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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 9th February 2026

Dear Sir/Madam,

In continuation of our letter dated 9th February 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- <https://www.esterindustries.com/node/1124>

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
Q3 & 9 Months FY26 Earnings Conference Call”
February 09, 2026



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

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



Moderator: Ladies and gentlemen, good day and welcome to the Ester Industries Q3 and 9 Month FY26 Earnings Conference Call hosted by Adfactors PR. 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 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, Shruti. Good afternoon, everybody and a very warm welcome to you all. Thank you for participating in this earnings call of Ester Industries Limited for the third quarter ended 31st December 2025. 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 date of this call. The statements are not a guarantee of future performance and involve risks and uncertainties that are difficult to predict.

On the call today, we have with us Mr. Vaibhav Jha, Deputy Chief Executive Officer; Mr. Pradeep Rustagi, Executive Director, Corporate Affairs; and Mr. Sourabh Agarwal, Chief Financial Officer. The management will take us through the operational and financial performance for the quarter gone by, following which, we will open the forum for the Q&A.

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, and thank you, everyone, for joining us today. I will briefly talk about the key business developments, post which Sourabh will walk you through our financial performance. During Q3 FY '26 and 9 months ending December 2025, performance needs to be reviewed in the context of an exceptionally challenging external environment marked by aggressive price competition caused due to dumping of BOPET films by China.

U.S. trade tariff-related disruptions in market for BOPET films especially exports and depreciation of Indian rupee against U.S. dollar and euro. Against this backdrop, the consolidated performance of the company during the quarter ending December 2025 remained subdued. Consolidated income for Q3 FY '26 declined marginally by 2.1% year-on-year to INR343.5 crores.

Within the Polyester Films segment on consolidated basis, one of the positive developments continued to be the rapid scaling of recycled PET. Though the sale of rPET and polyester chips to third parties increased significantly both in volumetric and value terms, but segmental revenue declined by 8.9% year-on-year and stood at INR287.7 crores in Q3 FY '26.

Drop in segmental revenue was mainly on the account of reduction in selling prices and margins in BOPET films and reduction in the volume of sales. The reduction in volume is mainly on



account of onetime maintenance activities in our production lines in order to improve efficiency and optimize cost of production.

In line with the strategic initiatives to enhance the proportion of the value-added and specialty films, the company was able to maintain the proportion of VAS products at 25% despite loss of market in North America. Excluding North America, the growth in VAS products was 5% on year-on-year basis for Q3 FY '26 and 18% on 9 months FY '26 basis.

Consolidated capacity utilization for films business stood at 71% with Ester Filmtech operating at 76% and Ester Industries operating at 66%. As far as performance during the 9 months ending December '25 is concerned, company recorded a 7.2% growth in total income and same stood at INR1,047.6 crores with volume of sales increasing in all product categories, namely polyester chips, BOPET films, RPET and Specialty Polymers.

Operating performance in terms of EBITDA reduced during Q3 FY '26 and 9 months ending December 2025 mainly on account of drop in margin due to aggressive price competition caused by dumping of BOPET films by China, U.S. trade tariff-related disruptions in market for BOPET films and mark-to-market and reinstatement losses on foreign exchange term loans due to depreciation of Indian rupee against U.S. dollar and euro.

Operating performance was also affected due to onetime increase in gratuity and leave encashment liability by INR2.68 crores due to implementation of new labor codes with effect from 21st November 2025. However, the outlook is improving following the finalization of trade deal between U.S. and India, which is expected to be formally signed by mid-March 2026.

This agreement has reduced the tariff from, is likely to reduce the tariff from 50% to 18%. We are still awaiting the clarity from the U.S. customs, but we are expecting it to happen soon, and this shift is expected to boost margins and thereby performance in upcoming quarters. Besides U.S. trade deal, India-EU trade deal and other bilateral trade agreements are expected to improve possibilities of higher exports of BOPET films from India in periods to come.

Furthermore, the DGTR, which is Directorate General of Trade Remedies, has initiated an antidumping investigation into BOPET films imports from China and other nations. We are hopeful of an early resolution on this matter for the benefit of domestic industry. PWMR rules, which are the plastic waste management rules, had mandated 10% constant usage in flexible packaging since 1st April 2025.

This is a significant boost for BOPET film demand in India. We have seen clear signs of increase in demand due to this factor in last quarter. This trend will only increase going forward. We believe that the segment is currently operating near the bottom of the cycle with possibilities of meaningful upside once U.S. trade tariff relief begins to take effect and antidumping duty on Chinese imports is imposed.

Coming to Specialty Polymers business. The Specialty Polymers segment delivered a stable performance reinforcing its role as the company's profit anchor. We recorded a significant volume growth of 46.4% during Q3 FY '26 and 31.8% during 9-months FY '26 on year-on-year basis.



Due to higher volume, the growth in revenue was 72.9% during Q3 FY '26 and 35.6% during 9-months FY '26 on year-on-year basis indicating sustained demand despite U.S. trade tariff. EBIT increased by 61.8% during Q3 FY '26 on year-on-year basis. This was primarily on account of IP protection for certain marquee products supported by promising product lines and human capital to pursue focused R&D activities and implementing chosen market strategy. We are targeting to deliver robust growth in this business segment.

Moving to Ester Filmtech Limited. During Q3 FY '26, capacity utilization stood at 76% as compared to 55% in Q3 FY '25. Quarterly performance improved significantly, driven by 37.2% growth in sales volume and 13.5% increase in total income. Increase in value terms is lower as compared to increase in volume terms due to drop in realization and margin caused by the imports dumping that we talked about.

Metalized film line operated above rated capacity underscoring resilience in value-added segments. EBITDA for Q3 FY '26 would have been INR27.8 crores, 8.1% margin instead of 6.1% margin now; but for the MTM and reinstatement losses of INR4.2 crores on foreign currency term loan and onetime increase in gratuity and leave encashment liability of INR2.7 crores due to implementation of new Labor Codes that came into effect from 21st November '25.

Similarly, during 9 months FY '26, EBITDA would have been INR96.4 crores, that is 9.2% margin instead of 6.4% now and cash profit would have been INR46 crores, but for the factors stated above. Ester remains focused and committed to advancing its circular economy vision through enhancing operating rates of its existing investment in rPET business and through the upcoming Elite project, positioning the company for sustainable growth in the years ahead.

With growing demand of polyester films, IP protection for certain marquee products in Specialty Polymer segment, focus on development of new products and products promoting recycling and sustainability; we are confident to continue creating value for our shareholders. We continue to invest in operational excellence, efficiency enhancement and R&D to drive our next phase of growth.

We expect that the result of all the initiatives that we have undertaken on these aspects in last 1 year will start showing in FY '26-'27. As regards to the pathbreaking chemical recycling project being pursued through the 50-50 joint venture company namely Ester Loop Infinite Technologies Limited or Elite, we are glad to inform you that all the activities related to completion of the projects are being pursued diligently.

Process for acquisition of land for the project is in advanced stages and is likely to be completed by April, May 2026. We have globally recognized leading EPC firm, Toyo Engineering, as our detailed engineering consultant. This follows successful completion of front-end engineering and design, which is FEED study, by Tata Consulting Engineers and represents the final engineering phase ahead of start of construction.

European Union has come out with draft ecodesign for sustainable product regulations or ESPR regulations. Finalization of specific recycled content percentages for garments is likely to be



completed by mid-2026. Full enforcement of ESPR guidelines with provision for payment of fees paid to pollute for all noncompliant fashion brands is expected by end of 2027.

This is going to exponentially grow the demand for products that Elite is uniquely positioned globally to deliver. Elite facility will help global brands like Nike, who is our anchor customer, in achieving their sustainability targets while creating complete circularity in polyester textile to textile space. That concludes my opening remarks. I now hand over the floor to Sourabh to walk you through our financial performance. Over to you, Sourabh.

Sourabh Agarwal:

Thank you. Thank you and a good day, everyone. Thank you for joining us on our quarter 3 financial year '26 earnings call. Let me quickly walk you through our financial performance, post which we can commence the Q&A session. I would like to start with standalone financial performance.

In quarter 3 FY '26, the company reported a total income of INR254 crores representing an 8.4% decline year-on-year. EBITDA for the quarter stood at INR14.3 crores making a decline of 67.6% over quarter 3 FY '25 with EBITDA margin of 5.7% because of macroeconomic headwinds.

EBITDA would have been higher by INR3.8 crores, but for the mark-to-market and reinstatement losses on foreign currency loan and onetime increase in provision for employee benefit on account of new labor code that became effective from 21st November 2025. The company also delivered a loss after tax of INR4.9 crores compared to a profit after tax of INR18.6 crores during quarter 3 FY '26. PAT margin stood at a negative of 1.9%.

For Ester Filmtech, we achieved 37.2% year-on-year growth in sales volume reaching 9,186 tons, up from 6,698 tons in quarter 3 FY '25. This was accompanied by a 13.5% increase in total income, which stood at INR106 crores compared to INR93.4 crores in the corresponding quarter last year, reflecting an improved operational scale.

However, EBITDA for the quarter stood at INR7.1 crores. EBITDA would have been higher by INR3.1 crores, but for the mark-to-market and reinstatement losses on foreign currency loan and a onetime increase in provision for employee benefit on account of new labor code that became effective from 21st November 2025.

On a consolidated basis, we recorded a total income of INR343.5 crores making a marginal decline of 2.1% compared to INR351 crores in quarter 3 FY '25. EBITDA stood at INR21 crores representing a 67.7% decrease over the previous year with EBITDA margin at 6.1%. EBITDA would have been higher by INR6.9 crores, but for the mark-to-market and reinstatement losses of foreign currency loans and onetime provision in employee benefit on account of new labor code that became effective from 21st November 2025.

Both EIL and EFTL have been absolutely regular with repayment of term loans as per schedule. Basis the expected improvement in profitability due to factors stated by Vaibhav and free cash and bank balance in our hands, we are absolutely confident of adhering to the repayment schedule.



On the working capital front, both companies have adequate limits to sustain budgeted enhanced operations. Overall, the company has demonstrated resilient operational progress and basis the recent developments regarding the U.S. trade deal, we are confident of improved profitability in the coming quarters. That concludes our opening remarks. We can now commence the Q&A session. Thank you.

Moderator: Thank you very much. We will now begin the question and answer session. The first question is from the line of Vikrant Sahu from RK Advisory.

Vikrant Sahu: I just have few set of questions. Can you provide an update on the company's liquidity positions and debt profile? Like this includes current cash balance, debt levels, prepayment timelines and any changes compared to the previous quarter?

Sourabh Agarwal: So in terms of consolidated -- I will give you all the numbers as consolidated. So our gross debt as on 31st December is around INR742 crores and we have a liquidity of around INR80 crores with us. This loan is going to be repaid over a period of time and basically the next 5 years with a staggered repayment schedule depending on the different loans that we have. But on an average, the repayment amount stands at INR85 crores per year.

Vikrant Sahu: Okay. And could you elaborate on the impact of nonoperational or one-off items on EBITDA during the quarter, especially what were the key factors?

Sourabh Agarwal: So there are two one-off items, which we already mentioned in our speech. One is the impact of the new Labor Code where we have done INR2.67 crores, which is a onetime item, which is mainly on account of the reinstatement of the retiral benefits. The other piece is the mark-to-market on account of the foreign exchange movement in euro as well as dollar, which is amounting to INR4.95 crores.

Vikrant Sahu: Okay. Got it. Thanks for the opportunity. I will rejoin the queue.

Vikrant Sahu: Thank you.

Moderator: Thank you. The next question is from the line of Sana, an Investor. Please proceed.

Sana: Hi, Good Afternoon, sir, and thank you for the opportunity, my first question is what are the key strategic priorities for our next 3 to 5 years?

Vaibhav Jha: Thank you for the question, Sana. So Ester wants to become a specialty company, right? So what it means is that right now almost 35% to 40% of our revenues are coming from specialty products. We want to take this share up to 70% plus in next 3 to 5 years. The second strategic priority of course is the cost optimization where we want to be the most cost-efficient producer of the product in the world not only in India.

And right now the third strategic priority for us is the successful execution of the Elite project wherein we are expecting to complete the project by end of 2027 and commission the -- or start selling out the product within the following quarter. So these are the three high level strategic initiatives. Of course there is a bunch of strategic priorities around our fiscal objectives, which



Sourabh can throw some light on in terms of how we are going to tackle our debt and other points.

Sourabh Agarwal: So Sana, as Vaibhav mentioned, Elite is a key marquee project that we are starting and, as you are aware that the total capex for this project is USD 193 million, which we are planning to fund through our debt and equity. And we are working very closely with an adviser in order to raise the debt for this project and we are quite confident that we are going to raise the debt in the coming month and go ahead with the project.

Sana: Okay. And sir, 1 more question I have. How does the management see the mix evolving between the commodity BOPET and specialty segment over the time?

Vaibhav Jha: So are you talking with respect to Ester's product mix?

Sana: Yes, sir.

Vaibhav Jha: Yes. So see, Sana, what we have done is compared to year-on-year basis if you leave out North America where we actually had reduction in our sales because of the tariff in last 6 months, rest of the world we have been able to increase the specialty volumes by 18% to 20%. So despite the North American geography loss of sales, our share of specialty sales has remained at 25%.

So now with the tariff going away, we are expecting a bump in sales in North America and also growth like we have shown in rest of the world. So what we want to do in specialty film share is take this number from 25% to somewhere in the range of 50% over next 3 to 5 years and maybe even more.

On the Specialty Polymer side, we expect a double-digit growth on year-on-year basis for the whole financial year and we would like to keep growing in healthy double digits in Specialty Polymers on a consistent basis for next 3 to 5 years. So this is how we want to shape our specialty portfolio.

Sana: Okay. And sir, how critical is the U.S. market looking at our long-term growth strategy?

Vaibhav Jha: See, we are fairly globally diversified in terms of our specialty portfolio especially in specialty films segment. However, U.S. is a very big economy and it is quite important for us. While our dependence is not as much as the other -- dependence is not as much as other geographies in U.S., but going forward we would want us to have a very healthy presence in U.S. so that the critical market for specialty films.

And also specialty polymers remain in the focus area and we are able to reach our objectives through our sales and business development there. I just want to add that North America as such is a very lucrative market for growing the specialty films and polymers, right? So there is no way that we can avoid it in future.

Sana: Okey Sir. Thank you so much sir for all the answers and all the vey best.

Moderator: The next question is from the line of Rohan Mehta. Please proceed



- Rohan Mehta:** Hello, Good Afternoon sir, and thank you for the opportunity
- Rohan Mehta:** Sir, you mentioned that North America is one of our important markets to look out for. So wanted to get your inputs from a macroeconomic point of view, what are going to be our impacts about the U.S. tariff and the changes in tariffs that have happened? What's your opinion on how that is going to pan out for our business and also specifically for the high margin segment?
- Vaibhav Jha:** Thanks for that question, Rohan. So U.S. is a very important market for us and what really impacts us is the relativity of the duties that exports from India into U.S. would be facing relative to the other countries. So far, the other competitors mainly in Southeast Asia were in the range of 19% to 20% while we were in the range of 50% in terms of the tariff which was imposed so which put us in a tough spot in that market.
- But now with 18% tariff, we are going to be in the most advantageous position compared to our competitors in the manufacturing world, including China which is at -- which will be at a significantly higher duty. So it is a very big positive for us and we expect it to lead to good growth in our high margin products in the U.S.
- Rohan Mehta:** Got it, sir. Sir, as you mentioned China also, I was going to ask if we are having any pricing pressures from Chinese competition. And maybe in the U.S. market, the tariff change may help us. But otherwise, do you see this as a potential pain point, Chinese price pressures?
- Vaibhav Jha:** Chinese price pressure is indeed a pain point in the domestic market. We have seen that the prices of the products coming from China are at a level which has really prevented us from leveraging the demand scenario in India to the fullest extent. But at the same time to tackle the issue, we have filed an antidumping duty -- I mean the industry has filed an antidumping duty, Ester is a part of that petition. And we are expecting that very soon we should see conclusion to that antidumping duty investigation and we hope that government will support us and help us get some relief in the Indian market from these pricing pressures.
- Rohan Mehta:** I see. Understood, sir. Sir, just if you could give some color on our agreement with Nike as well as the status of the Elite JV that we have with Loop Industries?
- Sourabh Agarwal:** So in Nike, we have signed a 3-year contract where Nike is going to buy 5,000 tons of the finished goods from us, which can be -- and it is valid for 3 years post commencement of commercial production. So that is the understanding with Nike.
- Pradeep Kumar Rustagi:** The second provision, important provision, in the agreement is that soon before the commencement of commercial production, they are going to increase the quantity from 5,000 tons to 10,000 tons and it's a take-or-pay contract. So it's a take-or-pay contract so 40%. If they don't buy the material, even then they would be paying 40% of the agreed price. So it's a very good order that the Elite project has obtained to start with and we are working on many other such offtake agreements.
- Rohan Mehta:** Got it. And that was the same case with the Elite also, right?



- Pradeep Kumar Rustagi:** This was the Elite. Nike is a contract which Elite has obtained.
- Sourabh Agarwal:** That is why we mentioned that 3 years post commencement of commercial production by the project.
- Rohan Mehta:** Got it. Sir, just last one thing, if you could spare some time about our capacity utilization. What has been our utilization levels currently and do you see any possibility of further reduction or have we bottomed out? And what is your view over the next maybe three or four quarters?
- Pradeep Kumar Rustagi:** Yes. So we talk of the consolidated capacity utilization for film business. On consolidated basis, we are close to 75%. And as the -not in the immediate quarter, but in the following quarters, let's say, in the next financial year, there should be an improvement in the capacity utilization.
- Vaibhav Jha:** So this increase in capacity utilization is coming on the back of the strong demand of BOPET films, which we are seeing in India. So we are expecting that due to the government regulations around PWMR plus the good growth in FMCG space that we are expecting due to GST rationalization, BOPET film utilization levels should increase.
- And on top of it, the various initiatives which we have taken, business development initiatives on the export market side, that should also fructify into improved volume. So overall, we are expecting that the operating rates going forward are likely to improve beyond what we are seeing today.
- Rohan Mehta:** Got it, sir. This is expected from Q1 or are we already back in the upswing in this ongoing quarter, sir?
- Vaibhav Jha:** There would be a slight upswing in this quarter, but I think it's going to be a consistent set of gradual increase in operating rates due to the consistent increase in BOPET demand, right? So it won't be a step change. But if you see quarter-on-quarter over next 4 to 5 quarters, you would be able to see a growth curve in our operating rates.
- Rohan Mehta:** Fair enough, sir. Just to close from my end, if possible, if you could give some guidance for the full year, that would be great.
- Pradeep Kumar Rustagi:** For the which year?
- Rohan Mehta:** For this full year and maybe for the next also, if possible?
- Pradeep Kumar Rustagi:** We would dissuade from doing so because we are still -- the industry and Indian industry economy is coming out of a very volatile phase. So at this point in time, it would not be prudent on our part to give you a guidance, but we can state that we see improvements coming in from each quarter in the following year and in the next quarter as well.
- Rohan Mehta:** Fair enough. Thank you, sir. That's very helpful. And that's all from my side. All the best. Thank you.
- Moderator:** The next question is from the line of Saransh Gupta from SVAN Investment.



- Saransh Gupta:** Sir, as you said that the Chinese...
- Pradeep Kumar Rustagi:** Your voice is not clear. Can you speak a bit loudly?
- Saransh Gupta:** Hello, is it better now?
- Vaibhav Jha:** Better than before.
- Saransh Gupta:** I want to understand the prices post December month like in the January month and 9 days of February for the BOPET film?
- Pradeep Kumar Rustagi:** Sorry, it's not very, your question is not very clear to me. Can you repeat it? Voice is not clear I mean.
- Saransh Gupta:** So basically I wanted to understand like post the December quarter, in the month of January, how have the prices sharpened up and what is the current situation of imports, if you can help us with that?
- Vaibhav Jha:** Right. So see, like I was mentioning earlier that we are seeing clear signs of demand growth in the Indian market in last quarter due to various factors. So this has led to stabilization of supply-demand dynamics in India and therefore, we are seeing improved value additions in -- there was some improvement in December, January and February seem to continue building on that improvement in VA.
- The Chinese imports have stabilized, roughly 6 to 7 kt per month is what we are seeing now. In between it had gone up to 11,000 to 12,000. So what happens is that even though the dumping numbers, i am sorry, not the dumping number, but the import numbers from China seem to have reduced and stabilized, they have an impact on the pricing of the rest of the supplies because everyone then starts benchmarking to that pricing. So there is still some pressure of Chinese pricing on the Indian price realization, but situation has improved and the Chinese imports also have come down from the peak.
- Saransh Gupta:** Okay. So sir as like there was a draft notification that the recycled content will be delayed by basically curb their recycled part of content up to 3 years. So before that, there was a capacity constraint within the industry, after which I believe companies have started introducing new capacities for recycled PET. So how is it right now?
- Vaibhav Jha:** Right. So your voice continues to break in between, but I think I understood your question. I think you are asking that there was a notification which gave leeway to the consumers of film packaging, laminate producers rather to defer the PCR introduction by a year. So let me give more clarity on this situation.
- So what has happened is the notification said that -- and it was a draft notification. It is not a final legislation. Which said that the companies can defer but not eliminate the PCR obligations that they are supposed to fulfill. So if the companies decide to not fulfill their 10% obligation, then it gets carried forward and added on to the subsequent year's obligation.



So that is the leeway which had come out in the draft notification, but so far there is no official word on it. It is yet to be notified. So it still remains in the realm of circulation and to some extent speculation. Having said that, the brands and the leading companies and consumers of BOPET films are not taking chances.

They are preparing for this legislation to be enacted because it was not waived off. It was only deferred. So the later they start, the higher the obligation they need to fulfill. So this is the situation that we are seeing now that many of our large customers have already started improving their volumes of PCR films.

In fact many of them are converting their films in other substrates like BOP and BOPP to BOPET, which is leading to increased demand of BOPET film even without PCR content.

Pradeep Kumar Rustagi: So the crutch is that the obligation remains. It's just that they have got more time to complete the obligation.

Saransh Gupta: If I'm right that then at least for FY '27, the obligation still stays at 40% though you can carry forward your 30% to the next 3 years. But for FY '27, it is still 40% and there is no new news about how is it framing up right now?

Vaibhav Jha: Yes. See, what this means is we are talking about -- so films is category 2. So category 2, the obligation was 10% for this financial year and 10% for next financial year and then it increases to 20%. What we need to be aware is that in a typical packaging laminate, there are multiple substrates which are there.

So there could be PE, there could be BOPP and then of course there is BOPET. Now the PCR obligation can be fulfilled by BOPET and not any other substrate so which means that 10% of laminate needs to be fulfilled by the BOPET content. And so the customers are taking two approaches.

One is that they are trying to change their laminate itself and converting it to as much as BOPET as possible and moving out from other substrates. The second approach they are taking is that they are going for higher PCR content in BOPET. So instead of, say, 20% or 30%, they want to go to 80%, 90% because that needs to also take care of lack of PCR content in other layers. So overall, all of these things -- solutions are a big positive for BOPET volumes and margins.

Saransh Gupta: Okay. Sir, just 1 last question, then I'll join back the queue. With our Elite INR195 million kind of capex, what will be the peak debt that we can look at?

Sourabh Agarwal: So Saransh, as we have mentioned that this INR195 million, we are going to fund through a mix of debt and equity. Our target is that we are going to raise 70% of this amount as debt, which amounts to roughly INR1,100 crores. Since it's a 50-50 JV so even if we assume that INR550 crores is a part of Ester Industries so then my peak debt is going to go up from INR750 crores plus INR550 crores. So it's around INR1,200 crores, INR1,250 crores.



But as I mentioned, this is going to -- this debt will be taken gradually over a period of 2 years during the project construction. So it's not a static number, but it will keep moving as we move along because there will be also repayments that we are going to do in the next 2 financial years.

Pradeep Kumar Rustagi: But there's an accounting standard, which we need to be cognizant of. In a 50-50 JV, there would not be consolidation -- line-by-line consolidation of the debt assets, liabilities, income, et cetera. It is the bottom line of Elite to the extent of 50% will be consolidated with bottom line of Ester Industries. So when you see the balance sheet of Ester Industries, you will not see this debt increasing by INR550 crores.

Saransh Gupta: Yes sir, Thank you so much

Moderator: Thank you. Before we take the next question, we would like to remind participants that you may press star and one to ask a question.

Moderator: Thank you. The next question is from the line of Juzer. Please go ahead.

Juzer: Yeah, hi, am I audible to you sir,

Vaibhav Jha: Yes, you're audible.

Juzer: Yeah, thank you for the opportunity. So my first question is like how has the predatory pricing of Chinese BOPET film affected the pricing dynamic and competitiveness of the domestic Indian market, sir?

Vaibhav Jha: See, the BOPET films pricing is done on import parity pricing, which means you take the import dollar pricing, add duty, convert it into Indian rupees and then put in the freight and other logistic cost to arrive at the landed price of the product in the market because that's really the benchmark price against which everything would be compared by our customers. So if the import prices go low, then obviously the prices at which the domestic industry becomes competitive is low. And if it goes high, then the domestic industry can charge higher and earn more margins. So that is how it is affecting the prices and margins.

Juzer: Okay. My second question is what was the major capex during this 9 months FY '26? And how much capex have we planned for the next quarter or, let's say, for FY '27?

Sourabh Agarwal: So in terms of capex, you may recall that in a previous call that we have mentioned about our investment in recycled polyester extruder at Hyderabad. So that capex was around INR40 crores. So that is the major capex that we have done in this financial year. Apart from this, we have also done capex with respect to maintenance of the plant and there is no other significant major capex. In terms of the next financial year, we are still evaluating, we are still firming up our capex plan and we can revert -- we can come back to you with a more stronger number maybe in the March quarter call.

Juzer: Okay. And I have one 1 question on the industrial side, sir. So how has the overall industry performed? So how has the overall industry performed over the last 9 months? And are we



broadly in line with the industry? And what is your outlook for the industry over the next 2, 3 years?

Vaibhav Jha:

So we would not like to comment on how the others in the industry have performed, but we believe that the overall industry has undergone some relief during the mid of the last calendar year and that relief was there for couple of quarters. And again the pressure came in from the Chinese imports, after which the industry in general has been under pressure and that is reflecting in our financial performance as well.

And the outlook is that in India, the demand continues to be strong and it has become stronger because of the PWMR rules that I just talked about in my previous part of the speech. So we expect that the new capacity addition is going to be at a reasonable pace. When I say reasonable, it means that the growth in the industry and the capacity additions are going to be in sync.

So net-net we are going to see improved operating rates in the industry and that will have a reflection on the margins as well. So we are hoping that the volumes as well as the margins should now be very stable and if the antidumping duty is announced by the government, it's going to have a significant impact on the margin as well as the volume. But even otherwise given the inherent growth in the Indian demand, we believe that we are at the bottom of the cycle and things should start improving from now on.

Juzer:

Okay. And my last question is could you please provide me the sales volume data for this 9-month FY '26? And also the realization per ton or EBITDA per ton if possible? And what is your expectation for volume growth in the next quarter, sir?

Pradeep Kumar Rustagi:

What is the question?

Pradeep Kumar Rustagi:

Sales quantities.

Vaibhav Jha:

So sales quantities for which?

Juzer:

For this 9-month FY '26. And what is your expectation in this volume growth for the upcoming quarter? Is it possible for you to share the realization per ton or EBITDA per ton for this 9-month FY '26 data?

Sourabh Agarwal:

Yes, we can share. So during the 9 months, we have done 61,000 tons of film sales and the realization has been?

Pradeep Kumar Rustagi:

We'll give you the quarter-by-quarter realization and we will focus on 12 micron, which is the base commodity film. In June '25 in the domestic market, 12 micron was selling at about INR102 a kg. September, it dropped to INR95 a kg. December, it marginally improved to INR97 a kg. And currently we are at about INR110, INR111 a kg, which is 12-micron base corona film. That's the industry benchmark we generally focus on this number. All other products are add-on on the 12-micron corona film.

Juzer:

Okay, thank you very much. That's all from my side and best of luck for the next quarter. Thank you.



Moderator: Thank you. The next question is from the line of Saket Kapoor from Kapoor & Company. Please proceed. The next question is from the line of Muskan Malhotra. Please proceed.

Moderator: Sarket Kapoor, your line has been muted, please unmute yourself. You may proceed with your question.

Saket Kapoor: Okey, hello?

Moderator: Are you there?

Moderator: Sir, shall we move on to the next participant?

Vaibhav Jha: Yeah.

Moderator: The next question is from the line of Ms. Muskan Malhotra. Please proceed.

Muskan Malhotra: Hi sir, Good Afternoon, I wanted to know that how sustainable is India's current film demand growth according to you and can it absorb the upcoming capacities?

Vaibhav Jha: Muskan, like I said earlier that we are expecting good growth in BOPET films because of PWMR rules as well as expected support from government in terms of antidumping duty, which will reduce the imports and improve the possibilities of sales for the Indian suppliers. So demand-wise we are expecting good demand. Because of this ADD application, we hope that we will be able to cater to a larger part of this demand.

Now coming to your second part of the question on the capacity addition. See right now, the Indian market is roughly 900,000 to 1 million tons, right, somewhere in there per year and we are expecting growth in the range of 8% to 10% on this. So which means that every year 90,000 to 100,000 tons of capacity increase happens.

And we are seeing over the next 2 years approximately 150,000 tons of capacity addition and so what this means is that the demand growth is going to be higher than capacity additions. We must also keep one thing in mind, which is that whenever a new capacity comes up, it takes it around 6 months to a year to actually reach its potential in terms of production.

So there is a lag effect in terms of how much production they can churn out practically from that plant because there's a learning curve, there is a technology stabilization period, all that, right? So overall, in terms of supply-demand balance, we are quite fairly placed for next couple of years.

Pradeep Kumar Rustagi: And you also talked about sustaining the demand. So I'll just give you -- share with you the historical growth in demand numbers. If you look at a long period of time, 10, 20, 30 years, the Indian demand for polyester film has been growing at about -- if you take a wide range, I would say between 9% to 13%.

If you take a narrow range, it will be about 10% to 12% per annum. So the increase in demand is not under question. And the capacity expansion, as Vaibhav has told, are also not coming in bunches and it would be just about enough or marginally, I would say, short of the demand



growth. So the things are going to get better from the manufacturer point of view -- from the film manufacturers point of view.

Muskan Malhotra: Understood, sir, and thank you so much for such an elaborative and detailed answer.

Muskan Malhotra: Understood. Sir, my second question is like what would be the Ester cost position versus, say, Chinese exporters and where do you still see gaps?

Vaibhav Jha: See, it's a very difficult question to answer because -- and not only for BOPET film industry, but any industry as such regarding Chinese cost competitiveness because the price at which they sell product somehow doesn't match up to our understanding of cost and how we anticipate it. So I don't think we are in a position to comment on specifics of these matters.

Muskan Malhotra: Understood. Thank you, sir. That's it from my side. Thank you and all the very best.

Moderator: The next question is from the line of Rohit Mehra from SK Securities. Please proceed.

Rohit Mehra: So I have couple of questions pertaining to our Specialty Polymers, sir, that volume has grown strongly. What is the current installed capacity and utilization? And also what will be the peak revenue potential of this business?

Vaibhav Jha: See, right now the Specialty Polymers capacity is north of 30,000 tons per annum and what we are looking at is roughly 10,000 to 12,000 tons of production. So we are looking at 25% to 30% operating rate right now. The peak revenue potential if we thoroughly use this 30,000 tons odd of the production should be roughly, in my opinion, somewhere around INR400 crores to INR500 crores.

Pradeep Kumar Rustagi: But please realize that this 30,000 capacity was not built for specialty polymers. This capacity was built to cater to the needs of film plant. But when we put up the continuous polymerization plant, this capacity, this batch polymerization was surplus, which we modified to produce specialty polymers.

Rohit Mehra: Understood, sir. Okay. And so what will be the steady-state EBITDA margin profile for the Specialty Polymers? What steady-state EBITDA margin profile should investors expect from this Specialty Polymers?

Vaibhav Jha: See, there are two parts to Specialty Polymers. One is the high margin products, which have an EBITDA of almost 40% to 50% and then there are value-added products where the EBITDA could be anywhere -- I mean it is a wide margin from 8% to 17%, 18%. So we are still in the phase of ramping up our specialty polymer sales on the back of both high margin specialties and value-added products.

So how we stabilize this product mix between high margin specialty and value-added products is going to determine the EBITDA that we are going to see on a steady state. But it is going to be significantly higher than our film business. And I will just stop short of giving a margin outlook, but the current margins that you can see are in the range of 30% -- EBIT margin, he's



asking EBITDA, okay. So EBIT margin of around 30% plus, right? So that gives an idea of where we are. Future will depend on how do we stabilize this product mix going forward.

Rohit Mehra:

Got it, sir. And one more thing pertaining to as you were earlier saying that a few one-offs this quarter pertaining to the foreign currency fluctuations and all. So are we doing any efforts to hedge these fluctuations or how are we seeing it going forward?

Sourabh Agarwal:

See, so foreign currency fluctuation, Rohit, in the current scenario, it's very difficult to make any judgment, right? So if you see euro, it was -- we started the calendar year 2025 with an exchange rate of INR88 compared to rupee and dollar was somewhere around INR84 compared to rupee.

And today, dollar is at INR92 and euro is hovering around INR106, right? So the question is that there's been a lot of volatility around currency in the current financial year. And any strategy which you may adopt may not be a fool-proof strategy. Having said that, we keep looking and monitoring the market on a regular basis and at the appropriate time and the right opportunity.

We do hedge our installment repayment for 6 months to 12 months. That is the strategy that we follow. Since the rupee has depreciated so much against dollar so on the export side, generally what we have done is that we have kept our exposure open in order to get benefit of the depreciation in rupee.

Rohit Mehra:

Got it, got it, sir. So that's it from my side and all the very best, sir. Thank you.

Moderator:

The next question is from the line of Saket Kapoor from Kapoor & Company.

Saket Kapoor:

So firstly, pertaining to the export of films to the U.S. market, we did face headwinds for I think these 8, 9 months. So if you could just give us some understanding what percentage we are going to see uptick going ahead when this becomes standard -- when the tariffs are reduced, sir?

Vaibhav Jha:

So Saket-ji, see, we saw no impact on specialty polymers and your question is on specialty films. So on specialty films, our volumes into North America took a hit by almost 30% to 40%, right? So that volume we are expecting to recover in a few months. So we should be back very quickly to those volumes.

And then of course the bigger hit was that the business development pipeline dried out because people stopped engaging on new business development, which could have resulted into further volumes by now. So we are engaged with the customers. And going forward, we should see us selling specialty films beyond the volumes which we were doing before the tariff application.

Saket Kapoor:

We were eyeing 30% I think so value-added on a consolidated basis and we are at 25%. So that 5% incremental is all focused on from the U.S. trade part I think. So there will we get the incremental volume?

Vaibhav Jha:

Yes. So that accounts for a big part of this gap and it was of 2 hits that I mentioned. One was we lost the volumes which we are doing, a part of the volumes which we were already doing. And the second was that the business development pipeline which we had projected to fructify, that stalled. So that did not give the results that we had thought and therefore, we are short of our



target. If you look at the growth in specialty films other than North America, we have registered close to 20% growth. right? So the missing piece is the North America.

Saket Kapoor: Okay. And sir, for the installation of the metal extruder at Khatima, I think correct me there. Where are we, sir, in terms of that to be installed and when we'll start sweating that asset?

Vaibhav Jha: I think you mean the new recycled PET extruder, that has been installed in our Hyderabad facility. That was installed somewhere in October and we are right now in the stage of conducting trials with our customers. So we expect that we should start seeing ramp-up in the operating rate starting from next month and then it will keep on improving.

Saket Kapoor: Okay. There was also some capex for Khatima unit also or everything was pertaining to Hyderabad?

Vaibhav Jha: See, there could be some maintenance capex. The capex that we need to do to do some cost-saving initiatives or to maintain our plant or enhance some small technical capabilities of our plant. So those are always there. But in the management power lens, we don't call it like a capex. Capex for management is a new facility addition of significant size. So nothing of that nature was planned in Khatima.

Saket Kapoor: Sir, there was also one understanding given by the largest player, SRF, in their con call wherein they have spoken about the BOPET capacity at China, some mandate has been enforced and because of it, there is a curtailment to the tune of 20% and that has led to incremental margins for BOPET. Can you give us some understanding how have the spreads been post the December quarter and some color how things are trending up for the commodity films?

Vaibhav Jha: Yes. So I would not comment on SRF's point of view on the Chinese production. Many times such kind of information come in the market. It's very difficult to assess what's really happening. But we can talk about the trend in the value addition and we have seen that starting from November onwards, there has been some improvement in the film realization. A lot of it has to do with the improvement in demand due to the PWMR rules.

We are seeing quite robust demand for PET films starting from November and right now also it is very good. So this trend is likely to sustain. We have also seen many customers moving away from other substrate to BOPET, right, and that has clearly led to us being engaged on various conversion projects as well. So all in all, the supply-demand situation in Indian market has improved in a large way and we hope that and we expect that it will continue going forward.

Saket Kapoor: Can you give some color on the spread part?

Vaibhav Jha: So the spread, which is VA between 12 micron plain film which is the commodity film and the raw material, in January was roughly around INR30. And it is an improvement of around INR5 to INR6 from the previous quarter.

Pradeep Kumar Rustagi: So Vaibhav told that in the month of January, the VA, which is the difference between selling price and raw material cost for 12micron film, was about INR30 a kg. And in the December



quarter, it was about INR23, INR24. So there is an improvement vis-a-vis the December quarter in the month of June by about INR5 to INR6 a kg.

- Saket Kapoor:** Okay. And same trend is continuing for fab also, sir? We are 10 days and more.
- Pradeep Kumar Rustagi:** Yes. So far, yes.
- Saket Kapoor:** Okay. Sir, in the presentation, we have mentioned about some savings from the use of rice husks also. I think there will be reduction in power cost. So what exactly will it translate on an annual basis in terms of this?
- Vaibhav Jha:** That we have stated that our focus on green energy and we have been using husk since last many years.
- Saket Kapoor:** So nothing new to this?
- Vaibhav Jha:** No nothing new. That's been there since last many years and we are looking at other avenues and we are trying to get more into green energy, renewable energy, etcetera. But that as it fructifies, we will inform you.
- Saket Kapoor:** Okay. And lastly, sir, I was late to join the call. So, what are the further developments other than any meaningful things?
- Pradeep Kumar Rustagi:** Yes. So the land acquisition, we are expecting to be completed by April, May '26. FEED study has already been completed by Tata Consulting Engineers. And for the detailed engineering, we have engaged with Toyo Engineering, which is a Japanese internationally renowned EPC contractor. We have engaged with them. So there are many activities going in parallel, including the efforts through a debt syndication agency for raising debt.
- Saket Kapoor:** Okay. Sir, as on December, what was our net debt on consol level?
- Sourabh Agarwal:** See, our gross debt, as I mentioned earlier, was INR740 crores and when you adjust it for the cash and cash equivalents, it's around INR660 crores.
- Sourabh Agarwal:** This includes working capital as well.
- Vaibhav Jha:** This includes working capital and term debt.
- Saket Kapoor:** Okay. Can you tell the split of term debt and cost of fund and when is the credit rating due for revision?
- Sourabh Agarwal:** So cost of debt is around in the range of 10% to 11% depending upon the entity in which the debt is there. As you know that we also have a euro loan from OLB Bank so where the rate of interest is very low at less than 3%. Now in terms of working capital loan, our total amount as on 31st December 2026 is INR230 crores.
- Pradeep Kumar Rustagi:** And if you talk of the cost of debt, weighted average cost of debt in Ester Industries is about 9%, 9.4% and Ester Filmtech is about less than 9%.



- Sourabh Agarwal:** That is because of the OLB loan that we have.
- Saket Kapoor:** Okay, sir. And on the rating revision, sir, when is our rating?
- Sourabh Agarwal:** So rating that rating agencies keep a strong track and there will be a revision by end of -- after the completion of the performance for March '26.
- Saket Kapoor:** Lastly, sir, the factors that were affecting -- making the business bleed, can we conclude today that those factors are now behind and the worst in terms of the business sentiment is at least over and now we can expect volume and profitable growth trajectory for the film industry for the BOPET industry?
- Vaibhav Jha:** Yes. I think that is what we are seeing on the ground as well that the business challenges have subsided, U.S. tariff has normalized. We are seeing good supply-demand balance and strong VAs in the Indian market. So overall, looks like that the film business is now going to start showing improved financial results as we move into next quarter and beyond.
- Saket Kapoor:** Right, sir. And so will be the utilization level? So we will have operating leverage also which will come into play?
- Vaibhav Jha:** Yes. So we are expecting that the operating rates are going to improve because of the sustained demand and certain internal enhancements that we have done in our production line in last quarter. So we should see that the operating rates would start inching upwards from now on.
- Saket Kapoor:** One more small point. When is our warrant conversion due, sir and what price?
- Pradeep Kumar Rustagi:** Mid of May '26.
- Saket Kapoor:** And what is the exercise price?
- Pradeep Kumar Rustagi:** INR158.
- Saket Kapoor:** INR158 and this is for both promoter and non-promoter?
- Pradeep Kumar Rustagi:** Right. Yes.
- Saket Kapoor:** Okay, sir. Thank you and all the best to the team.
- Vaibhav Jha:** Thank you, Saket.
- Moderator:** Thank you. We take that as the last question for today. I now hand the conference over to Mr. Vaibhav Jha for his 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 remain committed to driving sustainable growth, delivering value and building on momentum achieved in this quarter. We look forward to an even stronger FY '27. Thank you.
- Sourabh Agarwal:** Thank you.



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Moderator:

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