



**“Pyramid Technoplast Limited
Q3 & 9M FY’26 Earnings Conference Call”
February 11, 2026**

Hosted by



MANAGEMENT:

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

INVESTOR RELATION:

**MS. SOUMYA CHHAJED – GO INDIA ADVISORS
MR. RAKESH ARORA – GO INDIA ADVISORS**

Soumya Chhajed

Hi everyone and a very good afternoon. I welcome you all to Pyramid Technoplast Ltd Q3 and 9 months FY26 Concall. Please note that the discussion on today's call may include certain forward-looking statements and must be therefore viewed in conjunction with the risks pertaining to the business. We have on call today Mr. Vijay Kumar Agarwal, the Managing Director and Mr. Jai Prakash Agarwal, CFO and Whole Time Director.

So now I would like to hand over the call to Jai sir to proceed with the opening remarks. Post that, we'll open the floor for Q&A. Thank you, and over to you, sir.

Jaiprakash Agarwal

Good evening, everybody. I'm JaiPrakash Agarwal. So it is a pleasure to walk you through Pyramid's performance for Q3 and 9 months for FY26, a period that was important not only from a financial standpoint, but also in terms of strategic progress we made towards building a scalable and future-ready business. Over the last few quarters, we have successfully strengthened our manufacturing footprint, starting from our established base in Gujarat to commissioning new capacities in Maharashtra. During this phase, we expanded capacity across all drums categories, marking a decisive step in the next leg of our growth journey.

A key milestone during the quarter was the ramp-up of the water plant. The facility commissioned in June and we witnessed steady operational momentum beginning Q2 FY26. With this, our major impact cycle is largely complete. And our focus now clearly shift towards capacity utilization and operational leverage.

At WADA, the IBC and SDP lines are fully operational, with the MS line has been commissioned, with the remaining expansion on track for completion by December. Beyond this, we expect only maintenance and balanced capex of around 10 to 20 crore for FY27. Our strength continue to lie in backward integration with all major backward products we have been manufacturing in-house. It gives us better cost control and supply reliability.

We have also strengthened our logistic backbone with our in-house fleet now expanding to 100 plus, enabling timely deliveries and deeper customer relationships. On the capacity front, as of Q3 FY26, our installed production capacity increased from 62,887 metric ton per annum to 75,856 metric ton per annum, reflecting the successful execution for our expansion plans. Capacity utilization during the quarter stood at 67%, and we expect this to steadily improve to 75% for the next financial year. driven by volume ramp up across all the categories.

Turning to key operational initiative, we commissioned two important projects during this quarter, our recycling plant on October 3rd and the solar power plant on October 30th. The recycling plant set up on 4,400 square meters of plot in Bharuch with an investment of around 10 crores, has an annual capacity of 5,000 metric tons per annum. This will meet approximately 10 to 12% of our raw material requirements. Reduce import dependence, enhance supply chain resilience, and deliver a payback within two to three years.

In parallel, our six megawatt solar power plant in Gujarat marks the first phase of 14.25 megawatt captive solar project across Gujarat and Maharashtra. On 2nd February, an additional 5 megawatt was commissioned in Baruch and 2.25 megawatt in Maharashtra, with the balance 1 megawatt to be added in the next phase. Once fully operational over the next 3-4 weeks, the project is expected to reduce power cost by approximately 15 crore annually. with a total investment of 60 crore in the payback period of four years.

This initiative is a strong step towards long-term cost efficiency and sustainability. Let me now brief you upon the segmental performance for Q3 FY26. So MS-Drum volume has increased by 1% year-on-year,

while revenue has declined by 2%. HDPE DRUMs volume grew 16% year-on-year, with revenue up 10% year-on-year, supported by capacity ramp-up.

IBC delivered strong performance with 37% volume growth and 27% growth year-on-year basis. Revenue stood at 162 crore, up by 5% year-on-year for the quarter, while nine months revenue increased by 16% to 486 crore driven by volume growth across categories. Gross profit rose 22% year-on-year to 44 Crore in Q3 and 26% to 130 crore for nine months. The recycling plant is expected to further reduce our raw material cost requirement by 10% annually, supporting margin expansion going forward.

EBITDA declined by 2%, 12 crore, and PAT declined by 29% year-on-year basis to 4.8 crore, with the margins at 7.4%, and 3% respectively. Due to higher base cost, during the capacity ramp-up phase. The benefits from the solar power plant commissioned in late October are expected to begin reflecting in the coming quarters, with full impact leading to annual power cost saving of around 15 crore. In summary, with the expansion phase nearing completion, sustainability initiatives firmly in place, and utilization level set to improve, we expect meaningful operational efficiencies to emerge over the coming quarters.

Pyramid is well positioned to drive consistent growth, improve profitability, long-term value creation with all stakeholders. We are confident about the road ahead and excited about the next phase of our journey. We are now open the floor for questions. Thank you.

Soumya, please, you can open for the question.

Soumya Chhajer

Thank you, sir. Participants who wish to ask questions, please raise your hand. We'll wait for a minute. while the queue is ascending. So, first question is from Deepesh Sancheti. Please go ahead, sir.

Deepesh Sancheti

Am I audible? What happened in this Quarter, sir?

Bijaykumar Agarwal

Nothing has happened, all the projects that we have implemented have started whether it is a recycling plant or a Wada plant, all the projects that we have done have started this time you are seeing a profit of 2 crores, there are 2 reasons, the interest burden is 80-90 lakhs and the depreciation is 33-34 lakhs extra plus the bonus of diwali is around 1 crore Rs. 2.5 crore is gone, so it was less than Rs. 2 crore. Nothing else has happened. The benefit of solar will come in this quarter, it has not come yet. It took money and interest, but the profit will come in the next quarter. Nothing else has happened.

Deepesh Sancheti

Solar was commissioned in October 2025, right?

Bijaykumar Agarwal

No, it has not happened in October, it has happened now. The first phase got operational, we got benefit of 60-61 lakhs in this quarter but that will be reflected in the bill now this will be reflected in the quarter.

Deepesh Sancheti

So how much more will be reflected in the March quarter with 60-61 cr?

Bijaykumar Agarwal

It will be around 3 crores in this quarter. the recycling plant which started a month ago will go smooth now at 40-50%.

Jaiprakash Agarwal

Wada is also operational, we are about to reach 60-70%.

Deepesh Sancheti

Sir I don't understand Wada plant was operational in Oct 2025 right? So we got 3 months but we did not see much volume growth.

Bijaykumar Agarwal

But the market was down and the export was closed. We had the capacity so we didn't lose anything. There has been some growth.

There was some growth in IBC as well. There was a decrease in metal drums but there was a growth in IBC. So you can see that there was a growth of 25-50 lakhs. The price went down.

Deepesh Sancheti

What was the difference in the price?

Bijaykumar Agarwal

The price went down by 1-2%.

Deepesh Sancheti

2% across the board?

Bijaykumar Agarwal

Approximately 1% on all of them.

Deepesh Sancheti

When will we see the volume growth? Because we have a significant capacity in Wada plant. When will we see the volume growth?

Bijaykumar Agarwal

In this quarter. In Wada, there is a sale of 8-9 crores per month.

Deepesh Sancheti

A sale of 8-9 crores per month? How much was our last quarter sale from Wada?

Bijaykumar Agarwal

In the last quarter, it was around 20-22 crores.

Deepesh Sancheti

What was the capacity utilization of the existing capacity excluding WADA?

Bijaykumar Agarwal

It was around 40-50%, which is happening since January was almost 60-70%.

Deepesh Sancheti

So in the rest of our plants, it was only 40-50% in the last quarter?

Jaiprakash Agarwal

60-65%, Wada was 40%.

Deepesh Sancheti

Excluding Wada, what was the capacity utilization of other plants?

Jaiprakash Agarwal

That is there always 65-70% always

Deepesh Sancheti

Is that optimum or we can go ahead also

Jaiprakash Agarwal

We can go ahead if we go full strength but then we expect that 70% is optimal for this because we get certain rejection there are some down time come so 70% is optimal for us.

Deepesh Sancheti

Bijay sir, will this be 700 crores in a year?

Jaiprakash Agarwal

This quarter is good, prices are going up.

Bijaykumar Agarwal

It will be around 670 cr.

Deepesh Sancheti

Interest cost will remain the same or?

Bijaykumar Agarwal

Interest cost will decrease, repayment has started.

Deepesh Sancheti

And what is the cost of debt?

Bijaykumar Agarwal

Around 8%.

Deepesh Sancheti

If you can give me volume growth of each and every product, quarter on quarter and year on year. Is it possible for you?

Jaiprakash Agarwal

I will send you later.

Deepesh Sancheti

Perfect. You can ask Soumya to give me the details. Thank you. I will come back for the other questions and all the best sir.

Soumya Chhajed

Next question is from Prateek Dedia. Please go ahead..

Prateek Dedia

Sir In your ppt, on slide no 16 in which realization impact of 10 crores is shown as negative and trading income of 11 crores is shown as negative. Can you tell us about the realization impact? Which segment was it from?

Bijaykumar Agarwal

Sir, we also do trading of polymer, right.

Sir, this is a price impact, the price has gone down.

Prateek Dedia

What product's price impact was it?

Bijaykumar Agarwal

Polymer and steel, both had a price decrease of 1-2 rupees per kg, this is the impact.

Prateek Dedia

So sir, how much benefit did this quarter get from the recycle plant that has started?

Bijaykumar Agarwal

Nothing has come in this quarter.

Jaiprakash Agarwal

It was started in last December. October started and then 1-2-3 months it was testing phase.

Bijaykumar Agarwal

Now the production has started since December.

Prateek Dedia

Got it. Okay. and sir, the second question was that in the previous quarter, the one in september, you also told us about the cost impact of the ramp up, the capacity ramp up. So in this quarter, the one in october, it has peaked, right? nothing will happen in the next quarter?

Bijaykumar Agarwal

Yes. Nothing will happen now, all the plans have started and everything has come to an end.

Prateek Dedia

Also, you can also tell me the demand scenario for this quarter, how is it going?

Bijaykumar Agarwal

It is going well sir.

Prateek Dedia

Means your utilization is going well in this quarter?

Bijaykumar Agarwal

Yes it is going well.

Prateek Dedia

And the export that you mentioned in your opening remarks, that the export was banned in the last quarter.

Bijaykumar Agarwal

Now the demand should come, everyone has heard about the export. The demand has not been seen yet, but it seems that the demand will come.

Prateek Dedia

Okay, fine.
Thank you. I will come back to Queue

Soumya Chhajed

Thank you. Next question is from Ganesh Nagasekar.
Please go ahead.

Ganesh Nagasekar

Sir, I have two questions. First, if we look at our volume, our volume is not much bigger than Q4 FY25. Even then it was around 13,000.

Even today, if I see, it is around 13,000. So, in the last four quarters, there has not been any big volume growth. So, do you see the market environment similar in the next two quarters or do you feel that some change can come from this?

Bijaykumar Agarwal

Give me 2 minutes, I will take out your paper and talk you are talking about last year, right?

Ganesh Nagasekar

Yes sir, in Q4, it was 12,933, 12,613, 12,857, and 13152 in the last 4 quarters, it was around 13000, there was not much growth in the last 3 quarters.

Bijaykumar Agarwal

I had 1,224 in Q2, this time it is 1,229. Hello?

Ganesh Nagasekar

Yes sir.

Bijaykumar Agarwal

Give me 2 minutes, I will give you the answer.

Ganesh Nagasekar

My second question is regarding the margin trajectory. You said that solar and recycling will come in the next quarter. But the IBC mix is improving and automation has come in the MSD. Despite that, my EBITDA margin is below 7%.

So in the EBITDA margin, do we have to take a surprising hit due to realisation?

Bijaykumar Agarwal

The AP data that we are seeing this time, there is an interest burden on the solar, the finance that we have taken, the depreciation has increased and the bonus goes to 1 crore in Diwali. Because of that we are earning less, even though we will earn less from the recycling plant, but we will get the benefit of solar and all the projects that we were running, where we were getting the main power cost, the recycle plant also started, the profit side will start less in this quarter, but we will start getting the expense there, so all the margin that was coming from the old business will end.

Also to answer your earlier question, in the first quarter, in the 25-26th quarter, my total kg was around 90,000, in the 2nd quarter it was around 93,000 in quarter 2 and 3, there is no volume growth, it is just that the IBC has increased and the metal drum has decreased

Ganesh Nagasekar

So in this we will get to see the volume growth from which quarter?

Bijaykumar Agarwal

We will get to see it from this quarter

Ganesh Nagasekar

Okay, so we will get to see the improvement from quarter to quarter, right?

Bijaykumar Agarwal

Yes.

Soumya Chhajed

Next question is from Naman Modi.

Naman Modi

Thank you. So sir, is the price of raw materials linked to crude oil?

Bijaykumar Agarwal

Yes, it is linked to crude oil.

Naman Modi

And MS drums are directly related to steel. At that price, your raw material prices change, right?

Bijaykumar Agarwal

Yes.

Soumya Chhajed

Participants who wish to ask question, please raise your hand.

Divyesh Vohra

Sir, can you tell us the outside position of your term loan and your working capital? Because what is happening is, I will tell you very honestly, last quarter and previous quarter also we had anticipated that our margins will improve. But every quarter, what is happening, some reason comes up.

And our margins are, again, at the same level. This time, it is Diwali bonus and the interest cost. Now, can you just anticipate the future quarters and tell us when your margins will be at 12%, which you had targeted for yourself? And without any excuse, can you achieve that target in that quarter?

Bijaykumar Agarwal

Sir I am hoping in June quarter we will be able to see 11-12%

Divyesh Vohra

So that, I mean, why I'm asking you is because at that time, again, the interest cost will also be there. So you have to factor in all the costs.

Bijaykumar Agarwal

You are right sir. The interest cost will be there. But this was due to the delay in solar plant.

Divyesh Vohra

So, I am just very keen to know that when accuracy of that 11% to 12% will come and what you are committing.

Bijaykumar Agarwal

Sir it will come in the June quarter.

Divyesh Vohra

The first question which I asked, what is your outstanding in your working capital and your term loan at this stage, may be in December or may be as of January also.

Bijaykumar Agarwal

I will have to check and tell you what is my outstanding.

Divyesh Vohra

Will we able to prepay something, with your profits and everything.

Jaiprakash Agarwal

In today's date we have been doing this prepayment, the payment has started

Divyesh Vohra

Very good, very good. And working capital utilization will be how much sir?

Bijaykumar Agarwal

Utilization, if we see in today's date, my working capital will be used and I have a balance of 30-40 crores. It is not being used.

Divyesh Vohra

It is not being used. Okay.

Bijaykumar Agarwal

Yes, it is not being used. The limit is unused.

Divyesh Vohra

Okay. Separately, I will take the total outside in that. I will take it separately. No problem, sir.

Soumya Chhajed

Next question is from Prateek Dedhia.

Parateek Dedhia

Sir, can you tell us about the price impact in this quarter? Because I think the previous participant told that due to steel impact and crude your raw material is getting impacted. And now the commodity cycle is going well.

Bijaykumar Agarwal

It is going very well.

In a month, the price of 8rs per kg has increased. And in steel also, what we were taking in 55, today the new quote is 62-63. So the rate has increased from 7 to 8rs per kg in both the things.

Prateek Dedhia

So sir, will this quarter also have a margin impact?

Bijaykumar Agarwal

It will not have an impact, it will increase. If the price increases, then it is beneficial. There is no loss if the price increases, because we have a stock. so we ask for a pass on as soon as the price impacts and the old stock that I have, I get a benefit out of it.

Prateek Dedhia

Okay sir, I understood that. And sir, what is the lag in passing the price? I mean, what is the quarter lag?

Bijaykumar Agarwal

It starts immediately.

For example, the polymer has increased by 8 rupees, on 1st it increased by 4-5 rupees, so we were able to take 5 rupees. After that, the 2 rupees increase, we will get it in the next month.

Prateek Dedhia

OK. Thank you.

Soumya Chhajed

Thank you. Next question is from Saket Kapoor. Please go ahead with your question.

Saket Kapoor

Namaskar. At the beginning of the year and in every quarter, we had made a point that we are eyeing an EBITDA number of 70 crores. Correct me if I am wrong.

With the type of benefits from solar, volume uptake, WADA. Sir, it's been 9 months and we have reached 39-40 crores in our presentation and working. You can correct me in that too.

Now, where can this number reach in the likelihood? And what are the factors due to which this shortfall is happening? And where is our error in the message delivery?

Bijaykumar Agarwal

If I get the benefit of solar for 6 months, then I will get 8-9 crores from solar, which I think is 3-4 crores in this quarter.

In the next quarter, it will be around 3 crores. The main shortfall was of solar, the recycling plant has also been delayed for 1-2 months, which is showing a difference. Plus, the profit that will come in this quarter is more, which is going to get a subsidy in the Wada plant. We have not taken it in books yet, after March it will be closed and when we get the subsidy certificate, we will do the provision.

The annual profit of around 3 crores is the subsidy, we will consider it. I have applied for the certificate, I will get it and then we will take it in books.

Saket Kapoor

What are the terms for 3 crores?

Bijaykumar Agarwal

Every year we will get around 3 crores.

Saket Kapoor

And will there be any capacity or turnover guideline?

Bijaykumar Agarwal

We have achieved that guideline, the VST that we are giving on the sale of Maharashtra, we get that return so we have achieved that much.

Saket Kapoor

Because sir, the parameters that we are working on, when we go to the PBT numbers, we can see that the PBT numbers are flat for 9 months. In fact, they are a little lower. You have explained it in the presentation, sir.

The answers to all the questions have been given in detail. But even after that, sir, minority shareholders and the investors who have invested, for profitable growth,

Bijaykumar Agarwal

Your question is valid, but what I am saying is the reality. There is no difference. What I am saying is correct.

Saket Kapoor

The growth of profitability that we are anticipating, what is the impact of that in the next 2-3 years?

Bijaykumar Agarwal

Till now, I have been spending money on infrastructure. All the infrastructures that I have built have been built and running. there is no expense there, whatever is earning will start earning, now it is happening everything is completed, everything is processed, everything is started.

Saket Kapoor

So from quarter 4, should this impact be seen?

Bijaykumar Agarwal

Yes it will be seen, 100% it will be seen, but 80-90% it will be seen.,

Jaiprakash Agarwal

Financial year 2027, we don't have much capex. All infrastructure is ready. We want to see profit. And we want to say that Wada plant is also profitable now because we have ramped up all the capacities there. So these numbers will definitely reflect in the next quarter.

Saket Kapoor

You have given emphasis on IBC product that it is for higher margin. In MS drum and all, there is a margin on lower side but still it is a profitable segment. So going ahead, how will our mix change?

Bijaykumar Agarwal

In this quarter also, IBC growth is 8% higher. MS drum has decreased but IBC growth is higher.

Jaiprakash Agarwal

We have spare capacity, we will not leave anything behind. If IBC growth is coming up, definitely we will grab that first.

And then MS-DRUM also we have the capacity. And we have started MS-DRUM plant in Wada. Till now we were supplying from bharuch to Maharashtra customers. Now we will start supplying from Wada.

So definitely it will save on the cost. Our freight is going to be less.

Saket Kapoor

Sir, as we have exited the December quarter in terms of the volumes, and as you were telling the previous participant that the RM prices have increased, so the volume growth that we have seen in the last 45 days, how are we seeing the volume growth in this quarter?

Bijaykumar Agarwal

Sir, according to me, the quarter that should be closed should have a sale of 175 crore in this quarter.

In this quarter. Now see how much growth will be there, add it to that. Yes sir. Now see, it is 153, how much is there in this graph

162. Yes, so 10% growth will be seen extra in this quarter.

Saket Kapoor

Okay sir, we can model this as a factor.

Thank you, sir. We expect that now that the hard work has been done, our sweating has started and investors hold something in their hands.

Jaiprakash Agarwal

Sir, we are working hard for you. And we understand that you have been associated.

And we have been doing all our best and that is why we have not planned much capex for next financial. Now it is time for us to prove. So this is what we have decided and we have been following that and we will ramp up all the capacity in all the segments first.

Saket Kapoor

Yes sir, only to add sir, you are the largest shareholder, so whatever will be made, three-fourth of it will go to your house.

Bijaykumar Agarwal

Yes sir, I don't think about all this, I think it is my company, I run it the way I want to run it.

Saket Kapoor

Okay. Hope sir we deliver now and all the best to the team sir.

Soumya Chhajed

Thank you. Next question is from Majid Ahmed. Please go ahead.

Majid Ahmed

Sir, are we keeping the guidance intact and are the benefits becoming visible for the new plant as well? And what will be, what are the challenges you are seeing, sir?

And when will we have the largest, largely completed capex in utilization for the reflecting numbers?

Jaiprakash Agarwal

See, our Wada plant is operational, and it is now coming at its peak productions. So this quarter, we are seeing good volumes. The plant is profitable also.

So this is a good achievement that within six months, we have got a profitable plant. And now, our capacity utilization at Wada also is improving above 65%. and plus MS drum plant we have just commissioned and that also we are ramping up and we have got good opportunity from the market. The demand is good, prices are going up.

So this is the right opportunity to scale up the production and capacity utilization. This is what I can say right now.

Majid Ahmed

What is your average realization sir for this quarter for metric ton?

Bijaykumar Agarwal

In polymer it is around 110 - 114 rupees per kg, in steel it is 76-78 rupees per kg.

Jaiprakash Agarwal

IBC is a mix of product so it is difficult to explain that.

Bijaykumar Agarwal

But it has 100 Rs. plus realization. One thing I can say to everyone is that the benefits that we used to get 3 in polymer, steel etc. years ago are now visible from this quarter the market has ramped up, you can see it now the 2-3 years that went in between were bad, it was down and now everything has changed.

Majid Ahmed

This quarter, we have seen a very good improvement in the gross margins. Increasing the other expenses or the overheads, we have seen the margin being neutralized.

Jaiprakash Agarwal

It is largely due to financial impact, which has not been offset by the benefit which was supposed to get from solar partner. So that is why you can see that difference.

So generation is already there. It is getting banking with the government department. The moment we sign the agreement with them, it will start coming up. Probably in the next quarter, you will definitely see.

Majid Ahmed

So from next quarter, can we see the operating leverage coming up?

Jaiprakash Agarwal

Yes, yes, absolutely. Absolutely.

Majid Ahmed

So we are expecting around 10% to 11% EBITDA from next quarter onwards.

Bijaykumar Agarwal

Hopefully, you will see it from June quarter.

Majid Ahmed

Q1 FY27, we can say.

Jaiprakash Agarwal

2027 will be a good year for us, for you and for everybody.

Majid Ahmed

Thank you so much, sir, on all the very best.

Soumya Chhajed

Thank you. Next question is from Deepesh Sancheti. Please go ahead.

Deepesh Sancheti

Sir, a couple of questions. One is about IBC. How is the demand right now, especially when the tariffs have been opened? Are all the clients giving good orders in IBC?

Jaiprakash Agarwal

Yes, sir. Demand is good. In fact, we are getting good demand volume from Wada also. So this gives us good confidence that in coming months also demand will be there.

And this is the last quarter for the financial year. All the companies will ramp up their capacity utilization. So hopefully this quarter will be definitely will be good for us also and for the other companies also.

Deepesh Sancheti

I am just saying that because the US tariffs have been lowered now, most of the companies will start their exports from March.

How is your demand? Because obviously they will be placing orders with you, then they will be able to put their deal in effect.

Bijaykumar Agarwal

Sir, this business was discontinued in the US. Now they are getting started

They are bringing orders. Now you will see the reflection of it after 10 days.

Deepesh Sancheti

But you think overall demand has increased?

Bijaykumar Agarwal

I
Yes, there is demand.
I think 8-10% growth will be seen in the quarter.

Deepesh Sancheti

Sir, you just said that you have an inventory of around 45-50 days. Now the prices have increased by almost 10% in polymer and steel.

Bijaykumar Agarwal

You will see a 5 crore benefit now.

Deepesh Sancheti

10% benefit of your overall inventory. If I calculate the benefit of 1.5 months, will I get an uptick of 4-5% in the margin?

Bijaykumar Agarwal

It will be better if we do it and show you rather than just talking.

Deepesh Sancheti

You think my assessment is right or not?

Bijaykumar Agarwal

Yes, it is right, we said that 2-3 years ago, the way we were able to do business, it has been seen since December-January.

Deepesh Sancheti

What are the prices now? Still the same prices.

Bijaykumar Agarwal

They have increased. Increased 2rs just 2 days ago.

Deepesh Sancheti

Overall from last quarter, what is the difference between steel and polymer? 8rs only.

Bijaykumar Agarwal

Increased around 8 Rs.

Deepesh Sancheti

And in steel.

Bijaykumar Agarwal

Both have increased by Rs.8.

Deepesh Sancheti

Great. Great. Soumya, if you can send me the IBC and polymer volume numbers from Jai, it will be great. All the very best, sir.

Soumya Chhajed

Thank you. Next question is from Ganesh Nagasekar. Please go ahead.

Ganesh Nagasekar

Sir, I have a few questions on cost. In our last Q4, we had stated a cost of 1.5 crore for EPR liability. Will that be zero this year? How much will that cost be in the first quarter?

Bijaykumar Agarwal

It should be around 25 lakhs. I haven't seen it in the calculation.

Jaiprakash Agarwal

The liability will be there but it will definitely start reducing because now our recycling plant has also started. So it will start reducing slowly and gradually as we as we increase our production and recycling, it will start decreasing this way.

Ganesh Nagasekar

So, if it is quantified will it go from 1.5 to 0.5 or what would be the quantum of the decrease?

Jaiprakash Agarwal

That is difficult to ascertain right now because we have not made any chart of that. We will definitely get back to you on that if you need anything.

Ganesh Nagasekar

Understood, got it, got it.

And so broadly in terms of the cost, you said you'll save around 3 crores on solar for this quarter. Recycling, if you could quantify the benefit that would get in crores?

Jaiprakash Agarwal

As of now, I don't have the numbers of that exactly for recycling. We'll definitely get that.

Ganesh Nagasekar

Understood. And the 3cr GST benefit that we get, how does that get accounted in our books? Does it show straight to the top line or how does it go?

Jaiprakash Agarwal

Can you repeat the question?

Ganesh Nagasekar

You said you get a 3 crore GST benefit from the WADA plant.

Bijaykumar Agarwal

This is not GST, this is a subsidy from WADA for 10 years. We have invested 60% of the subsidy. So the GST that we are paying there, we get a return for that.

We are paying more than SGST, so we will get a return. Okay, got it. Thank you.

Soumya Chhajed

Next question is from Saket Kapoor. Please go ahead.

Saket Kapoor

Sir, employee cost and all, this is related to the ramp-up of our new unit. Will it be evened out if the utilization levels improve?

Bijaykumar Agarwal

Yes, sir, it has evened out.

It has all been ridden out, it is being used everywhere, no one is sitting on it.

Saket Kapoor

So the Wada unit is also independently profitable as you were saying?

Bijaykumar Agarwal

Yes, the recycling plant is also spending, it is not like they are spending their other company's money.

Saket Kapoor

As you said, we see a 10% revenue growth. In March quarter, our top line was Rs. 171-172 crores. If we propose Rs. 175 crores, it is going to be flat. This should be the assumption.

Bijaykumar Agarwal

I will have to look into it.

Saket Kapoor

Sir, I am telling you based on your numbers, so you can also look at it.

Bijaykumar Agarwal

I don't remember, sir, without my paper, how can I agree with you?

Saket Kapoor

No, no, sir, you can definitely look at it.

Bijaykumar Agarwal

What is going to happen now will happen, what you are saying. But I am seeing that the sale that will come in this quarter, there is something wrong with it, there will not be a sale of Rs.

175 crores in that quarter, under any circumstances. I don't have that paper, otherwise I would have told you.

Saket Kapoor

The impetus to growth is there and now it is for us to catapult and capture the story going ahead. Across all the verticals.

Jaiprakash Agarwal

Yes, absolutely sir. It is time for us to prove now.

Soumya Chhajed

Thank you, sir. Next question is from Ganesh. Please go ahead.

Ganesh

Oh, no. All my questions are answered. Thank you.

Soumya Chhajed

OK. Then I think that was our last question for the call.

Manish Moonka

Sorry. Sorry.

I have a question. Can I ask that? Yeah, yeah. Manish.

Soumya Chhajed

Yeah. Yeah.

Manish Moonka

So I'm Manish Moonka. Basically, sir, as our Wada plant and the utilization of Wada plant has already reached a high level, so are we planning to deploy phase 2 and phase 3 now, or will we plan it after seeing the performance of FY27?

Jaiprakash Agarwal

We will focus on performance in the next financial year.

Bijaykumar Agarwal

See, the customers who are of low margin in Wada, who came in the start, We will refine it and use that plant 100% and after that I will do CAPEX in Wada.

Jaiprakash Agarwal

We have the space available and the moment we think that we need to add certain machinery, it will not take much of a CAPEX. So we will start implementing and putting machines there.

Manish Moonka

Got it. Sir, so today if your customers are in margin profile, if Wada plant reaches 100% capacity utilization, then what will be the margin and what are you aspiring for? Margin, from a margin standpoint?

Jaiprakash Agarwal

Polymer drum and IBC margins are more or less same whether it is coming from Bharuch, whether it is coming from WADA

And more capacity utilization, the better the margins are. So I will say that the margin will be more or less the same. We will get an added benefit which is coming from the price advantage plus the solar benefits that will definitely add up whatever we are saying will achieve that.

Manish Moonka

Got it. So basically now like you have done some discounting for the customers to acquire, so that discounting will be removed and that's where I believe pricing advantage will come. So how much percentage will be increased from that?

Bijaykumar Agarwal

If you are earning 50 lakhs then you will reach 1 crore.

Jaiprakash Agarwal

The margin level from Bharuch..our revenue model will reach there.

Bijaykumar Agarwal

If you earn 1 crore then you will get subsidy of 3 crores and you will save 3 crores from solar. You will see a clear picture from April.

Soumya Chhajed

Next question is from Divyesh Vohra. Please go ahead.

Divyesh Vohra

So two things I want to ask. How is the recycling plant's feedback or how is your take on that and the customers and the entire supply chain?

Jaiprakash Agarwal

So how is it that the recycling plant is now operational and it is 100% successful. We are doing our own either recycling right now and in coming months or I would say in coming days, we will start procuring from material from the outside from our customers and then we will start producing this recycling material and start giving them solution what customers are looking forward from us. We have been in advance the discussion with all our customers and they are very excited about this project.

Divyesh Vohra

So the entire benefits you are seeing that in coming in 27. and what is the volume growth and number growth you are anticipating in the entire 27?

Bijaykumar Agarwal

In 27 we will touch 800 crores, this year we will be around 670 crores but next year we will touch 800 crores

.

Divyesh Vohra

And that will be at what capacity utilization will be WADA and all-inclusive, you're saying?

Bijaykumar Agarwal

Yes, all inclusive.

Divyesh Vohra

Fantastic.

I'm through with my questions. Thank you. Thank you.

Soumya Chhajed

We'll take this as our last question.

And I'll hand it over to Jai sir for the closing remarks.

Jaiprakash Agarwal

Dear friends. Thank you for your questions. And hopefully, we have answered all your questions to your satisfaction.

Only one thing is that you have not seen the result as you expected. But then now we have ramped up all the capacity utilization capacity. The capex has been done. And from this quarter, the coming quarters, we will start giving you what you have desired.

And hopefully, then you will come up and say good result about it. That's all. I don't want to say anything more. Thank you so much.

Hello. Soumya, you can disconnect now.

Soumya Chhajed

Ok. Thank you so much.