarwal:**

14.9% to be exact

**Pritesh Chheda:**

So, it's coming at what some INR 1,200-1,300 IBC?

**Jaiprakash Agarwal:**

Sorry, what did I didn't get you?

**Pritesh Chheda:**

For IBC...

**Bijaykumar Agarwal:**

It is around INR 1,000. Some we get INR 1,500; some get INR 800. Average is around INR 1000.

**Pritesh Chheda:**

Okay, so this number basically which last year during IPO was at INR 1,400, from there it is INR 1,000 now.

**Bijaykumar Agarwal:**

Sometimes it increases or decreases, but you definitely get 1000 rupees. Currently my EBITDA is 14.9% for IBC.

**Jaiprakash Agarwal:**

Precisely 14.9% this quarter.

**Pritesh Chheda:**

Realization is basically, 1,000 divided by 14.9. So about 6800 rupees. Realization is INR 7,000 per IBC?

**Bijaykumar Agarwal:**

Yes

**Jaiprakash Agarwal:**

You can take this as the average price.

**Pritesh Chheda:**

Okay, thank you. Lastly, what kind of IBC volume do you see this year?

**Jaiprakash Agarwal:**

This year we expect that unit 7 to be utilized fully. This is the target. And then the next focus will be the Maharashtra unit to ramp up the capacity and utilize it as soon as possible. This will be the target.

**Pritesh Chheda:**

What will be your volume number this year for IBC?

**Jaiprakash Agarwal:**

[inaudible] we can see it this year.

**Pritesh Chheda:**

So basically, your utilization number will be, exit you will utilize fully. For the full year it will remain unutilized.

**Jaiprakash Agarwal:**

You can say that, correct.

**Pritesh Chheda:**

Ok, thank you.

**Devyanshi Dave:**

Thanks Pritesh. We have the next question from Mr. Akshat Chabra (Niveza Investments). Please go ahead.

**Akshat Chabra:**

Hi, so thank you and congratulations for your results, sir. Sir, I have only 2 questions. Sir, we have been seeing from the last 5 quarters, that our revenue quarter by quarter, has been around INR 130 crores mark sir.

So, sir, when will you get the benefit of this expansion? Because when will we go from INR 130 crores, and when you get the benefit of expansion, then what would you say your quarterly rate will be, sir?

**Bijaykumar Agarwal:**

See a little will be seen in the September quarter, then in December and March quarter benefit will definitely be seen. And I think that INR 600 crores plus will be seen in March.



**Akshat Chabra:**

Okay, sir. And what is the impact of crude oil on our raw material cost, sir?

**Bijaykumar Agarwal:**

Sir, we have forgotten about crude oil. When crude oil increases and decreases, the cost of raw material is fixed; it may see movement of INR 1-2. There is an effect from the crude oil, but there is no day-to-day plus or minus from the crude oil prices.

**Akshat Chabra:**

So, you are saying that we can expect for the next year, things to be stable in terms of..

**Bijaykumar Agarwal:**

It seems that the market will be stable.

**Jaiprakash Agarwal:**

It seems that the market will be stable for the next financial year

**Akshat Chabra:**

Got it. Okay, sir. I only had these 2 questions. Thank you so much for your time, sir.

**Devyanshi Dave:**

Thanks Akshat. We have the next question from Mr. Pratik Dedhia (Individual Investor). Please go ahead, sir.

**Pratik Dedhia:**

So, my question is export-related. How do you see volume growth coming back and which markets? I mean from where do you expect the volume growth to come from?

**Bijaykumar Agarwal:**

Sir, the volume growth is coming from all verticals. In exports, initially, the increase in freight costs made it difficult for customers to manage their costing. However, they later adjusted their costing, and now we are seeing demand.

**Pratik Dedhia:**

And from which geography?

**Bijaykumar Agarwal:**

It is their export we don't export.

**Pratik Dedhia:**

Okay, got it.

**Jaiprakash Agarwal:**

We supply packaging materials for their export.

**Pratik Dedhia:**

Got it. And the other question is, in the recycling plant, how do you see the addition, capacity addition in next 2-3 years?

**Bijaykumar Agarwal:**

Sir, we are going into the recycling business for the first time. Of course, there will be growth in the market. We are making an entry in it. It will take 2-3 years for us to get established in it.

**Jaiprakash Agarwal:**

First stage will be to utilize the capacity with our own backward integration. And once the success is done, there is no boundaries. Then we will definitely come up with some new projects also.

**Pratik Dedhia:**

Okay. And how much is the EPR benefit in that?

**Bijaykumar Agarwal:**

Our EPR liability for a year comes to around INR 1 crore. Around INR 7500000 to INR 1 crore. That will be saved.

**Pratik Dedhia:**

Okay, got it.

**Jaiprakash Agarwal:**

And we will be in line with government policies also.

**Pratik Dedhia:**

Got it. Okay. And one last thing on IBC. How do you see your volume growth in the next 2 years?

**Bijaykumar Agarwal:**

I hope to see a growth of 20% in IBC.

**Pratik Dedhia:**

Okay, got it. Thank you.

**Devyanshi Dave:**

Thanks Pratik. We have the next question from Mr. Rohan Patel (Turtle Capital). Please go ahead, sir.

**Rohan Patel:**

Hello. Thank you for the opportunity. Sir, basically I am new to this company. And I just liked your multiple division and you are also doing Capex in multiple division. So basically, I want to understand your capacity as per FY24, how much is in Polymer Drums, MS Drums and IBC?

**Bijaykumar Agarwal:**

We have a capacity of 420, 000 per year for IBC

**Rohan Patel:**

How much in IBC?

**Bijaykumar Agarwal:**

4,20,000 IBC and our capacity of Metal Drum will be increased by this month to 70, 000 i.e. Metal Drum per month, so around 8 lakhs.

**Rohan Patel:**

I am asking about FY24

**Jaiprakash Agarwal:**

So that is 4,20, 000 capacity is there. That will be for this year for IBC. Metal-Gram the whole year which we put from 25,000 to 30, 000. So, which we have added to 50, 000 last couple of months and then now we are going to

70,000. So, this year we will close at 70,000 units per month capacity for Metal Drum. From 10,000 ton to 20,000 ton per year. So, we are just doubling the capacity.

**Rohan Patel:**

Okay and Polymer?

**Bijaykumar Agarwal:**

19,000 ton

**Jaiprakash Agarwal:**

19,000 was the volume last year we did. This year we are expecting...

**Bijaykumar Agarwal:**

19,000 was the capacity in FY24.

**Rohan Patel:**

So, this was per annum or per month?

**Jaiprakash Agarwal:**

19,000 metric ton per year.

**Rohan Patel:**

Okay. Once your capex is completed in two years, in FY27 what will be your capacity in Polymer Drum?

**Bijaykumar Agarwal:**

I don't have the numbers with me

**Rohan Patel:**

Give me the capacity for this year, what will be the capacity by end of FY25?

**Bijaykumar Agarwal:**

25,000 MTPA for this year

**Rohan Patel:**

Ok Polymer has become 25,000 and Metal Drum is 70,000 units per month till end of this year and IBC is 4,20,000 units

**Bijaykumar Agarwal:**

Yes

**Rohan Patel:**

And what are your capacity utilization plans for this year end? Somewhere around 75%?

**Bijaykumar Agarwal:**

19,000 MTPA is what we are using.

**Rohan Patel:**

And in FY25 [inaudible] will be your capacity utilization

**Bijaykumar Agarwal:**

Yes

**Rohan Patel:**

Thank you that was all.

**Devyanshi Dave:**

We have the next question from Mr. Yash Mehta (Aart Ventures).

**Yash Mehta:**

So actually, in your opening statement, you said something about pricing norms and how they affect the margins of the company. So, can you throw some more light on it?

**Bijaykumar Agarwal:**

Pricing is not an issue for margins as raw material prices have now stabilized. If prices rise from this point, it will benefit us and support margins. Even if prices remain constant, and they seem to have bottomed out, any future increase will positively impact our margins.

**Yash Mehta:**

Can you provide revenue guidance for FY25?

**Bijaykumar Agarwal:**

Product-wise?

**Yash Mehta:**

Yes

**Bijaykumar Agarwal:**

We are expecting INR 600 crores of revenue coming from the business.

**Jaiprakash Agarwal:**

We are expecting a topline of INR 600 crores, that we have communicated in the last conference also. So, we are targeting the same.

**Yash Mehta:**

Ok Thank you.

**Devyanshi Dave:**

Thank you. I think we have a follow up question from Mr. Tushar Vasuja (Yogya Capital). Please go-ahead sir.

**Tushar Vasuja:**

So, thank you for the opportunity. My question is that recently your competitor also did a capex in IBC manufacturing in Dahej and you are also doing a quite a substantial capex in IBC. So, like what are your thoughts on it? Would it lead to overcapacity? Would it lead to margin deterioration? Like how do you see it?

**Bijaykumar Agarwal:**

We are expanding our business and the competitor is also increasing capacity. New players will also come. So completion will always be there in the business. Despite so many players we get the margin.

**Tushar Vasuja:**

Are you expecting in near time...

**Bijaykumar Agarwal:**

Despite that EBITDA is 14% [inaudible].

**Jaiprakash Agarwal:**

At the same time the market will also grow. The chemical market is also growing [inaudible]

**Tushar Vasuja:**

Ok sir. Polymer [inaudible] Per kg.

**Bijaykumar Agarwal:**

I do not have it with me.

**Tushar Vasuja:**

Okay fair enough. That was all

**Devyanshi Dave:**

Thank you. We have the next question from Mr. Rahil Shah (Crown Capital). Please go ahead, sir.

**Rahil Shah:**

Good evening. Sir, the target of INR 600 crores revenue for FY25, what will the EBITDA margins be?  
You will reach 10% for the whole year?

**Bijaykumar Agarwal:**

Sir we aiming for that and it should be in the range of 9%-10%

**Rahil Shah:**

And in the previous call, Q4 and also one of the Go India Advisor meet, you said that you see a revenue target of INR 900 – 1,000 crores by FY27.

**Bijaykumar Agarwal:**

Yes, sir we hope to achieve that

**Rahil Shah:**

So, after the expansion we are still confident?

**Jaiprakash Agarwal:**

Yes, sir absolutely. We are confident about it.

**Bijaykumar Agarwal:**

There is no change in that plan sir.

**Rahil Shah:**

And what will be the margin trajectory by then?

**Bijaykumar Agarwal:**

See sir effort is ongoing how we can take it to 11%-12%

**Rahil Shah:**

How much can it go to sir in this business?

**Bijaykumar Agarwal:**

9%-10% is what we are saying. 10% will be there on fully capacity.

**Rahil Shah:**

Ok, and your effort will be 12%

**Bijaykumar Agarwal:**

Yes

**Rahil Shah:**

Thank you and all the best



**Devyanshi Dave:**

We have the next question from Ms. Neelam Punjabi (Perpetuity Ventures). Please go ahead.

**Neelam Punjabi:**

Thank you for the opportunity. My question is on the Unit 9 recycling plant. So, I understand that it will help you reduce the cost because of the benefits coming from backward integration but can you throw some light on whether it is difficult to procure the raw materials from any Indian manufacturers?

**Bijaykumar Agarwal:**

We are not sourcing from any Indian manufacturers. We will be obtaining used drum, IBC from companies, clean them, cut them, grind them, and turn them into granules. That is the purpose of the plant

**Jaiprakash Agarwal:**

The idea is to target our users basically. We will directly source the material from users, not from the middlemen.

**Bijaykumar Agarwal:**

I will be collecting from those who I am selling today

**Neelam Punjabi:**

Is it easy to collect?

**Bijaykumar Agarwal:**

Nothing is easy madam. They are anyways selling it to someone. What problem will they have in giving it back to me

**Neelam Punjabi:**

Got it. Secondly, my question is, what is the kind of cost saving that we can assume once this plant is fully operational. If you can share some numbers on this.

**Bijaykumar Agarwal:**

We are trying. Let it progress a bit before we give numbers.

**Neelam Punjabi:**

Ok, Thank you

**Devyanshi Dave:**

So, I think there are no further questions.

**Rakesh Arora:**

Jai, any closing remarks you want to give before we close?

**Jaiprakash Agarwal:**

So, thanks all the participants who have joined us. And we as a director, I would like to say that we have a zeal to grow, we will keep on growing ourselves. We are doing forward integration and backward integration both ways, which will definitely help the company to increase their margins and grow their business and establish go deep into the market. Thanks for joining us and just keep fingers crossed for the next quarter running and hopefully things will improve for them. Thanks for.

**Rakesh Arora:**

Thank you, Jai. Thank you Bijayji. Thank you