



GSM FOILS LIMITED

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To,

National Stock Exchange of India Limited

Exchange Plaza, C-1, Block-G,
Bandra Kurla Complex, Bandra,
Mumbai-400051, Maharashtra

Scrip Code: GSMFOILS

Sub: Outcome of Q3/9M-FY26 Earnings Conference Call - Transcript

Dear Sir/Madam,

With reference to our letter dated January 28, 2026 related to the Earnings Conference call and pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI-LODR"), we would like to inform that the transcript of the Earnings Conference call held on Monday, February 02, 2026 at 11:00 A.M. IST, is attached herewith.

Kindly take the aforesaid information on record and oblige.

**Thanking you
For GSM FOILS LIMITED**

**SAGAR BHANUSHALI
WHOLE TIME DIRECTOR
DIN: 09126902**



“GSM Foils Limited

Q3 & 9 Months FY26 Earnings Conference Call”

February 02, 2026



**MANAGEMENT: MR. SAGAR GIRISH BHANUSHALI – WHOLE TIME
DIRECTOR AND CHIEF FINANCIAL OFFICER – GSM
FOILS LIMITED**

MODERATOR: MR. AAGAM SHAH – X-B4 ADVISORY LLP

Moderator: Ladies and gentlemen, good day and welcome to the Q3, 9 Months FY26 Earnings Conference call of GSM Foils Limited hosted by X-B4 Advisory LLP. As a reminder, all participant lines will be in a 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. I now hand the conference over to Mr. Aagam Shah from X-B4 Advisory LLP. Thank you and over to you, sir.

Aagam Shah: Thank you. Good morning, everyone and welcome to the Q3, 9 Months, FY26 Earnings Conference call of GSM Foils Limited. Today, on this call, we have with us Mr. Sagar Girish Bhanushali, who is the Whole Time Director and the Chief Financial Officer of GSM Foils Limited.

This conference call may contain some forward-looking statements about the company, which are based on beliefs, opinions and expectations as of today. Actual results may differ. The statements are not the guarantees of the future performance and involve risk and uncertainty. With this, I now hand over the call to Mr. Sagar for his opening remarks. Over to you, sir. Thank you.

Sagar Bhanushali: Good morning, everyone. Thank you for joining us for Q3, 9 Monthly Financial Year 26 Earnings Conference call of GSM Foils Limited. I hope all of you have got a good opportunity to look through our financial results and investor presentation, which are uploaded on the stock exchange and also on the company website.

Before we get into the financial highlight, let me first share some perspective of the industry trends and recent development impacting our businesses. Indian pharmaceutical packaging ecosystem continues to remain strong, driven by sustained growth in the domestic pharmaceutical sector and rising export opportunities. India is a leading global supplier of generic medicines catering to over more than 200 countries and thus is driven by robust requirement of regulatory compliant primary packaging material such as blister and strip foil, which is GSM Foils core products.

Aluminium foils remain the preferred primary packaging material for tablets and capsules due to the superior barrier properties against moisture, light and gases, which are critical for product quality and self-stability. This underpins durable demand for high-quality pharma foil across the regulated market.

On policy fronts, the ongoing initiative to strengthen domestic value-added capacity and to promote self-reliance in packaging material to continue support to local foil manufacturers, these developments reinforce the competitive positioning of Indian players in the pharmaceutical packaging value chain.

Now, as a part of a long-term expansion strategy, we have recently commenced a new manufacturing facility in Ahmedabad, Gujarat, which is spread over 17,000 square feet. It is a leased premises. The plant is already operational with an annual capacity of more than 10,000 metric tons, with a target utilization of 40% to 50% by the end of this financial year.

This facility is expected to support our next phase of growth by widening our pharmaceutical customer base, particularly across the Western and Northern region and by catering to incremental demand from both existing and new clients. Additionally, given its relatively lean cost structure compared to the Vasai unit, we expect this unit to deliver a modestly better margin and as the utilization capacity ramps up.

With this strategic step in place and backward discipline execution, a strong focus on customer-led innovation, we are optimistic about delivering steady growth and improved operational efficiency in the coming quarters. Now, coming to the financial performance of quarter-ended Q3 for financial year 26.

During Q3 Financial Year 26, the company had delivered a strong set of revenue posting of around 6,632.88 lakhs, that is a robust 84% year-on-year growth. EBITDA stood at 788.84 lakhs, representing an impressive 95% increase over Q3 Financial Year 25. The EBITDA margin expanded by 65 basis points to 11.89%, compared to 11.24% in the same quarter last year.

The PAT of the quarter is 533.14 lakhs, reflecting a significant 96% year-on-year growth. The PAT margin improved by 49 basis points, moving from 7.55% to 8.04%, demonstrating the benefit of higher operating leverage and improved cost efficiency as we continue to scale. For 9-month Financial Year 26, we recorded a revenue of 17,646.5 lakhs, registering a substantial 100% year-on-year growth.

The EBITDA for this period comes to 2,035.32 lakhs, making 107% increase compared to 9-month Financial Year 25. Our EBITDA margin strengthened by 87 basis points from 10.66% to 11.53%. The PAT stood at 1,355.76 lakhs, which is almost 118% up compared to the last year. The PAT margin expanded by 61 basis points to 7.68% from 7.07% for Financial Year 25.

These numbers validate the strength of our business model and execution efficiency of our team. With steady demand, scalable infrastructure and clear focus on margin-excluded growth, we are confident of sustaining this performance throughout Financial Year 26. Now with that, I would like to open the floor for questions and answers.

Moderator: Thank you very much, sir. We will now begin the question and answer session. The first question comes from the line of Priyanshu Jain with Growthfiniti. Please go ahead.

Priyanshu Jain: Hi, sir. Congratulations again on a good set of numbers. Again, a good quarter for us. Sir, as you said that the commercialization of our recent plant, so like what utilization we are expecting by the end of this year?

Sagar Bhanushali: By the end of this year, we are aiming a utilization of around 50% which would in terms of monthly figures be around INR10 crores to INR12 crores monthly sale from there at this initial level. So, we already reached INR5 crores monthly sale in the last month. So, by this two-month coming down the line with the orders in hand and the growing demand in Ahmedabad and Gujarat side, we are quite optimistic to reach that level by end of this year, that is March 26.

Priyanshu Jain: So, you are saying 50%?

- Sagar Bhanushali:** Yes.
- Priyanshu Jain:** Okay. And at 50%, what can we expect INR15 crores, you are saying?
- Sagar Bhanushali:** Around INR10 crores to INR12 crores initially with more scaling and more certain developments over there down the line. Like the current Vasai plant that I am operating now, if I do 100% capacity then I can increase the turnover from INR25 crores to INR28 crores. The same facilities in Ahmedabad with same set of machinery. So, to make it completely operational now, we need certain time like two to three quarters more. But currently, the capacity that we have if we are aiming at 50%, then certainly a revenue of INR10 crores to INR12 crores can be achieved by this March.
- Priyanshu Jain:** Okay. Great, sir. So, I just wanted to understand like if we are getting orders for this blister and aluminum foils. So, as there is some fluctuation in the prices of aluminum, so like how we deal with the -- like after getting the order we book aluminum foils at the same price so that we can sustain our margins and going forward, like is there any improvement in the margins going forward we can expect around 13% or something like that?
- Sagar Bhanushali:** Correct. So, our business model basically was on the letter that is issued by the Hindalco. So, the price that is decided is by Aditya Birla Hindalco himself. It depends upon the average weighted price of the entire month. So, since last six months we have been observing there has been a continuously rising trend in aluminum. It was till yesterday, post yesterday actually the entire commodity has gotten a very bad hit.
- So, if the price is on a generally rising trend now, then it's very much beneficial for us. We keep a very good level of inventory with us. So, the rate gets passed on the first of the next month. So, you wait and watch the entire month of the price we are moving. And by 15th or 16th, we get a generally rough idea about the average weighted average increased price for the next one. So, we manage our inventories accordingly.
- We improve our purchases and like try to restrict few sales orders by the month end. The rate has been passed on the first or the second of each month. It is normally like there's no rocket science in it. It can be observed by everyone. Normally, aluminum in past records is on an increasing trend only. We got a hit in this last day of this January.
- So, we are expecting an increase of around 30 to 40 that is almost 6% to 7%. But all of a sudden, the metal price like reduced drastically. Still, the aluminum is in class only, if you see the weighted average method. But certain portion has come down, but that can be very well managed. So, not much big hit on the margins.
- But certain amount of profitability that we were expecting because of the rate increase would like get a bit lower down. So, that is the issue. The passing on the rate is very much okay in this industry. It is based on the Hindalco letters. So, plus and minus on the metal price has been passed on. And with more inventories in hand, we like hit a very like new market.
- We are actually on a growing strength. We are getting into many new markets in Ahmedabad, Surat, Baroda also. So with good level of inventory and with its increasing rate it helps us to

leverage in all those new industry quite well, where we do not give them the 100% rate hike. We try to restrict between 20% to 30% and get into their existing clients and vendors very easily.

Priyanshu Jain: Thank you, sir for the very detailed answer. And like the margin improvement going forward is can we expect?

Sagar Bhanushali: Yes, definitely, we can expect with this plan coming into operation of 50%, 60% and more down the line like six months or eight months down the line, we are planning to do more capex and do more efficiency kind of business over there, then margin improvement will definitely come into picture.

Priyanshu Jain: Okay, sir last question is on the current utilization of our existing plant, so first plant?

Sagar Bhanushali: So, we have almost reached 85% to 87% last month. So, more 10% to 12% is here.

Priyanshu Jain: Okay, so we can reach up to 100% utilization in this year only?

Sagar Bhanushali: This year only, yes.

Priyanshu Jain: Okay, sir. Thank you, sir and all the best for the future.

Sagar Bhanushali: Yes, thank you.

Moderator: Thank you. The next question comes from the line of Urmish Shah with Moneywisers. Please go ahead.

Urmish Shah: Sir my first question is on the Ahmedabad plant. Could you give a split between the production of blister and aluminium foils for the Ahmedabad plant?

Sagar Bhanushali: So, it's more or more same, it's almost 50%-50% or 45%,-55%. The demand is stable since it's been stable only. So, there's no major difference in that.

Urmish Shah: So, because when you say INR10 crores to INR12 crores is our going run rate for the utilization at current levels. So, I just wanted to know the math between -- for that INR10 crores to INR12 crores additional that we are going to gain from Ahmedabad till March 26 when you reach 50%. So, out of that blister will be contributing and aluminium, the contribution, what will be the contribution levels?

Sagar Bhanushali: It's more or less going to be same only. So, the production of capsules and tablets in the pharma sector is almost going on par only these days. So, likewise blister and slip foil both are going on the same proportion only.

Urmish Shah: Okay. And sir, I know you have mentioned in your presentation that 50% is the target for March 26. But what is the timeline for our Ahmedabad to mature to a 70%, 75% capacity utilization. Obviously, Vasai is running at 80%, 85%. If you could just give more -- some color on that it will match?

- Sagar Bhanushali:** My vision is to reach 100% within 1 year itself. So, we are driving towards that only. So, let's see how far we go. I will definitely give you updates every quarter. But in one year, we are planning to reach 100% capacity over there.
- Urmish Shah:** So, 1 year from now, that's FY27. And obviously, this is a bit of a far-fetched question, but when you reach that capacity then what will be the going run rate from INR10 crores to INR12 crores?
- Sagar Bhanushali:** INR10 crores to INR12 crores is 50%. So, obviously, 25 to 27 crores.
- Urmish Shah:** Okay, sir. And so, since Ahmedabad plant is now running at a good capacity, will we see a dip in the working capital days? Sorry, a rise in the working capital days for a certain time period?
- Sagar Bhanushali:** So, we'll try to keep it between 60 days to 70 days only because that model has been really working well for us.
- Urmish Shah:** Okay. And sir one final question. Our cash flow from operations has seen a steady improvement, but now since we are on an expansion phase, will we see a blip in that or are we going to be positive cash flow from operations in the coming years?
- Sagar Bhanushali:** To be very frank, we don't normally look at cash flows because if you look at our business model now, it's totally on credit and inventories only. The cash flow is negative because of the debtors and the stock that we are keeping and this is the place where we are earning. So, to bring down cash flows means to bring down the debtors and the inventories. If it's suitable and workable for us, it would help me to improve my margin and I'll definitely work on that, but currently we're very much comfortable with increasing debtors and stock. So, not much issues.
- So, currently, we're not looking at that, but we have certain policy changes or if we see the rates are going down continuously. And if we are getting better opportunities by providing less credit, then you may see an improvement in cash flow. But currently, we're not worried about cash flow being negative.
- Urmish Shah:** Okay. And sir, one more final question is, when you say you have to keep a certain amount of inventory, which is understandable, what is that amount of inventory that you keep for a safeguard?
- Sagar Bhanushali:** Since last 3 to 4 months with this increasing trend, we are quite happy to keep an inventory for almost around a 1.5 month, between 35 to 45 days. But now, we'll re-evaluate that because aluminum just got hit. Actually, the entire commodity, like I said earlier, got hit. So, let's see how it goes about in this month.
- So, if we are seeing by around 10 to 15, if we see that it's on a, like, decreasing trend only, then we may reduce our purchase and sell off the inventory as quickly as possible. The best part in our business is conversion time is only 1 or 2 days. So, like, it doesn't take a month or a week or 10 days. In 1 or 2 days, the entire product is made and sold. So, it's just all well.
- Urmish Shah:** So, revenue recognition happens very easily?

- Sagar Bhanushali:** **Yes it happens easily**, I just have to pay attention to my purchase. If aluminum seems to be decreasing continuously, then I will keep a tag on that and reduce the inventory level.
- Urmish Shah:** Sure, sir. All the best, sir. I'll join back the queue. Thank you.
- Moderator:** Thank you. The next question comes from the line of Masood, an Individual Investor. Please go ahead.
- Masood:** Yeah. Good morning, sir. First of all, congratulations on the numbers. It's quite good. And I just wanted to know, sir, what is the guidance for FY '27 and after this Ahmedabad plant is fully operational, are there any further expansion plans and what is the market share that we are planning to capture?
- Sagar Bhanushali:** So, definitely there is an expansion plan, but I'm not fully sure to commit it. But definitely within a month or two, I'll give you an update because we are almost reaching 100% capacity in our existing unit. We are looking for two or three alternatives in Mumbai itself. That will be finalized within a month or two, but I won't commit you now.
- But yeah, by the end of this quarter, we'll get a very good update regarding expansion in our Mumbai facility also. And regarding guidance of next year, like I told earlier, firstly, I'm trying to reach 100% capacity in Vasai, which we are quite optimistic to reach within a month or two, and then 100% capacity utilization by the end of next March in Ahmedabad.
- And vis-a-vis new facility in Mumbai itself, but I'll take a month or two to finalize on that part. If everything goes well, then even that thing would come into picture. So, we are quite confident of achieving good scale for next year also.
- Masood:** Okay. And sir, do you have any plans to, like, capture 1%, 2% or 3% of the market share on the packaging part for blisters?
- Sagar Bhanushali:** We don't aim or keep all those numbers in mind, but we definitely want to join hands with many good big players in the industry and try to increase our revenue. But with that focus of to capture that market or to capture certain LC share or increase 1% or 2%, that we generally don't think. But yeah, we are quite aggressive in growing, increasing our sales and managing our data cycle. And let's see how it goes about.
- Masood:** Okay, okay. Thank you so much, sir, for the answers and good luck for the future. Thank you.
- Sagar Bhanushali:** Thank you. Thank you.
- Moderator:** The next question comes from the line of Charu Manral, an Individual Investor. Please go ahead.
- Charu Manral:** How much capacity is the new plant working on? I want to ask this.
- Sagar Bhanushali:** In Ahmedabad?
- Charu Manral:** In Vasai and Ahmedabad, both.

- Sagar Bhanushali:** So, in Vasai, we have reached almost 85% to 87%. Ahmedabad, we have recently started a month ago. So currently it's between 20% to 30%. We are expecting to reach 50% by the end of this year.
- Charu Manral:** Okay, sir. Sir, the second question is, how much has been utilized in the fund raised in the rights issue?
- Sagar Bhanushali:** 100% has been utilized, ma'am.
- Charu Manral:** Okay, sir. My third question is, sir, what is the planning to come to the main board?
- Sagar Bhanushali:** It's another 1-1.5 years, ma'am. The vision is strongly aligned to go to the main board. Let's see. With the figures that have been showing and our planning, we are quite confident of reaching that. It will take 1.5-2 years, but we are definitely aiming at the main board.
- Charu Manral:** Okay, sir. All the best for this. Thank you. That's all from my side.
- Moderator:** Thank you. The next question is from the line of Priyanshu Jain with Growthfiniti. Please go ahead.
- Priyanshu Jain:** Sir, just some follow-up questions. As you said that by the end of FY '27, we will reach around 100% or by the next year only, like, within a few months. Beyond FY '27, what we are expecting, like any capex or any plans for the future beyond that?
- Sagar Bhanushali:** Yes, definitely we have to do. But that's what I told you. It will take a month or two to finalize everything. The first focus is to reach at least 50%-60% there and reach 100% by the end of this year. And to do more capex in our existing Mumbai plant, like nearby, we are looking for two or three units to increase business here also. So, that's what I told you. Just give me time till this financial year end by March. I'll definitely come up with more solid and convincing answers.
- So, currently, we are actually looking at two or three proposals. We haven't finalized it. I'll take a month or so to finalize it and come up with a better answer. So, currently, I won't give you a better answer, but definitely things are in plan and in a very positive way. By the end of this month, we'll definitely give you good news regarding more expansion in our Mumbai-based unit and post that by this Diwali or by next year, more expansion in our Ahmedabad plant also.
- Priyanshu Jain:** Sure, sir. And sir, last question is on the customer side. So, for example, there is Sun Pharma. So, like, I don't think so we cater them right now. We cater to mid firms, which are locally based or somewhere. So, they do their own packaging and other things or like we are also aiming for them as our client as well.
- Sagar Bhanushali:** So, with this vision of Ahmedabad plant, we are aiming to cater all those top five or six companies, pharma companies. But again, we are not able to cater them. The only reason is that the payment that they give now these days is easily between 90 to 120 days and even 150 days. So, there are certain few companies like Sun Pharma, Cipla and all. They are very sharp with their payment terms, but then they won't let you earn good margin.

So, working with A or B, B plus good categories now, where you are able to sit with the owners and deal with them now, you are able to get few good margins and you get your own deal like we need payment between 30 to 60 days. But catering with all these names now, bigger names like all these big pharma companies, it's very tough to deal on our terms.

So, the rate has been decided, they have opened tenders. So, already there are many players catering to them. You get good volumes, no doubt, you get good turnovers, but the margins are very less and plus the payment cycle of all these big companies is very bad these days. It goes from 100 to 120 days on a very easy basis.

So, definitely in Ahmedabad plant, we'll onboard five or six good companies. We are making that plant with that vision only. That plant is totally auditable with all those SOPs in line. We'll get few good companies, but then again, we'll cater only to those who are able to give me payment within 45 to 60 days.

Priyanshu Jain: So, like I get it and as our main focus is on the margins. So, like as you said, we don't have any plans to cater these big companies because of the payment cycle and the margin thing, right?

Sagar Bhanushali: Very low margins, yeah.

Priyanshu Jain: Yes, sir. Thank you, sir. And all the best.

Sagar Bhanushali: Yeah.

Moderator: Thank you. The next question comes from the line of Devesh Rathi, an Individual Investor. Please go ahead.

Devesh Rathi: Hello. Hello. Yeah. Hi, Sagar. Good morning. Congratulations on a very good set of numbers.

Sagar Bhanushali: Yeah. Thank you.

Devesh Rathi: Sagar bhai, I wanted to know one thing. In the Vasai plant, you said that we can increase the speed of the machines by doing slight capex.

Sagar Bhanushali: Correct.

Devesh Rathi: So, is that done or is it in process?

Sagar Bhanushali: No, this is planned for the current month, sir. After completing this, we will achieve the remaining 10-15% capacity. Apart from this, we do not see any additional capacity available at the current plant. . Any further increase in capacity would lead to higher maintenance costs and increase downtime. Therefore, we plan to maximize utilization of the existing capacity. Beyond this, we are evaluating setting up another unit, Vasai, which we expect to finalize within the next 1-2 months.

Devesh Rathi: Okay. So, when this capacity increases, approximately after that, how much revenue can be generated from here monthly?

- Sagar Bhanushali:** Sir, around INR28 crores-INR30 crores will be easily generated from here monthly.
- Devesh Rathi:** INR28 crores-INR30 crores?
- Sagar Bhanushali:** Right.
- Devesh Rathi:** Great, great. And in Ahmedabad plant we will get operational efficiency so we should also get operating leverage?
- Sagar Bhanushali:** Definitely. Margin will also be good.
- Devesh Rathi:** Margin will be better, right? Great, great. Okay. Thank you. Thank you very much.
- Sagar Bhanushali:** Thank you.
- Moderator:** The next question comes from the line of Kashyap Desai with Richbond Capital. Please go ahead.
- Kashyap Desai:** Hi, Sagar. So, very quickly on just the gross profit that we are reporting in the 15.5% to 16%, you know, that kind of range. If aluminum has gone down recently, but overall, the weighted averages for the next 2 months and including January should be much higher than what they were in the last 3, 6, 8, 9 months. So, overall, should we still be able to manage this 15.5%, 16% kind of range irrespective of whatever, you know, daily volatility we have in aluminum?
- Sagar Bhanushali:** Yeah, definitely. So, the volatility in aluminum, we try to like, like, keep it aside. We try to increase more focus on our profitability. So, even if there's a dip in the aluminum by 1% or 2% more, then definitely that can be catered by our Ahmedabad plant coming in where we are aiming a very good profitability due to low cost expenditures over there. So, that can be easily observed and I won't commit to increase, but definitely it can be sustained.
- If the aluminum goes down drastically from here, which is still we are not that confident that it will go down much. So, it's going to be more of a stable for a month or two. And even if it goes down, looking at the worst scenario, then definitely 1% or 2% here and there can be easily absorbed in the running plant of Ahmedabad and Vasai. So, even if it doesn't increase, then we are able to like provide you with the same margins for at least a quarter or two. Post that, let's see how well the aluminum performs.
- Kashyap Desai:** Understood. And just a differential because Ahmedabad is brand new. Is there a meaningful, like a 100, 200 basis points, better gross margins in Ahmedabad versus the Vasai plant or it's fairly small? Because as Ahmedabad scales up, you know, that lends more, that provides more cushion on the margins.
- Sagar Bhanushali:** Yeah. So, 100 to 200 basis point improvement is definitely possible, We expect this level of difference in the cost structure itself, To be very frank with you.
- Kashyap Desai:** Okay.
- Sagar Bhanushali:** So, there is better efficiency margin wise.

- Kashyap Desai:** Understood. And in terms of any new products that could be more margin accretive or value add or newer spaces adjacent to what we are doing right now that we are exploring or where we are thinking we can get approvals and obviously that puts up more on the value side?
- Sagar Bhanushali:** So, we are actually in a learning stage. We are looking at laminates. So, there are different types of laminates which are going across the pharma industries and food industry also. Laminates basically includes aluminum, PPEs and plastics and printing on that easily can be done in our machine also. So, whenever there are two or three combinations and you sell them as combined product, obviously the margin increases in that. So, we are actually in a learning stage in that and that thing clicks well then even two or three new products would come in, but that would be in the next financial year.
- Till this March the entire focus is to scale up the business in Ahmedabad with the core product that we have in hand. Once we achieve that level of efficiency that at least 50%-60% plant is working without much interference or being more aggressive than this new two or three products would come into picture. Thanks a lot and best of luck.
- Sagar Bhanushali:** Yeah, thank you.
- Moderator:** The next question comes from the line of Bhaskar Kanrar with 3 Head Capital. Please go ahead.
- Bhaskar Kanrar:** Sir, you have said that in the case of capex in Mumbai, what will be the capacity and when will the commercial operation start?
- Sagar Bhanushali:** Sir, right now, the focus of Bombay is to reach 100% utilization. We are planning to do further capex in Mumbai. It will take 1 or 2 months to finalize it. We have three or four proposals in hand. Once it is finalized, then definitely by the end of this March, I will let you know on the call, what we are thinking about the expansion in Bombay.
- Bhaskar Kanrar:** Okay, after March? .
- Sagar Bhanushali:** It is not final yet, sir.
- Bhaskar Kanrar:** Okay, okay. In FY '26, we said that we will do a revenue of 240 crores. Is that target confirmed?
- Sagar Bhanushali:** Sir, it is on track. We are quite confident that it will happen.
- Bhaskar Kanrar:** And sir, one more thing. In B2B cycle, how much is the payment cycle with Hindalco?
- Sagar Bhanushali:** Sir, we buy goods from Hindalco. That is in advance. We have to pay in 15-20 days. And the goods we sell to our clients, the payment is INR45-INR60 per day on average.
- Bhaskar Kanrar:** Okay, sir. Okay, sir. Thank you.
- Moderator:** Thank you. The next question comes from the line of Nilay, an Individual Investor. Please go ahead.

- Nilay:** Hello, sir. Good morning. Sir, I want to ask you, like you told us that in full capacity, the expected monthly sales is INR28-INR30 crores from the existing plant. And from the new plant, what is that figure?
- Sagar Bhanushali:** So currently, we are reaching INR5-INR6 crores. So by this March, we are expecting to reach between INR12-INR15 crores in the new plant. And one year down the line, even INR28-INR30 crores monthly run rate from the Ahmedabad plant. So this is what we are planning on currently.
- Nilay:** So, okay, adding up them, we can expect INR55-INR60 crores monthly after a year?
- Sagar Bhanushali:** Correct, yes.
- Nilay:** And, sir, I am also checking the balance sheet. The fixed asset is showing less than INR3 crores. So how is that possible, sir?
- Sagar Bhanushali:** Okay, so fixed asset in a Vasai plant, like if you set up a new company, like I'll give you a prime example of an Ahmedabad plant only. So to get up a new company and to reach this level of efficiency, you need a capex of around INR5-INR6 crores itself. The capex in Ahmedabad is around INR5.5 crores itself. So with that INR5.5 crores we can easily do on 100% operational capacity turnover of around INR25-INR30 crores.
- Vasai plant's business is obviously, the machinery that we have, that has been, the balance sheet that you see, that is on written down value. It depreciated and came down a lot. All the machines are 5-6 years old. So we don't need to do heavy capex to do this kind of turnover. Business model is very much, it's on heavier side on the working capital side and very less on the capex side. So to do a business of around INR30 crores monthly, you need a capex of around INR4-INR5 crores only.
- Nilay:** Okay. And sir, just now you answered to some caller that we also buy goods from Hindalco and they also give us credit of 15 days sometimes.
- Sagar Bhanushali:** Like with this, to be very frank, priorly we were not receiving any credit but with the growth that we are showing these days, we do get some credit these days. Like we get less credit from Hindalco than the other rolling mills in India. We get 15-20 days from them because of the volume that we are doing and the trust that we have developed in the market.
- Earlier it was like, 3-4 years ago, if you put a payment, then only the goods used to be delivered. But looking at the volume that we are doing and the growth that we are doing, a certain amount of trust has come in people. So nowadays, for payment, you get a call later and the material comes out earlier. So that is the difference.
- Rest, this is how the business works. If you give the payment first, then the goods will come out. Whatever goods you have to make and sell in pharma, there the goods will go on 100% credit only. Credit starts from 30 days, 45 days, 60 days. How well do you deal and how well do you manage all those POs That's how it is.
- Nilay:** Okay, sir. Okay, sir. Thank you.

- Sagar Bhanushali:** Yeah.
- Moderator:** The next question comes from the line of Vishal Vaya with Smart Horizon. Please go ahead.
- Vishal Vaya:** Hello. Hi, sir. How are you looking business in Gujarat and Maharashtra? Are there any plans to expand any other geography?
- Sagar Bhanushali:** Sorry, sorry. Come again, please.
- Vishal Vaya:** Hello.
- Sagar Bhanushali:** Yes, sir. Please, can you come again?
- Vishal Vaya:** I'm asking, besides Gujarat and Maharashtra, are there any plans to expand other cities or to different countries?
- Sagar Bhanushali:** We're not looking at any other state. We're trying to reach a good level of efficiency in Gujarat, but definitely in Maharashtra, specifically in Vasai, where we are already located, we are planning a capex. It will take a month or two. We'll come up with a good plant in Vasai itself.
- Vishal Vaya:** Okay. And for the export market?
- Sagar Bhanushali:** Export market, we are working really hard. We're not getting that much positive response of lately, but definitely via many merchant exporters we are working. So directly, we're not exporting, but with these few merchant exporters, we're definitely trying to explore more different kinds of markets, like in Yemen, Vietnam, Europe, US. So directly, to be very frank, we are not exporting currently anything, but via these exporters, merchant exporters, let's see how it goes about. We are planning more sales in that part also.
- Vishal Vaya:** Okay. Understood. Okay. Thank you. Wish you luck.
- Moderator:** The next question comes from the line of Anshal Jain, an Individual Investor. Please go ahead.
- Anshal Jain:** First of all, congrats on a good set of numbers. Just want to understand, what is the total addressable market for the products we manufacture in India?
- Sagar Bhanushali:** Sorry, what is the total?
- Anshal Jain:** Addressable market for the products which we manufacture?
- Sagar Bhanushali:** I have never thought of the numbers but the market is very big. We are very small compared to, if you're talking about the entire market share, this pharma industry, packaging industry itself. We operate on very small level. Till now, we have not covered whole Maharashtra. So there is a very big market in Gujarat, then on Baddi side, Delhi side.
- With this Sikkim and Jammu coming up with all those benefits that government has given to all those pharma industries. So market is very big too. Players already are catering these markets according to their size The South market is totally untouched.

There are also lot of players there. There is big pharma industry there, which are exporting 100%. So, if we are talking about figures, then I have never seen those figures. But definitely there is lot of scope. There is lot of scope in India itself. Leaving aside the export market. So, there is lot of room.

Anshal Jain: Thanks for answering that. Who the biggest competitors in India? Who are the big companies in India?

Sagar Bhanushali: This business runs of three layers. First, are rolling mills like Hindalco, MMP, PG Foil, all these listed players. They take sheets and roll them. They come under Tier 1. They do Tier 1 work. We come under 2 and 3. These all big companies are present in all 1, 2, 3 tiers, they do rolling, bare foil, laminates, coating and then printing. We take raw material from them and we do coating and laminate and then printing.

And those who come Tier 3, they only print. We are talking about specifically Tier 2, then we are among the top 3 currently. But then big players of the industry, they are all big listed players who comes in Tier 1. So there are enough players in India, there are almost 15 to 20 people. We are working with them, we are buying with almost everyone.

But according to market share, their market share is still quite big. To reach that level, we need to do a very huge capex. So, for setting up a rolling mill, the cost is quite big. INR50-INR60 crores is basic cost, then the entire setup and working capital and many things. There is significant scope for backward integration; however, it would require substantial capital expenditure.

Anshal Jain: Got it. Thank you Sagar.

Moderator: The next question comes from the line of Om Thakkar with Smart Horizon. Please go ahead.

Om Thakkar: Good morning, sir. I just wanted to ask that our revenue doubled in nine months, FY'26. So, can you please quantify between the volume increase and customer addition during this period?

Sagar Bhanushali: So, obviously, volume has been increasing with all those right issues that we did and increase in our working capital. So, the customer addition, if you look about, it would be hardly 10% to 15% because, as I said earlier, with the existing set of clients that we have now, we are almost working with them in their 50% to 60% capacity only. So, we wanted to work more with them. So we have a certain set of limit to each of the client, that at monthly level we will work only this much work, because we need to give credit to everyone. Our focus now is on our tried and tested clients, and we plan to grow along with them.

We have added multiple new clients, primarily for the Ahmedabad plant,, the growth that I was saying about 10%-15 % that has all come from there. And there are many more clients in pipeline whom we are pitching in Ahmedabad. There are some rate and credit period talks going on, but then eventually we will be able to crack that. So the growth that I was thinking from Ahmedabad, that would definitely come from new client. And the growth that we will see from Vasai that would be from the existing client itself.

Om Thakkar: Okay. Got it.

Moderator: Thank you. As there are no further questions from the participants, I now hand the conference over to Mr. Sagar for closing comments.

Sagar Bhanushali: Yes. Thank you, everyone, for joining us on today's earning call. We hope you are able to address all the questions and provide clarity on our performance and future outlook. So, do you have any further queries or wish to know anything more about GSM Foils Please feel free to reach out to our Investor Relation Advisory, XB4 Advisory. We appreciate your continued interest and support. Thank you once again. Take care.

Moderator: Thank you. On behalf of GSM Foils Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines. Thank you.