GANESHA ECOSPHERE LIMITED

GESL/2026-27/

November 6, 2026

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The BSE Limited,
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Fax No.: 022-22723121, 22722037
Scrip Code: 514167

To,
National Stock Exchange of India Limited
Exchange Plaza,
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Scrip Symbol: GANECOS

Sub: Transcript of Q2 & H1 FY2027 Earnings Conference Call held on November 2, 2026.

Dear Sir/ Ma'am,

Please find enclosed herewith transcript of Q2 & H1 FY2027 post results Earnings conference call held on November 2, 2026 pertaining to Company's Unaudited Standalone & Consolidated Financial Results for the quarter and half year ended September 30, 2026.

Please take the above on record and oblige.

Thanking you,

Yours faithfully,
For Ganesha Ecosphere Limited

BHARAT KUMAR SAJNANI

Digitally signed by BHARAT KUMAR SAJNANI
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(Bharat Kumar Sajnani)
Company Secretary-cum-Compliance Officer

Encl: As above

Ganesha Ecosphere Limited

Q2FY27 Earnings Conference Call

November 02, 2026

MANAGEMENT: **MR. GOPAL AGARWAL – CHIEF FINANCIAL OFFICER – GANESHA ECOSPHERE LIMITED**
MR. PRASHANT KHANDELWAL – SENIOR VICE PRESIDENT – GANESHA ECOSPHERE LIMITED
MR. YASH SHARMA – DIRECTOR – GANESHA ECOPET PRIVATE LIMITED

MODERATOR: **MR. MANISH MAHAWAR – ANTIQUE STOCK BROKING LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to Ganesha Ecosphere Limited Q2 FY '27 Earnings Conference Call hosted by Antique Stock Broking. 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. Manish Mahawar from Antique Stock Broking. Thank you, and over to you, sir.

Manish Mahawar: Thank you, moderator. I am pleased to host today's earnings call of Ganesha Ecosphere. From the management, we have Mr. Gopal Agarwal, CFO; Mr. Prashant Khandelwal, Senior Vice President; and Mr. Yash Sharma, Director, Ganesha Ecopet, on the call. Without any delay, I would like to invite Mr. Yash Sharma to start with opening comment. Thank you, and over to you, Yash.

Yash Sharma: A very good afternoon to everyone, and a very warm welcome to all the participants for joining. So thank you for joining and for your continued interest in Ganesha Ecosphere. I hope all of you had the opportunity to go through our results as well as the investor presentation. We are pleased to report that another quarter of healthy progress with our performance remaining broadly in line with the direction and the growth strategy that we had outlined at the beginning of the year. Demand remained encouraging across both our legacy business as well as subsidiary operations, supporting better volumes and improved revenue performance during this quarter.

On a sequential basis, the consolidated revenue has grown by 21.1%, while the standalone revenue has increased by 20.7%. On a year-on-year basis, the consolidated revenue has increased by 41.2%, while the standalone revenue has increased by 22%. Overall, in the first half FY '27, the turnover has increased by 33.7% on the consol basis. Consolidated sales volume increased to 49,382 metric tons from 40,113 metric tons during the last quarter. Standalone sales volume has also grown significantly to 31,808 tons from 25,321 metric tons achieved during the quarter 1.

The operating environment, however, has remained quite volatile. During the quarter, both the PET bottle scrap prices as well as the finished product prices have witnessed sharp fluctuations, which was primarily driven by movements in crude oil and polymer markets owing to the ongoing geopolitical developments in the West Asia, resulting in a significant volatility across the value chain. Despite these challenges, we have been able to maintain the business momentum and healthy margins. Coming to our performance, the standalone business continued to operate strongly with plant utilization of about 99% during this quarter. The Warangal facility operated at around 67% utilization during this quarter.

Healthy demand and operational efficiency supported the performance despite the volatile raw material environment. From a financial perspective, we have achieved a standalone EBITDA of INR24.51 crores and consolidated EBITDA of INR60.6 crores during Q2 FY '27, which is an increase of 200% and 172% respectively, over the corresponding last quarter. During Q1 FY '27, standalone EBITDA per ton was INR9,396 as compared to INR7,704 earned during the Q2 and consol EBITDA per ton was INR14,902 as against INR12,281 earned during the current quarter. It was mainly due to the inventory gains during Q1 and loss of rPSF production at

Warangal unit faced because of the fire incident in the rPSF. On the half yearly basis, we achieved consolidated EBITDA of INR120.42 crores as against INR58.63 crores during the last corresponding FY.

We generated operating cash flows of INR56.91 crores during H1 FY '27, reflecting the strength of our business model and our continued focus on profitable growth and cash generation. Our fourth rPET granule production line at Warangal unit got the FSSAI approvals for food grade applications and has thus become eligible to cater to the growing food-grade packaging market. In August '26, we got a setback due to the fire incident at the rPSF division of our Warangal facility. This resulted in the halting of the operations causing production and profitability losses, while the fixed costs continue to be incurred. Quantum of loss is still under assessment, though it is adequately covered under insurances.

Restoration activities are progressing as planned, and we expect the affected operations to be reinstated by Q4 FY '27. Looking ahead, our growth and expansion plans remain firmly on track. The fifth rPET granules production line is currently under installation and is expected to be commissioned during Q4 of FY '27. This will further enhance our capacity and strengthen our ability to serve the increasing demand for high-quality food-grade rPET products. We are also shifting our Kanpur rPSF production line to our Temra unit to improve the operational efficiencies, optimize costs and create a more integrated manufacturing setup.

Overall, we are very encouraged by the performance delivered during the first half of FY '27. Demand fundamentals remain quite healthy. Our expansion projects are progressing as scheduled, and we believe the momentum witnessed during the first half of the year should continue through the remainder of FY '27 as well. Thank you once again to everyone for joining us today. We will be happy to take any questions now. Thank you.

Moderator: Thank you very much. First question is from the line of Dheeraj Ram from 360 ONE Capital. Please go ahead.

Dheeraj Ram: Congratulations for good set of numbers. Sir, could you please let me know the current change in demand scenario for rPET and if any new FSSAI approved recyclers that have got approval in 2Q?

Yash Sharma: Yes, sure. Thank you. So the current demand of rPET remains quite strong and healthy due to the elevated polymer prices overall currently. Also now the government mandate of using 40% recycled content is definitely in place and all the players in the industry are looking to follow the mandates. Secondly, yes, definitely, there have been new capacities which have come online during the Q2.

For example, IDVB has got the approvals. There's one small player in the Northeast, which has got approval. And our new line has got the approval. And similarly, one more player's new line has got the approval in the Q2 from FSSAI.

Dheeraj Ram: Understood. And second would be what does this FSSAI approval mean? Currently, we were selling it for nonfood grade, what was the utilization rate? And what could be the potential

implication of this FSSAI approval on your new line? And what could be numbers turning out to be?

Yash Sharma: Yes. So basically, once you get the FSSAI approval, then you are able to supply the output of the line into food contact applications. Until now, we were utilizing that line mostly for our nonfood grade customers and also for exports since we already had the U.S. FDA and FSSAI approvals for the line. So we were mainly focusing on that.

Going from now onwards, obviously, since we will be able to also ramp up the utilization, which we were running for the Line 4 at about -- only about 60% before the approval came through. And after that, we've been able to increase the ramp-up.

Dheeraj Ram: Understood. And just last question is, what could be the loss on volume with this fire accident at Warangal in rPSF?

Gopal Agarwal: It is roughly about 2,500 to 3,000 tons on quarterly basis.

Dheeraj Ram: Quarterly basis. Understood. Lastly, could you let me know the raw material price, sir, at this crude price, what could be the raw material price as on date?

Gopal Agarwal: Yes. So raw material prices are moving in tandem with the prices of finished goods. So the prices are quite volatile in the market, and it is very, very unpredictable what would be the price going ahead. But certainly, at this point, these are at elevated level.

Dheeraj Ram: Okay. And since this is an increase in trajectory, can we expect inventory gains in the quarters coming ahead?

Gopal Agarwal: Sorry, can you please come again?

Dheeraj Ram: Since crude prices have ramped up and we had inventory of close to 3 months, holding inventory of close to 3 months. So could we expect inventory gains in next quarters going ahead? Or has this been weeded out through the entire quarter?

Gopal Agarwal: Yes. So we are not expecting any inventory gain going ahead. We are having the inventory with us, but the inventory is turning out fast and the prices are also very volatile. So the inventory is valued at about current prices only.

Moderator: Next question is from the line of Bharat Gulati from Dalal & Broacha Stockbroking.

Bharat Gulati: Just a few questions on the subsidiary business. I understand quarter-on-quarter, the utilization has dropped because of the fire incident. Just trying to understand what would rPET utilization for the lines that were operational during the quarter would have been, if you can quantify that?

Gopal Agarwal: So on a blended basis, because one line was started in the June itself. So -- and FSSAI we got only in this month. So the blended capacity utilization was about 75% to 76% in the last quarter.

Bharat Gulati: Understood. Understood. And the fourth FSSAI approval that Yash you spoke about, should that immediately start to ramp up from Q3? So the ramp-up would be in progress right now. Is that the case?

And that 60% utilization should reach the 75%, 76% blended utilization of the existing rPET. Is that the sort of trajectory we are looking at?

Gopal Agarwal: Yes, yes. We are witnessing the volume growth of that line also. Capacity utilization is increasing.

Bharat Gulati: Understood. Understood. So just trying to gauge what sort of a capacity utilization just on the rPET line do we expect to close the year at? And then given that when we restore our operations back in the rPSF line also, what should the blended exit utilization for Warangal facility be? I understand you're adding some new lines.

I'm talking about excluding addition of those new lines on the capacities that have been live throughout the year, what should our expected capacity utilization on that be? And what should a sort of normalized EBITDA per ton on our Warangal operations look like? It's currently between INR21 and INR22. So what should that sort of be at?

Gopal Agarwal: Yes. So we are expecting the optimum capacity utilization of about 85% of our Warangal unit going ahead. And certainly, we are looking for EBITDA of INR21, INR22 a kg, which we are earning presently. It would be built in.

Bharat Gulati: Understood. Understood. Just trying to understand the sequential hit on EBITDA per ton that we saw, that was predominantly because of the rPSF line going out, right? So shouldn't once that rPSF line come back into our business, we should normalize back to INR24, INR25 per ton? Or are we going to see this pull down on a normalized basis to 22% as it is?

Gopal Agarwal: Yes. So it would be between INR22 to INR24 a kg on a blended basis.

Bharat Gulati: Understood. For our subsidiary business, that is?

Gopal Agarwal: Subsidiary business, yes.

Bharat Gulati: Understood. Understood. Okay. And just on the demand outlook as the previous participant questioned, what's the demand-supply sort of mismatch? There's been quite a few approvals from FSSAI that have taken place during the quarter. So how much does that demand gap still exist? If you can just throw some broad numbers on the current approved FSSAI facilities and what market share do we hold in that?

Yash Sharma: So the current FSSAI approved facility, total capacity of India is about 4.2 lakh to 4.5 lakh tons approximately, the current total approved capacity, out of which our approved capacity has now gone to 65,000 tons. But what is happening is that still some capacities are not able to perform quite good on the operational basis. So the actual utilizations are not as high.

The actual utilizations of the other industry are on the lower side. So the data that we have currently on the market share side is that currently the rPET sales in the market are somewhere

between 25,000 to 50,000 tons also out of which we have a market share of about 5,000 tons on a monthly basis, so roughly about 20%.

Bharat Gulati: Understood. But just trying to understand, we've seen a pretty big consolidation that would have taken place due to the turmoil in the past 6 months. So hasn't there been some sort of brownfield capacities that have gone bust that we could take over and sort of continue those operations? Or I mean, just trying to understand what's the broader perspective of us expanding lines going forward? Should we expect capex within our existing facilities or some sort of acquisition of players who already had facilities but aren't in operation anymore?

Yash Sharma: So you see, in fact, the opposite has happened. So what has happened since the last 6 months of geopolitical turmoil is that the polymer -- the virgin polymer prices have went quite up. And because of that, the demand for recycled polymers has gone pretty high. Now what has happened because of this is that even the inefficient players are now able to actually operate at high utilizations.

And are able to sustain their operations in a quite decent way because there is a demand for the recycled polymer today because recycled polymer today is at a discount to the virgin polymer prices. And so the broader market demand has increased quite significantly. So in fact, the opposite has happened in the last 6 months. The players have been able to run their lines well.

Gopal Agarwal: Yes. So we are looking for the capacity expansions, and we are already making up the expansion of the capacity at Warangal plant, brownfield expansions we are carrying out.

Yash Sharma: Yes. Yes. Right.

Moderator: Next question is from the line of Deepak Ajmera from Elpro International Limited.

Deepak Ajmera: Yes. I would like to know the current rPET volume. How much is the long-term contract versus the spot sales? And since the crude prices are too high and given that if the crude prices falls in near term, what kind of EBITDA per kg we are assuming in rPET? Is the INR20, INR21 per kg sustainable?

Yash Sharma: So our current contracted capacities out of the total production today currently stands at about 85% to 90%. So 85% to 90% of our capacities are currently on a contractual basis, in which there will be absolutely no impact of any sudden fall or decrease in the prices. Also if you're talking about the overall EBITDA numbers, we are very confident that we'll be able to achieve EBITDA close to INR20 a kg on a sustainable basis.

Deepak Ajmera: Okay. Got it. And on the new capacity, which came currently, so will you please guide once again what the optimum utilization in rPET we can have and what we are targeting in future?

Gopal Agarwal: So optimum capacity utilization is about 85% in case of rPET. Effective utilization is 85%. It is quite difficult to achieve the capacity utilization because of the product mix which are currently being sold in the market.

Deepak Ajmera: So can we say that this 80% utilization, we can have it in the Q4 or Q3 in this year?

Gopal Agarwal: Yes, we are working on the debottlenecking. So we are expecting by the end of this financial year, we would be able to go by 90%...

Deepak Ajmera: Got it. And any greenfield plants for our new capacities and which plant was dropped from Odisha?

Gopal Agarwal: So we are working on the expansion plan, and I think we would be able to come to the investors and the stock exchanges public in this quarter itself.

Moderator: Next question is from the line of Harsh Vidhani from India Capital.

Harsh Vidhani: Congratulations for the good set of results. Sir, just wanted to know that now that like you said, some approvals have come through in this quarter. But is it fair to say that the quality supply remains constrained and we would be able to maintain the current margins?

Yash Sharma: Yes, definitely, Harsh. So what is happening is that now even the industry is realizing the difference in the polymer quality being supplied by different players. So we are -- obviously, we are performing pretty well on that side. And the demand for our products is going higher and higher. And in fact, we are constrained by our capacity right now and not by the suppliers.

So we think that definitely we will be able to perform much better than the industry overall.

Harsh Vidhani: So sir, is it fair to assume that the ramp-up of the new line that came in would have been very quick as soon as we got FSSAI approval?

Yash Sharma: Yes, yes, yes. In fact, in just a period of a month's time, we have been able to achieve very high utilization, yes.

Gopal Agarwal: So yes, Harsh, we are already utilizing the capacity, about 60% capacity utilization was already there of this line where we are utilizing the material for nonfood applications. So there would be some ramp-up in the capacity utilization after the FSSAI approval.

Harsh Vidhani: Understood. Understood. And sir, so by -- what is the expected volume increase for food grade rPET now on a quarterly basis?

Gopal Agarwal: So quarterly basis, it is around 1,500 to 2,000 tons.

Harsh Vidhani: Got it. And then we also have another line coming in January. So that would -- like this line prior to FSSAI approval will be able to operate for nonfood grade applications, right?

Gopal Agarwal: Correct. Correct.

Yash Sharma: Correct.

Harsh Vidhani: Understood. And sir, one last question from my side, sir. Is it fair to assume that the cost of the fire incident will be contained in the -- have been contained till in this quarter and there would be no more cost implications?

Gopal Agarwal: So basically, there are 2 implications are there. One is we are losing the EBITDA margins, which we are earning on the PSF. So the production is completely halted and so we are losing the EBITDA on that. And further, we are incurring the fixed expenses, fixed cost of this rPSF because of the halting of the production. So they are double impact as of now.

Moderator: Next question is from the line of Kaustav Bubna from Kamana Holdings.

Kaustav Bubna: Yes. I'm fairly new to this company. So if you could explain, when crude prices go up, you're getting an advantage over the substitute product, right, virgin PET, right? But what's happening with your margins at the same time? So could you explain your raw material stocking days and the contracts you have in terms of cost push with your customers, if you could explain that? And also, if you could explain if crude comes down drastically hypothetically, then how does that affect your demand from here on? So those points, please?

Gopal Agarwal: Yes. So basically, definitely, the increase in crude prices and the increase in the virgin polymer prices has increased the demand of recycled products. But on the other side, the prices of finished goods has -- in case of fiber, the entire sales is spot sale. So definitely, the prices have increased of finished products. But at the same time, prices of scrap has also gone up to that extent.

So basically, we are maintaining the EBITDA, but there is not any increase in the EBITDA margin. And in case of our rPET business, we -- our 85%, 90% capacity is of contracted prices. So there, our margins are fixed.

Kaustav Bubna: Yes. So the margins -- so if the margins are fixed means that your gross margins would -- I mean, if the pricing is fixed, in this environment, even though you're getting higher demand because of substitution, your gross margin would fall, right?

Gopal Agarwal: No. Basically, so we are having the contract of -- raw material prices plus yield plus the fixed conversion cost. So whatever the raw material fluctuations are there is passed on to the buyer.

Kaustav Bubna: Is it instantly passed on?

Gopal Agarwal: It is with a lag of 1 month. So it is -- it is 1 plus 1. So current month prices are passed on to next month.

Kaustav Bubna: Okay. And how long are these contracts? Because -- so your client doesn't try to negotiate if the prices have gone up? Or what is the bargaining power of your customer basically if your raw material prices go up like in the situation today?

Yash Sharma: So no. So the contracts -- first of all, the contracts are annual, so they are 1 year long. Secondly, there is no negotiation that happens on the formula pricing because that's what has been agreed on in terms of the pricing. And obviously, you see it's just a lag of 1 month. So definitely, what happens is by the end of the year, it all gets averaged or it all gets neutralized any which ways automatically.

So there is no such negotiations that happened, honestly, on the contract formula pricing.

Kaustav Bubna: And just last point on this...

Moderator: Sorry to interrupt, Mr. Bubna, may we please request you to rejoin the queue, sir, for the follow-up question. Next question is from the line of Deepak D. from Sundaram Mutual Fund.

Deepak D.: Am I audible?

Moderator: Yes proceed.

Deepak D.: Congratulations on delivering a good set of numbers. So sir, my first question is on volumes. So if I look at our standalone business, so this quarter, we are almost looking at 32,000 sort of run rate in tonnage basis and a 25% Q-o-Q growth. Just wanted to understand what changed in this quarter for the volume to jump so sharply in Q-o-Q basis? And how should we think about this run rate going into H2?

Gopal Agarwal: So Deepak, the sales volume was quite low in first quarter and second quarter of this calendar year. So there is some pent-up demand also in Q3. And we also liquidated our inventory. So we are looking for the normal demand would be there going forward.

Deepak D.: Okay. So would it be fair to assume that the regular 29,000 to 30,000 volume, which we used to clock earlier that should continue into H2?

Gopal Agarwal: Yes, yes, because we are also liquidated most of our stock now.

Deepak D.: Got it, sir.

Gopal Agarwal: The run rate would be 28,000, 29,000 going ahead quarterly basis.

Deepak D.: Got it. And sir, secondly, on EBITDA per tonnage basis. So despite all the challenges in the raw material front, we are still clocking somewhere around INR7 to INR8 EBITDA per kg, right, in our stand-alone business. So would it be fair to assume that this sort of run rate would be maintained going forward, let's say, in H2 and also next fiscal?

Gopal Agarwal: Yes. You are very right. There is a lot of fluctuations and variation in the prices of raw material. But ultimately, on an average basis, we are able to maintain the EBITDA margins of INR7 to INR8 a kg in stand-alone business. And we look forward to maintain it in coming quarters also.

Deepak D.: Okay. And sir, it would be very helpful if you could just call out what is the current price difference between rPSF and virgin PSF and also rPET and virgin PET. Just wanted to understand from a trend perspective, how is it looking at, let's say, 2 months back and current?

Yash Sharma: So the rPSF prices are currently -- so it's very volatile. You have to understand, first of all, taking the current numbers, there should not be any benchmark as such. So the current rPSF prices are in the range of INR110 to INR114 per kg, whereas the vPSF prices are in the range of INR130 a kg. And on the other side, in rPET, the current rPET prices are at about INR130 a kg and vPET prices are at about INR140 to INR145 a kg. But it's very volatile and very fluctuating.

So I mean, definitely it is going to change. So...

Deepak D.: Yes, I understand. But that's what is surprising because generally, I had an understanding that the PET waste price has its own supply-demand factor. But somehow the crude prices are also impacting this. I think it is because of the demand shift which you might be incurring and hence, the PET waste prices are also going up as people are looking for substitution. Is that the right understanding?

Yash Sharma: Exactly. Exactly. You're absolutely right. Yes. That's what happens.

Deepak D.: Okay. Okay. Got it. And one last question. So we have been maintaining our EBITDA guidance.

I understand that EBITDA per ton guidance is a little bit tricky depending on a lot of factors. So do we still maintain that INR225 crores to INR230 crores EBITDA guidance for '27? Or do you feel that since this FSSAI approval has come through and your volume mix will also go towards the higher-margin product now in H2 that we can surpass this INR230 crores EBITDA in FY '27 itself?

Gopal Agarwal: Yes. So we have given the guidance of INR225 crores to INR250 crores. And so we are expecting it to the higher end of the EBITDA, like close to INR235 crores to INR240 crores.

Moderator: Next question is from the line of Suraj Malu from Catamaran Ventures.

Suraj Malu: Sir, from the presentation, if we just look at CY '29 or FY '30 India PET bottle numbers, which is supposed to go to 23 lakh tons, right? And if we consider the 80% recycling target, the industry can be around 18 lakh tons. So do we target like 20% of that capacity, which will be around 3.5 lakhs roughly by FY '30 for rPET?

Gopal Agarwal: So we are looking for the rPET demand would be around 1 million tons, of the overall demand, overall PET consumption. Yes. So we are looking for 25% market share on that capacity of the demand of 1 million ton.

Suraj Malu: Got it. And sir, for that, what is the amount of capex that we'll need? Like right now, after the current line 5, I believe we'll go roughly to 90,000. To go to like, let's say, 2.5 lakhs, what is the capex that we'll need to do? And will that happen entirely in Warangal?

Gopal Agarwal: No. So we are not going to incur any further capex in the Warangal. So we would be having around 100,000 capacity in Warangal. So we are looking for putting up the capacity in some other place like either in the Northern India or some other place.

Suraj Malu: Got it. And will that be like INR500,000 crores capex equivalent or...

Gopal Agarwal: Yes. So for roughly for 50,000 capacity, the capex would be around INR300 crores, INR250 crores to INR300 crores.

Suraj Malu: Got it. Sir, if I may ask one last question, like the EBITDA per kg at that scale, like when we are at INR2 lakh or INR2.5 lakh, the EBITDA per kg, assuming we have FSSAI approval, that will be like INR24, INR25 or will it be INR20 to INR22?

Gopal Agarwal: Yes. So we are having the guidance of between INR20 to INR22 a kg, yes.

Moderator: Next question is from the line of Shubham Aggarwal from Burman Capital.

Shubham Aggarwal: I had 2 questions. Sir, one is the rPSF line, which got impacted in Warangal due to fire accident. When is that expected to come back online?

Gopal Agarwal: So basically, the OEM got the visa only in the current month and they visited the plant in the last week. And so they are assessing the loss, what is the repairable, what is to be replaced. So we are expecting by the end of February, March, we would be able to restore the line depending upon the procurement time of the imported equipment from the OEM.

Shubham Aggarwal: Understood, sir. And sir, specifically for this quarter, what was your output for just rPET?

Gopal Agarwal: So total production volume is about 15,500 tons, including the PSF and the rPET and yarn.

Shubham Aggarwal: But specifically, can you give for rPET, if that's possible?

Gopal Agarwal: So basically, we are giving the blended numbers.

Moderator: Next question is from the line of Bhavya Gandhi from Bajaj Alternate Investment Management Limited.

Bhavya Gandhi: Congratulations, Yash as well as Gopalji on good set of numbers. Sir, my question is regarding the global opportunity. Let's assume that if at all, there is a supply-demand mismatch in the country, which are the countries globally who have already this rPET regulation in place as a backup. Just wanted to understand. And are we allowed to export?

Is there any restrictions on the exports?

Yash Sharma: Yes. So Bhavya, currently, some states in the U.S. and also Europe already has the mandatory rPET regulations. A lot of countries currently have developed and are targeting to start the rPET mandates pretty soon to some months, some countries in 2028, some countries in 2030. So it's a global phenomenon that is taking place, number one.

Number two, yes, we are obviously, we are allowed to export since we are U.S. FDA and EFSA certified, we are allowed to export to multiple countries just that for the specific country, you have to take the food safety regulators' approval before you are able to supply. So that is something that you have to do. Otherwise, you are absolutely allowed to supply to any country whatsoever.

Bhavya Gandhi: Got it. And at the bottler level, if you can quantify how much percentage of compliance are they fulfilling because this year mandate is around 40%. So if you can just throw some light at the large bottlers or the beverage companies, what is the average compliance that they are following percentage-wise, at least?

Yash Sharma: I think it's very difficult to exactly give the numbers because we -- obviously, we don't have access to such information, but they are trying to go as high provided they are getting the quality material feedstock. The problem today is that they are not able to get that much amount of quality feedstock rPET from the industry. And that is why they're getting sort of blocked by that. What

we hear from the industry experts is that the current rate is somewhere between around 25% for the current year totally. They are trying to increase, but obviously, there is a big challenge in availability of high-quality rPET feedstock.

Moderator: Next question is from the line of Naman Maheshwari from Srujan Alpha Capital.

Naman Maheshwari: Congratulations on a good set of numbers. Just wanted to get a clarity. Addressing to a recent participant, you just said that the approved capacity for India right now is somewhere around 4.2 lakh to 4.5 lakh metric ton. And the current demand is 30,000 metric tons, which implies a total demand of 360,000 metric tons per annum. So has the situation changed from where we earlier said that the approved capacity is less and the demand is more to now the approved capacity being higher and the demand less?

Yash Sharma: So please understand that the 30,000 metric ton demand is not the demand number, it's the actual sale number. The demand today is much, much more higher than that, probably more than even 2x. The problem is that the material is not available for sale. So that's how the numbers are getting blocked today.

Naman Maheshwari: Okay. And what is the gap actually? Is it because these facilities are not able to run at these optimum levels? So there's some quality difference?

Gopal Agarwal: So you take it like this. All the brand owners have not started to use the mandatory consumption of rPET, not the industry as a whole. So -- though some of the brand owners have started. So the actual demand is basically, yes, outpaced the numbers of available quantity. But certainly, the demand would be higher when the entire industry would be starting utilizing the rPET.

Naman Maheshwari: Okay. And can you give me some light on the filament yarn operations at the Warangal facility? How is that turning out? What is the revenue contribution or something on those lines?

Yash Sharma: So it is definitely improving. We are slowly ramping up the new customers' demands and also in process of doing approvals for a couple of more customers as well. So it's increasing slowly. It will take probably some more time to get it to its optimum utilizations. We would not be disclosing product-wise details, to be honest, separately.

We'll be working with that numbers.

Naman Maheshwari: Okay. So just one last follow-up on this. So as this filament yarn contribution ramps up, do we see margins moving to a higher percentage going forward?

Gopal Agarwal: Yes. So when we will be utilizing the optimum capacity, so certainly, it will add up the EBITDA, overall EBITDA.

Moderator: Next follow-up question is from the line of Deepak Ajmera from Elpro International Limited.

Deepak Ajmera: As you mentioned that we have a contract for a yearly basis, when is the next renewal period?

Yash Sharma: So it is happening currently in December.

Deepak Ajmera: In December. How confident are we in getting again, the renewal ones because many players are now moving with the -- some other players also like Varun has their own partner with someone now other organized players are also thinking for the same. So in the span of 1, 2 years, how do you think this? And do you think that we are capable or we can partner with someone like Coca-Cola or other players?

Yash Sharma: So see, we are more than confident of getting the contracts, number one. Number two, even though a lot of players are there are coming up definitely less, but the -- number one, the quality rPET output and as well as utilization, currently, it's -- the market needs much more higher amount of rPET than what is available today.

Also, we have very good rapport and relationships with a lot of brand owners, global brand owners, not just 1 or 2 or 3, but we are working with a lot of brand owners now. And have been able to really demonstrate Ganesha as a very strategic supplier. So we're very confident that we'll be able to lock in the contracts even for the new line as well.

Moderator: Next follow-up question is from the line of Bharat Gulati from Dalal & Broacha Stock Broking.

Bharat Gulati: Just a question on our capacities. We've spoken in previous earnings calls and in presentations that we're taking our rPET capacities to 1 lakh. What's the capex plan beyond that? Can you give a broad sense of what are we planning beyond the 1 lakh rPET granules going to? And where would that capex take place?

Any sort of broad time line, if you can give a sense of when would the additional capacities beyond 1 lakh tons start to come in, at least in the production phase, if not in the ramp? Like I mean, when will they be online?

Gopal Agarwal: So it is taking about 12 months to 15 months' time to go on stream the new capacities. So I think we would be looking for the new capex as soon as we finalize it.

Bharat Gulati: Understood. Understood. But I mean, just some sort of broad understanding of how much capex would it be in terms of capacities? Just some broad number to go by. And I understand you've given the 12- to 15-month time line. So that would basically make us stand that by end of FY '29, only those capacities would come in broadly. So if you can just give some sense of how much would that additional capacity be?

Gopal Agarwal: So as I told for 50,000 ton additional capacity, the capex would be around INR250 crores to INR300 crores.

Bharat Gulati: Got it. So should we expect about 150,000 tons of rPET granules by the end of FY '28, that would be a fair thing to say?

Gopal Agarwal: We are working and hopefully, it would be delivered by the end of FY '28.

Moderator: Next follow-up question is from the line of Suraj Malu from Catamaran Ventures.

Suraj Malu: Sir, who would be the top 2 to 3 customers, anchor customers when, let's say, we have 2 lakh, 2.5 lakh capacity, like 3, 4 years down the line?

Yash Sharma: So you see the PET market in India is structured in a specific way where there are, let's say, global organized brand owners like Coke, Pepsi and many others in the beverage and FMCG space. So I would say these global brand owners would make up almost 70% to 80% of our market share. These global brand names are around 25% currently in the Indian market in context and the rest 20% to 30% will be the local regional players for us.

Suraj Malu: Got it. And sir, since you would -- since you have relations with these global customers, are you thinking of any big exports?

Yash Sharma: So yes, we are definitely on the market. It really depends on how the economics and how the deals work out. Currently, due to the geopolitical, we are still doing exports, but the quantity has gone down. The volume has gone down because of the freight impact and higher demand and higher prices in India. So obviously, we are there on the market, and we are able to deliver as we are able to go forward. So it's definitely going to depend on how the Indian landscape looks like.

Moderator: Next question is from the line of Dhirendra Kumar Patro from Spark PMS.

Dhirendra Kumar Patro: This is Dhirendra. So congrats on a good set of numbers. I just had one question for Yash. So Yash, we have seen that the promoter level pledge has been increasing since last 3, 4 quarters. And in the last quarter itself, it has gone up significantly by 4%. So any update on that, whether this will be halted or it will be decreased in some time line regarding that? Can you help me on that?

Gopal Agarwal: Yes. So, Dhirendra, the pledge was because of some funds borrowed by the promoters for conversion of their warrants last year into equity. So basically, the pledge has been increased because of this fall in the prices of shares. So we have to make up the more mortgage to cover the fall in prices.

Dhirendra Kumar Patro: Okay. And any time line for repayment of that?

Gopal Agarwal: Yes. So I think it would be coming down by -- from next financial year.

Moderator: Thank you. Ladies and gentlemen, as there are no further questions from the participants, I now hand the conference over to the management for the closing comments.

Gopal Agarwal: Yes. Thank you. Thank you, everyone, for your time, your questions and your continued support to Ganesha Ecosphere. We remain focused on executing our expansion plans, strengthening our operational performance and creating long-term value for all stakeholders. We appreciate your continued confidence in the company and look forward to interacting with you again next quarter. Thank you. Thank you, everyone. Have a great day.

Moderator: Thank you very much, sir. On behalf of Antique Stock Broking, that concludes this conference. Thank you all for joining us, and you may now disconnect your lines.

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3. It is also confirmed that no unpublished price sensitive information was discussed during the call.