

**Date: 19<sup>th</sup> November 2025**

To,  
National Stock Exchange of India Limited  
Exchange Plaza, 5th Floor, Plot No. C-1,  
G Block, Bandra Kurla Complex,  
Bandra (E), Mumbai 400051

**NSE Code: SUNLITE**

**Sub: Transcript for H1 FY26 Post Earnings Conference Call held on 17<sup>th</sup> November 2025**

This is to confirm our earlier communication dated 10<sup>th</sup> November, 2025 regarding the Conference Call held on Monday, 17<sup>th</sup> November 2025 at 10:30 AM IST (10:30 hours) to discuss the Company's financial for the half year ended September 30, 2025

In compliance with Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are pleased to provide the transcript of the conference call held on 17<sup>th</sup> November 2025.

Kindly take the same into your records.

Thanking you.

**Yours Sincerely,  
For, Sunlite Recycling Industries Limited**

**Nitin Kumar Heda  
Managing Director  
DIN: 00383855**



**Sunlite Recycling Industries Limited**

**H1 FY26**

**POST EARNINGS CONFERENCE CALL**

November 17, 2025 10:30 AM IST

**Management Team**

Mr. Nitin Heda - Chairman and Managing Director

Mr. Manish Heda - Chief Financial Officer

**Call Coordinator**



Strategy & Investor Relations Consulting

## **Presentation**

### **Vinay Pandit:**

Ladies and gentlemen, on behalf of Kaptify Consulting Investor Relations Team, I welcome you all to the H1 FY26 Post-Earnings Conference Call of Sunlite Recycling Industries Limited.

Today on the call from the management we have with us Mr. Nitin Heda, Chairman and Managing Director and Mr. Manish Heda, Chief Financial Officer.

As a disclaimer, I would like to inform all of you that this call may contain forward-looking statements which may involve risk and uncertainties. Also, a reminder that this call is being recorded.

I would now request the management to detail us about the business and performance highlights for the period ended September 2025, their growth plan and vision, post which we will open the floor for Q&A. Over to you Nitinji.

### **Nitin Heda:**

Hello everyone. How are you? Thank you very much and a very good morning to all of you. Wishing everyone a very prosperous New Year. On behalf of entire Sunlite family, I warmly welcome you to the HY1 FY26 earnings conference call of Sunlite Recycling Industries Limited. This is Nitin Heda, Managing Director of the company. Joining with me today, Mr. Manish Heda, my younger brother, CFO of the company and our Investor Relations Advisory, M/s Kaptify. We appreciate your time and interest in joining us as we discuss the performance of the first half of the financial year along with key business developments.

Before we begin with the business updates, I would like to share a brief overview of our journey. Sunlite Recycling Industries Limited is a part of Sunlite Group, founded in 1986 by my father, Mr. Akshay Heda and my uncle, Mr. Prahladrai Heda. We started as a trading business in the scrap industry dealing in both ferrous and non-ferrous metals. Copper has been an integral part of our business since inception. I often mention that my father has seen copper prices move from as low as INR15 per kg to nearly INR950 per kg. With this deep-rooted experience spanning almost 4 decades, we can confidently say that we understand copper inside and out.

For us, copper is not just a product, it is part of our identity and deeply embedded in our DNA. Our manufacturing unit facility at Kheda, Gujarat was originally established in 2012 as a proprietorship firm. In 2017, we moved to a partnership structure and in 2022, we transitioned

into a private limited company. We began with a modest capacity of 250 metric tonne per month of oxygen-free copper rods. Over the time, we have expanded our portfolio and our product range with multiple grades of copper rods, copper wire, ATC (Annealed Tinned Copper), copper busbar across diverse grades and sizes.

Our focus continued to remain on copper recycling. Today, we procure copper scrap from more than 10 countries and domestically. While global availability of copper scrap is not a challenging process, the true competitive edge lies in sourcing the right grade of copper at a right price, an area where we have consistently demonstrated strong expertise.

As demand continues to rise, our priorities include expanding our product portfolio and enhancing capacity across existing manufacturing lines. Today, our copper rods smelting capacity stand at approximately 25,000 metric tonne per annum, making us one of the largest copper recycling facilities in Western India.

Before moving to business performance, I would like to highlight an important strategic development. Alongside our copper operation, we operate an aluminium rod manufacturing business under Sunlite Aluminium Private Limited. Sunlite Aluminium Private Limited primarily caters to the power and transformer industries. We intend to bring this company under the listed company to strengthen governance, simplify the structure and enhance long-term stakeholder value.

Our initial plan was direct swap wherein a share of Sunlite Recycling would be issued to Sunlite Aluminium Private Limited shareholders. However, since the promoter already holds 75% in the listed company this was not permissible. Therefore, we adopted an alternative structure, raise capital through preferential issues, dilute a small portion of promoter holdings, then issue shares to Sunlite Aluminium Private Limited shareholders as acquisition consideration.

Out of the 62.9 crore preferential issues, 43.5 crore represent the swap consideration, share swap consideration. The remaining was subscribed by external investors. As a result of this structure, a tax liability arises which will be settled in cash. Importantly, beyond meeting this obligation, we have no intention of withdrawing any funds from the company. We are pleased to share that the preferential issues was subscribed by Mercury and respected HNI investors including Jyoti Prasad Taparia, Famycare Group, T. Rathi Ventures LLP, Mr. Rahul Rathi, Purtanara, Renu Kataria, Kataria Group, Kirti Bhatia, Pinpoint X

Capital, Vijit Global Securities Private Limited, among other reputed investors. This participation reinforces strong confidence in our vision and long-term strategy.

With this, I would like to invite Mr. Manish Heda to take you through the strategic benefit of this acquisition. Over to you, Manish Heda.

**Manish Heda:**

Thank you. Let me take you through the key strategic advantages of integrating Sunlite Aluminium Private Limited into the listing identity. This consolidated vision is not merely a structural alignment. It adds significant operational, financial and long-term value. The first, Unified Copper plus Aluminium platform. Combining both the business lines under a single listed company creates a stronger integrated metal platform with better scale, smoother operations and enhanced market positions.

Second, Immediate financial boost. Sunlite Aluminium Private Limited robust FY25 performance. Revenue was INR139.62 crores, EBITDA INR8.69 crores, PAT INR4.88 crores. This will directly strengthen consolidated profitability from day one. Operational efficiencies and synergies. The combined setup will enable shared logistics, optimized manufacturing and deeper penetration across power and transmission sector customers. The attractive tax and incentive benefits. Sunlite Aluminium Private Limited brings substantial state and tax incentives, including 15% corporate tax rate, 7% interest subsidy, 100% net SGST reimbursement for 10 years. These will directly enhance cash flow and long-term profitability. Stronger capital structure. The preferential issue significantly improves liquidity, supporting working capital, expansion plans and future growth initiatives.

Before handing it back to Mr. Nitin Heda, I would like to briefly touch upon the copper industry outlook. According to the Government of India's Copper Vision 2025 document, the Indian copper sector is undergoing a significant structural shift. India imports over 90% of its copper concentrate, resulting in a trade deficit of nearly \$6 billion in FY23. Domestic recycling capacities remain fragmented, but government support for formulation is rising steadily. Copper demand in India is projected to grow from 1.7 million tonnes in FY24 to 3.3 million tonnes by 2030, nearly doubling this decade.

India's per capita copper consumption is only 0.5 to 0.6 kg, far below the global average, which is 3.2 kg, and significantly lower than in countries like Germany at 13.6 kg. This highlights immense long-term growth potential. Copper's critical role in renewable energy, electric

vehicle, power transmission and distribution, digital infrastructure and India's Net Zero 2017 roadmap ensures strong and sustainable demand. Even a simple look at India's copper cathode import volumes highlights the massive scale of this opportunity and the long runway ahead for the domestic recycling and copper manufacturing ecosystem.

With this backdrop, I hand this call back to Mr. Nitin Heda to take through the financial performance of the company. Mr. Nitin Heda.

**Nitin Heda:**

Yes, everyone. Now let me walk you through the key numbers of the first half of FY26. I am pleased to share that the company has delivered a robust performance across all key businesses and financial parameters. Our total volume for H1 FY26 stood at 12,502, reflecting a strong 61% year-on-year growth. This volume momentum translated into a significant increase in our top line, with revenue from operation rising 76% year-on-year to INR11,022.31 crores compared to INR636.79 crores in H1 FY25. The growth has been broad-based, supported by healthy demand, and sustained customer engagement across our core market.

On the profitability front, EBITDA grew 83% year-on-year to INR21.9 crores, with the EBITDA margin improving to 1.95%, an expansion of 8 bps year-on-year. Profit after tax increased 103% year-on-year to INR14.34 crores, and the PAT margin improved by 17 bps year-on-year to 1.28%. Overall, these results underscore the growing scale of our operations and the efficiency gains we continue to capture the business expense.

With that, I would like to conclude my remarks and hand over the proceedings to Mr. Manish Heda, who will share further plannings of the company.

**Manish Heda:**

Thank you. With this strong financial foundation, let me now outline our strategic roadmap for the year ahead. As we look ahead, our focus remains on expanding capacities, upgrading technology, and strengthening our presence across high growth segments. We are undertaking significant capacity expansion in ATC wires and copper busbars, and we will be doubling our ATC wire capacity, driven by strong demand from the renewal energy sector.

The company is planning a cumulative CapEx of approximately INR40 crores by FY 2028, which includes our next major strategic leap, entering the production of copper anodes and copper cathodes through the electrolysis recycling process. While our current copper products

are produced at 99.90% purity, the new electrolysis-based system will allow us to manufacture 99.99% copper purity cathodes, a product that India currently imports predominantly from ore mine based producers. This initiative will therefore act as a significant import substitution, strengthening domestic capabilities in a critical raw material.

The process enables complete impurity removal at the anode stage, and is one of the most advanced forms of copper recycling globally. Based on our internal assessment, copper cathode production is expected to generate gross margins of around 5%. Land acquisition for this project has already commenced, and we expect the plant to be operational by mid-calendar 2027, marking a transformative step in our journey towards becoming an integrated, high purity, non-ferrous metal manufacturer. Thank you.

**Moderator:** Thank you, sir. We'll now begin the question-and-answer session. [Operator Instructions] We'll take the first question from Mr. Chirag Sundesha. Please go ahead.

**Chirag Sundesha:** Yeah. Hi. Good morning, sir. Am I audible?

**Nitin Heda:** Yes, audible. Hello, sir.

**Moderator:** Yes, Chirag.

**Chirag Sundesha:** Yeah. Yeah. Sir, so your copper rod capacity of 25,000 is at a utilization level of 92.2%. So, is there any expansion plan on that?

**Nitin Heda:** Expansion plan on copper rods?

**Chirag Sundesha:** Yes, yes, yes. Because that is your major revenue generating segment. So I want to know your thoughts on the expansion of copper rod and your plans ahead on copper rods.

**Nitin Heda:** Sir, that's the only thing we have told. Copper rods, we have -- yes, sir.

**Chirag Sundesha:** Hello.

**Nitin Heda:** Yeah. Okay. Should I answer?

**Chirag Sundesha:** Yes, yes. Please go ahead.

**Nitin Heda:** Sir, we have already expanded in mid-August. I think we have given intimation also. So, sir, we have increased copper rods. Now, we are

going for forward integration. Like we have told you, we are going for ATC, double capacity. And maybe near future, we will go for further more expansion. And the volume growth that you are talking about, we are going for copper cathodes, now in a little bit backward integration. So copper rod is okay, but we are going for further cathode plants.

**Chirag Sundesha:** So, you will continue to stay at 25,000 metric tonnes for copper rod. Is that understanding correct?

**Nitin Heda:** Sir, 25,000, we would be increasing, but our major focus is that 25,000 is okay. But now we should go for forward integration to increase our profitability. We need to diversify that copper rods. We should use it in-house and diversify and create a good profit margin in that. As you have seen, ATC and busbar and various other products are there.

**Chirag Sundesha:** Right. And can you -- okay. So, this answer is one question. Now I have another question. Can you tell me how much is your capacity increasing in copper busbar?

**Manish Heda:** Sir, copper busbar, we have a capacity of about 980 metric tonnes per annum.

**Chirag Sundesha:** Okay.

**Manish Heda:** And approximately we have started this product in what you call August only. So we are at 25% to 30%. And we are hoping that at the end of the year, we would be going for about 60% to 65%. Because it has a lot of dies and a lot of things are required because it is a very, what do you call, customer based business. So we have manufactured -- we have what you call, have made a lot of dies. So, now that will go in production. So, maybe at the end of the year, we will be let say about 70% of that capacity. And then if it is utilized 70%, then we will go for further product. Because there are various machines and various sizes, which we are not able to make due to maybe machines. So we will be importing that machines also. So, we will go for various machines and expanding that busbar capacity also.

**Chirag Sundesha:** So that's also included in your cumulative INR40 crore CapEx or that is just for your copper cathode and anode?

**Manish Heda:** That is a different CapEx. INR40 crores for copper cathode, yeah.

**Chirag Sundesha:** INR40 crores is for...



**Manish Heda:** Only for copper cathodes.

**Chirag Sundesha:** Cathode and anode.

**Manish Heda:** Yes, yes, yes.

**Chirag Sundesha:** Only for copper cathode. And what is the revenue expectation from copper cathode expansion?

**Manish Heda:** It is -- gross margin, it's 5% approximately. Revenue or profit you are asking about, sir?

**Chirag Sundesha:** Revenue, revenue, sir. What is the revenue?

**Manish Heda:** Revenue, it is, sir, capacity is almost about 20,000, I think so, yeah. – Capacity is 15,000 metric tonne per annum. So maybe you can count the revenue, it is about, it is about, sir, INR1,300 crores.

**Chirag Sundesha:** INR1,300 crores, that is correct?

**Manish Heda:** Yes, yes, yes. INR1,300 to INR1,400 crores, yeah.

**Chirag Sundesha:** And what is the gross margin? Can you just repeat the gross margin and EBITDA margin?

**Manish Heda:** Sir, EBITDA, we cannot comment, gross margin is 5%, sir.

**Chirag Sundesha:** 5% gross margin.

**Manish Heda:** Yes. EBITDA, it is all based, sir, because what the interest cost is in starting, it will be varying.

**Chirag Sundesha:** Yeah, thanks for answering my question. If I have any further questions, I will come back in the queue sir. Thank you.

**Manish Heda:** No problem, sir. Anytime

**Moderator:** Thank you, Chirag. We will take the next question from Vedansh Agarwal. Please go ahead.

**Vedansh Agarwal:** Hi, sir. Am I audible?

**Moderator:** Yes, Vedansh.

- Vedansh Agarwal:** Yes, sir. I just had one question. We know that EPR norms are going live in non-ferrous metals from 1st April. So I just wanted to understand what's your view of this opportunity? Because this is a big tailwind for you, correct?
- Nitin Heda:** Sir, it is very beneficial and maybe you can say that it is coming for us only. Because we are actually recycling. And the EPR that is coming, sir, that is promoting recycling only, means it is saying that whatever consumer-based products are there, they should recycle so that carbon emission is very less and it is coming for them. And we are actually recyclers, so we are already doing that thing. So it would be beneficial, sir.
- Vedansh Agarwal:** So we can expect, in coming times, that capacity that you have can actually go two, three, four times from here also, because the opportunity is huge.
- Nitin Heda:** Yes, sir, we can, we can. That's why I said, sir, if you see, so almost in August, we have expanded our capacity of copper rods, okay? And now we are going from copper cathodes also, so even that is using recycling copper, sir. So if you see, my capacity is increasing, right, sir? It is not like I have to go for copper rods only. We have various products in copper. Why should we focus on a single product?
- Vedansh Agarwal:** Yeah, sir, and in January, basic customs duty, government reduced, so because of that also we will be benefiting, correct?
- Nitin Heda:** Yes, sir. It is beneficial, but overall, sir, the market absorbs it. Okay. You can understand that if something is less, then the market absorbs it somehow. So we get a little benefit that import, it is very easy for us to do.
- Vedansh Agarwal:** Okay. Thank you. Thank you so much, sir.
- Moderator:** Thank you, Vedansh. We'll take the next question from Darshil Jhaveri. Please go ahead.
- Darshil Jhaveri:** Hello. Good morning, sir. Thank you so much for taking my question. Hopefully, I am audible.
- Moderator:** Yes, yes, Darshil.
- Darshil Jhaveri:** Yeah, yeah, yeah. Firstly, congratulations on a great set of returns, sir. So sir, just sorry, I had missed a few of your opening statements. So the

private limited company has already consolidated that in our books in H1 or that's going to happen later, sir?

**Nitin Heda:** Sir, it would be coming this year -- this half year, sir, because we have just initiated the preferential. Now I think SEBI has some approvals required, etc. So we have gone for that. If it comes, it would be done.

**Darshil Jhaveri:** Okay. So this will come in H2 for us.

**Nitin Heda:** Yes, yes.

**Darshil Jhaveri:** Okay. That's really helpful, sir. And sir just like right now we've had a really amazing H1, but we are at very high utilization already. So till the CapEx comes in, which is going to come, I think, a year after. So till that time, what would be our revenue potential and guidance?

**Nitin Heda:** Sir, revenue, actually, we are now focusing -- see we have almost increased our capacity by 1.5 times in August. Now we are planning that along with doing this, we will go for forward integration, which we are now almost selling in the market and they are making better products, like maybe wires or something. So our major focus for the past one year is that we have expanded our capacity by 1.5 times. Now, we are using 10% or 11% in-house. By making that value-added, 15%, 20%, 25%, we should go for our profit margins. How can our profit margins be improved?

**Darshil Jhaveri:** Okay. Okay. Fair enough, sir.

**Nitin Heda:** Along with that, capacity expansion, as we have discussed, we are going for copper cathode plants. So in that, along with capacity, we are also doing CapEx. So each and everything is not possible to do from every side.

**Darshil Jhaveri:** So no, no, I agree, sir. So if you say that our current copper busbar was 15%, 20% utilization, then how much revenue has come in H1 and how much can come in H2, sir?

**Nitin Heda:** Sir, sorry. Can you just repeat your question, sir?

**Darshil Jhaveri:** We were saying that our CapEx for copper busbar has, you know, is around 25%, 30% currently. So how much revenue has come in H1 and how much can come in H2?

**Nitin Heda:** Sir, I will just explain. Actually, the copper Busbar, we have started this production in August only. So in H1, it is not very high. I think it is only about maybe 15% around INR20 crores. Because it is, yes, it has come from ATC. Because ATC, we have started and we are at 80% utilization. So if I look at its revenue, it is about INR300 crores.

**Darshil Jhaveri:** Okay, so ATC's revenue is at INR300 crores.

**Nitin Heda:** Maybe INR300 crores something like that, sir.

**Darshil Jhaveri:** Yes, yes, rough figures.

**Nitin Heda:** Sir, check it out. Because if you ask accurate like this, because our product line is such a thing, that we cannot tell you the accurate because --

**Moderator:** Hello, hello. Mr. Nitin, I think we lost you for a minute. Please repeat.

**Darshil Jhaveri:** Sorry, sir. The last I could not hear.

**Nitin Heda:** Now I am audible?

**Darshil Jhaveri:** Yes, yes.

**Nitin Heda:** It was about INR30 crores to INR35 crores ATC revenue.

**Darshil Jhaveri:** Okay, okay. But that's also, I think, around 80% utilization.

**Nitin Heda:** Yes, 80%. And now maybe in December, our capacity will be doubled. Because our machines have arrived. It has been getting installed. So in December, our capacity will double, sir, of ATC.

**Darshil Jhaveri:** Oh, okay. So, sir, just wanted to know, like, so many of our 3 CapEx are coming online, and one more will come later on. So what is the revenue target in FY26? What is the revenue target in FY27? And margin target?

**Nitin Heda:** Sir, see, 10% growth, I am hoping, for about FY26 or FY27. But FY27, at the mid, you will see a significant growth in our revenue. Because after that, our cathode plant will come in. So, the capacity expansion that you are talking about, it will come at the end of FY27 or mid FY27. So from there, our revenue growth, it would be about 1.5, maybe you can say 70% increase. But now almost, like in August, if you have seen our results of FY26, you have seen our revenue growth on the spot. It

was only because of expansion. So now our major focus for the next year, it will be 10% growth. But profit margins, you will see our increase in that.

**Darshil Jhaveri:** So how much would that be, sir? Roughly, I mean, currently our 2% as per...

**Nitin Heda:** 10% to 15% growth, you can see, sir, in revenue.

**Darshil Jhaveri:** No, no, I meant margin, sir, margin.

**Nitin Heda:** Margin, I told you, like our PAT margin, it was around 1.28%. So we are hoping that we can go up to 1.35% easily.

**Darshil Jhaveri:** Okay, okay, okay. Fair enough, sir, fair enough. And just last question. Like you said, 15,000 tonne capacity from copper cathodes, it has a potential of INR1,300 crores, INR1,400 crores, roughly.

**Nitin Heda:** Yes, sir. Yes, sir.

**Darshil Jhaveri:** Okay, okay. Fair enough, sir. Yeah, that's it from my side. Thank you so much, sir.

**Nitin Heda:** Okay.

**Moderator:** Thank you, Darshil. We'll take the next question from Ankit Agarwal. Please go ahead.

**Ankit Agarwal:** Hello, am I audible?

**Moderator:** Yes, Ankit.

**Ankit Agarwal:** Sir, when we do copper cathode fund expansion, then why don't we do copper rods in the meantime, sir? 25,000 tonnes with 92% utilization. Our entire opportunity will be missed, sir.

**Nitin Heda:** Sir, but you didn't understand, sir. The margin of the copper rods, it is about 1, 1.1 margin. You understand the thing. Now, when I have an opportunity for 5% gross margin of copper cathode, and I have an opportunity that I am making a copper rod, if I go to the value added, and my margin can be increased, then why should I not go for copper cathode? Capacity, sir, CapEx will be at the same place. Because, see, everything has a limitation, a fund. You understand. When I am getting a good opportunity for going for other products, and I have an

opportunity with copper rods to go for forward integration, then I am not thinking about it now. I am thinking about copper cathode. And now if our copper cathode runs out, then I will go for copper cathode again -- for rods, sorry.

**Ankit Agarwal:** Sir, but you are taking a gestation period of 1.5 years, almost 2 years.

**Nitin Heda:** Sir, I will set up a copper rod plant, it will also take 2 years, sir. Because it takes time, sir, to do land acquisition, to get permission from GPCBs, then to order a machine, then to do a foundation, to make a shed. It takes almost 1, 1.5 years, sir. Any big project that I will set up, it will take time. And the capacity of the rod, we have already expanded the capacity in August, sir.

**Ankit Agarwal:** Sir, but that is being fully utilized, your 92% is being utilized.

**Nitin Heda:** What sir?

**Ankit Agarwal:** The capacity of your rod, which you expanded in August, a lot of it is being utilized today, sir.

**Nitin Heda:** Yes, sir, it is being utilized. It is good that it is being utilized, so we are going for forward integration. As you know, we are doubling the ATC. But obviously, we are improving the profit margin, sir. Sir, it takes -- sir, anything, sir, see, we have an industry. Every year, we have to do something or the other. But it is not that everything can be done together. It takes time, sir. See, everything requires funds. We have to run it too. Now if I take copper rods, cathode, everything together, then I will not be able to focus on a single place, sir. So, I need to do that thing also -- that something should be smooth running.

Once the copper cathode is run, once the copper rods are completely run, then we will go back to the expansion. Maybe copper rods, maybe a new product will come. So I want the number of products in my bucket, so that I don't have to be dependent on anyone. Why should I focus on a single product, sir? When I have so many products to focus on. Like the copper busbar, I can go ahead in that also, right, sir? I can also put machines in it, go forward integration, and improve my profit margin.

**Ankit Agarwal:** Yes. Mr. Nitin, one question. One question was that, sir, when the copper cathode plant will be operational, then the copper rod which is of 25,000 tonnes, will the copper cathode feed from that, or will it be completely...

**Nitin Heda:** No, no, no. It's a different, it's a different, sir. Copper cathode also requires recycle scrap, copper rod also requires recycle scrap.

**Ankit Agarwal:** Okay.

**Nitin Heda:** It's a different segment, sir. The segment is different.

**Ankit Agarwal:** Understood. So, sir, let's say in FY27, it becomes operational, our copper cathode plant, and let's assume, sir, that it also reaches 90% utilization, at least 6, 7 months after being operational. So, in FY28, is it fair to say that, like you said about the revenue, that if we take today's prices, today's prices, it can be INR1,300 crores from copper cathode. Correct?

**Nitin Heda:** Yes, sir.

**Ankit Agarwal:** So if today, sir, copper rod, busbar, whatever we are doing today, if we double it, it's comes to around INR2,400 crores, sir, INR2,300 crores. So, is it fair to say that from a top-line perspective, we are looking at almost above INR3,000 crores in FY28?

**Nitin Heda:** Yes, sir. Let me tell you a little bit about it, sir. There will be plants in two phases of copper cathode. I just told you about the first phase. If it is operationally fully, then the second phase will also start, sir.

**Ankit Agarwal:** That too will be done for 15,000 tonnes, sir?

**Nitin Heda:** Yes, yes, yes, yes. I said it will come in two phases because I told you earlier that we cannot put anything together and utilize it at one go. It will come in a single phase first. If it is fully utilized, like you said, 90% is utilized, or 70% to 80% is also done, then we can go for the second phase also, sir.

**Ankit Agarwal:** Yes, like you just did in ATC, sir, you utilized it first, then you are doing the expansion also.

**Nitin Heda:** Yes, yes, yes. Same thing, same thing, sir. Our thinking and thought is the same, sir. If everything is put in phases, then at least we can focus completely, sir. Stability also comes.

**Ankit Agarwal:** Yes, sir. The last question was, sir, is it 15,000 plus 15,000 tonne or 7,500 plus 7,500 that you are planning in copper cathode?

- Nitin Heda:** No, sir. 15,000 is a single phase, first phase, sir, 15,000.
- Ankit Agarwal:** Thank you so much, sir. Very nice. All the best.
- Nitin Heda:** Thank you, sir.
- Moderator:** Thank you, Ankit. We'll take the next question from Jatin Agarwal. Please go ahead.
- Jatin Agarwal:** Hello, good morning. Am I audible?
- Moderator:** Yes, Jatin.
- Jatin Agarwal:** Sir, my first question was, sir, you said you are planning a CapEx of INR40 crores till FY28. So sir, how is its funding going to be? Are we looking for debt or are we looking to dilute equity?
- Nitin Heda:** It would be very early to say, sir, because it depends on the time. Let me tell you, we had to do this CapEx of ATC and busbar, etc., what we did. We had funds, we did it with that. I mean, two years later, sir, what will be the planning, it would be at that same time, sir, because there are a lot of things in it. Like, brother just told us that we have subsidies, we have this. So sir, we will have to look out which is the best option for the company. I will not be able to comment on that right now.
- Jatin Agarwal:** That's okay, sir. And sir, this copper cathode, let me tell you, I missed you a bit. It will be a bit towards backward integration, forward integration. Will it increase revenue or give you an improvement in margins?
- Nitin Heda:** Sir, both things, both things. It will increase revenue, it will increase margins. In a way, there is backward integration for my company as well. And for me, forward integration is also there. Copper cathode is also going to be used in the in-house. So it is a mixture of each and everything, sir.
- Jatin Agarwal:** So it will give better margins than your current copper rod. Is it safe to assume?
- Nitin Heda:** Yes, yes. Hoping so, sir. it will give a good margin, that's why we are putting this plant, right? Otherwise, we would not have gone in the rod.
- Jatin Agarwal:** Yes, that is correct sir. So, sir, your copper rod will be 92% now, your ATC is around 80% in the current, I think. Busbar is at 18%, which will



increase further on to 70%. And copper cathode, so when all this will be done, then how much margin you can have at EBITDA level?

**Nitin Heda:** Sir, margins I can't comment. See, I will not comment on margins, but revenue, I am hoping for about INR3,000 crores, INR3,500 revenue, I am hoping. by FY27, mid-FY27 or starting of, maybe end of FY27. But for margins, see, margins will improve, no doubt. 1.3, 1.35 -- whatever is coming now, 1.28, it will be better margins than that. But now when it comes to running, then we will have to see how much more margins improve. If I comment on anything from now, then it will not be right. But yes, it has a gross margin of 5%. I can tell you this in cathode.

**Jatin Agarwal:** 5% gross margin in cathode.

**Nitin Heda:** Gross margin, yeah.

**Jatin Agarwal:** Okay, okay. And it will remain 99.99% purity.

**Nitin Heda:** Yes, yes. It's a pure form of copper, sir. Pure form of copper.

**Jatin Agarwal:** Okay, okay, sir. And sir, I had one last question. You said at the very start that your competitive edge is sourcing of copper at the right quality and right price. So sir, can you tell us a little bit about this?

**Nitin Heda:** Sir, about this, whether I praise myself or say anything, we have been in this business since 1984. When dad started at INR15 per kg of copper that is today around INR940, INR950. Okay? So almost, let's say, we have 35, 40 years of experience. So we know, first of all, we know the whole scenario of the market. We know all the players of the market. And we know which scrap is of which type. Because what is recycle, sir, recycle, in a way, it's a game. It's a game, sir. In that, there are so many types of scraps in recycle that if you don't have the knowledge, then you are out. That expertise is with us, sir.

You can call it the right source of copper at the right price. Which copper to buy at what price, we have a little benefit in that. Understand its experience or whatever you understand.

**Jatin Agarwal:** Okay, sir. Okay, sir. Thank you. Sir, I had one more question. Sir, till FY26, that is -- till the end of this year, how much utilization of the busbar can we expect in percentage terms?

**Nitin Heda:** Sir, we are hoping for 60% to 70%, sir.

- Jatin Agarwal:** 60% to 70%. And how much percentage will be there in its revenue share, overall?
- Nitin Heda:** Sir, I won't be able to tell the revenue share like this, but it should be around 5%.
- Jatin Agarwal:** Okay, at 60%, 70%.
- Nitin Heda:** Yes.
- Jatin Agarwal:** Okay, sir. Thank you, sir. All the best for the future.
- Moderator:** Thank you, Jatin. [Operator Instructions]. Sir, we'll take a question from chat. It's from Megha Phadtare. She's asking, Debt has increased sharply. Short-term borrowings increased. What is your future debt strategy?
- Nitin Heda:** Sir, these debts haven't increased. Let me tell you a little bit about this. Actually, the balance sheet, I don't know how it is prepared, but this mid-September, end of September balance sheet is prepared. But obviously, we would have received some material by the end of September. And their payment would have been almost in October. So you get to see those debts. But if you give us the time, then I will explain how much borrowings we had, and was repaid at the start of October. So those borrowings are seen, debt sir. It's all creditors who keep coming and going. It's not long-term.
- Moderator:** Okay, sir. Thank you, sir. We'll take the next question from Saumil Jain. Please go ahead.
- Saumil Jain:** Hi, sir. Congrats on fantastic numbers. Sir, when I compare your EBITDA per tonne versus other listed copper recyclers, their EBITDA per tonne is north of INR35,000, INR40,000 and someone's EBITDA per tonne is INR50,000 also. And yours is INR17,000. So, can I understand why is it like that? Is that a function of scale or something else?
- Nitin Heda:** Sir, it's not a function of scale. If you have studied so much, then you must have seen the cycle also, sir. Debtor cycle, working cycle, all this. Our way of working is that we are running at a high volume with a small cycle. We need our money safe. So it's not like we have a cycle of 50, 60 days. You see the return of capital, right, sir? If you compare their return of capital and our return of capital, then we can get it, okay, how are both of them?

But if you go to EBITDA margin, everyone has their own way of working. Now if you go to the cable industry, then they are running at 5% to 6%. But their cycle is 180 days in a month.

**Saumil Jain:** Okay. So, you are saying that you trade off the margin for working capital.

**Nitin Heda:** Sir, if you check, you will get it. You compare the working cycle or the return of capital. Because EBITDA margin depends on how you work. Everyone has their own way of working. Someone wants to play a safe game. Someone wants to take a lot of risk. But at last, what matters is how much time it takes to get the money you have invested. I understand one thing in business. We go with that.

**Saumil Jain:** That's right, sir.

**Nitin Heda:** Yes.

**Saumil Jain:** Thank you. And this year, in this half, EBITDA per tonne has increased from INR15,400 to INR17,500. This is due to forward integration, right?

**Nitin Heda:** Yes. Forward integration plus CapEx. CapEx, sir. The capacity we increased that has also affected. EBITDA is okay, it is according to that. Right, the forward integration.

**Saumil Jain:** Forward integration. And going forward, is there scope for improvement from INR17,500. I am not saying for forward integration, you will get it from what you do. Busbar, ATC 80% new cap, it will of course come from that. But as your scale increases, is there any possibility of improvement in EBITDA per tonne for the current capacity?

**Nitin Heda:** Yes sir. Due to the increase in the capacity the fixed cost percentage is reduced. So there is a slight effect you see in this also. There is some effect due to the increase in the capacity and the fixed cost percentage is reduced.

**Saumil Jain:** Understood, okay. And on sourcing, how much is domestic and how much is imported?

**Nitin Heda:** It all depends. We keep each and everything in a bucket. Recycling is such that it is not fixed. Sometimes import is cheaper, sometimes

domestic is cheaper. So we are not dependent. For example, domestic is very cheap. So we are procuring domestically. If imports are cheap after 2 months, then we will start importing. So we are not fixed on how much to import. But we keep each and everything in our bucket.

**Saumil Jain:** Okay. But roughly in the first half, how much will be domestic and imported?

**Nitin Heda:** Sir, in the first half, almost 10%, 15% will be imported and the rest will be domestic. Because the domestic market is running very good. So we got very good benefits from there. So we procured it that way. And if you look at the last year, there was a lot of import. Because the import was doing well. So it all depends.

**Saumil Jain:** And can you talk about the hedging mechanism? Are you fully hedged?

**Nitin Heda:** Yes sir, fully hedged. It's all physical hedging.

**Saumil Jain:** Okay, how do you hedge?

**Nitin Heda:** It's all physical hedging in the sense that I have sold a material today. Physical hedging, if I have sold a material, I will buy it against that or sell it if I have bought it. It's all physical. Because availability and demand both are there. So we don't have any issue in it.

**Saumil Jain:** Okay. And you just told us about copper cathode that you will use it to make your products. So just to understand, copper cathode is not used to make rods, right? That is a separate product.

**Nitin Heda:** No, no, no. Copper cathode is used to make rods. It is oxygen-free copper. We make oxygen-free copper. We have two products of rods. FRS and oxygen-free copper. Oxygen-free copper is also made from cathode. So we will get a little benefit there too.

**Saumil Jain:** Okay, so you will use part of the new capacity to make rods. And you will sell the part outside.

**Nitin Heda:** Sir, what did I tell you? What we are doing is that we are in such a manner that our finished product is raw material for a machine. And someone's raw material is finished. So our whole bucket is such that we want to use in-house and sell outside too. If you look at the rods, we are using in-house and selling outside too. So we are bringing the product in such a way that we can put a little limit on the outside sourcing country, so that we can extract profit margin and earn profit by selling

outside. Sir, this is our whole mix match. If you look at it, then we have ATC...

**Saumil Jain:** Sorry, please go ahead. You were telling something.

**Nitin Heda:** What you are saying is that our revenue does not increase. If we bring ATC and busbar rods from outside, then our revenue increases. Right? Machines are installed. But what we are doing is that instead of sourcing from outside and getting it more expensive, we are using in-house. So if you look at it, then our revenue is increasing. But you will not see on-books. Why? We are using in-house for the rods that we sell. This option was bought from outside, so our whole mix match is like this. Our no doubt CapEx is increasing. The reason why the revenue will not increase is that we are using in-house. We are recovering our profit there, for this.

**Moderator:** Thank you.

**Saumil Jain:** Okay, sir. Thank you. I will come back with the questions.

**Moderator:** Thank you Saumil. Sir, we will take a question from chat. It's from Chethan Dhruva. He is asking the management shared that they expect 10% revenue growth going forward till the cathode capacity comes into play. Should we interpret this as H2 FY26 revenue will be more by 10%?

**Nitin Heda:** Yeah, you can.

**Moderator:** And H1 FY27 will be similar to H2 FY26?

**Nitin Heda:** Sir, 10% to 15% growth we are expecting, in each and every half year.

**Moderator:** Okay, sir. Thank you, sir. Sir, next question also from chat. It's from Hitesh Dinna. He is asking, sir, why our EBITDA per tonne is INR17,000 versus Jain Recycling at INR50,000 and Pondy at INR35,000? Nitin sir?

**Vinay Pandit:** I think the line has dropped. We would not like to comment on competitors. I think it's better they analyse themselves. We'll move to the next question, Mohsin.

**Moderator:** Yeah. The next question is from Harish Reddy. He is asking, can you please explain about what are the future plans with Sunlite Aluminium Private Limited? Mr. Nitin?

**Vinay Pandit:** I think his line has got disconnected. Just hold on. Please continue.

**Nitin Heda:** No problem. I joined from Manish Heda's line, hope there is no issue sir?

**Moderator:** No, no, no issue. Sir, there is a question in the chat of Harish Reddy. Can you please explain about what are the future plans with Sunlite Aluminium Private Limited?

**Nitin Heda:** Sir, the future plan is that we have made it as a subsidiary. So we will get benefits. Like Sunlite Aluminium has a lot of benefits. It's a 15% tax benefit plus subsidies benefit. So we will expand the plant in Aluminium. May be going for further alloy rods and many other products. So, we will expand in that also, sir.

**Moderator:** Okay, sir. Next question from Pranav Bhora from chat. The top 20 customers contribute 50% of total revenue. What steps are taken to widen the customer base and reduce concentration risk?

**Nitin Heda:** Sir, 50% is not fixed in the top 20 customers. You asked about the top 20 customer so we told you. Otherwise it is not like that. Our whole bucket is diversified. We never depend on a single customer. Rod is such a product that its demand is always there.

**Moderator:** Right, sir. So we will move on to Mr. Chaitanya Gadia, please go ahead.

**Chaitanya Gadia:** Hi Nitinji. One question, you have merged Aluminium, so does Aluminium has a better margin or Copper as a whole will have a better margin for you?

**Nitin Heda:** Aluminium but obvious, has a better margin but as a whole we have overtaken it because we want a single management because Aluminium and Copper are ours so why to go for different things. Aluminium has a slightly better margin but the revenue is less because it is a very less priced item.

**Chaitanya Gadia:** Very good, thanks.

**Moderator:** Thanks Chaitanya. Sir we will take the next question from Amit Agicha. Please go ahead. Amit? We will take the follow up question from Darshil Jhaveri. Please go ahead.

**Darshil Jhaveri:** Hello, thank you so much for letting me ask the question again. So I just wanted to briefly summarize from what I understood we have around 5 capacities, Copper rods, Copper wires, Copper strips, ATC wire and Copper busbar.

**Nitin Heda:** Sir, can you just repeat once again?

**Darshil Jhaveri:** I am asking that we have around 5 capacities, Copper rods, Copper wires, Copper strips, ATC wire and Copper busbar. Correct sir?

**Nitin Heda:** Yes, sir.

**Darshil Jhaveri:** So from what we discussed, I think ATC wire currently is at INR300 crores level, roughly, not asking exact and this capacity will double, right?

**Nitin Heda:** INR300 crores, what you told sir, INR300 crores?

**Darshil Jhaveri:** Crores, right sir?

**Nitin Heda:** No, no, INR30 crores, not INR300 crores.

**Darshil Jhaveri:** INR30 crores, okay. INR30 crores, sorry, sorry. That's what I wanted to clarify that it is INR30 crores which will double, okay. Now I get it sir. And so next year also when we are saying 10% improve, our aluminium will be extra, because aluminium will also add around INR5cr to INR6 cr years of PAT, right sir?

**Nitin Heda:** Yes, yes, yes.

**Darshil Jhaveri:** Okay, okay. And sir, I just wanted to understand that what about Copper strips? Is it a new business the 18% utilization or what is it?

**Nitin Heda:** Sir, Copper busbar, you are talking about busbar, right?

**Darshil Jhaveri:** Yes. I just wanted to ask, is Copper strip and Copper busbar same or different?

**Nitin Heda:** No, no, it's a different segment. Copper strip was earthing, for earthing purpose. And Copper busbar is for transformer industries. So Copper busbar, we have just started commissioning it in August. So that's why we are at about 18-20% because it has a lot of moulds and dies. So when we ordered moulds and dies, they have come in mid-September. So in this financial year, we will be reaching at about 70%.

**Darshil Jhaveri:** Okay, okay. Fair enough, sir. Yeah, that's it from my side. Thank you.

**Moderator:** Thank you, Darshil. Sir, we will take the next question from Amit Agicha. Amit, can you unmute now? Hello, Amit. We will move to Saumil Jain. Please go ahead.

**Saumil Jain:** Sir, the capacity that came live in August, roughly 7,000 8,000 metric tonne, correct?

**Nitin Heda:** 7,000, 8,000 metric tonne?

**Saumil Jain:** The capacity that came live in August, the new capacity that you added, what is the utilisation on that? And its full half impact will be seen in the next half. Even then you have only talked about 10% revenue growth for the next half.

**Nitin Heda:** I would just like to correct that our capacity utilization was started in June. I would just like to talk about that. But there was research going on because we did a little research for that capacity, modified it and did it to the machines. So it started coming in June. But the full live was started in August and we updated it in the middle. Okay. Because until I am completely satisfied, I cannot tell that to anyone. Because it may or may not be. For this, you can see the effect of June itself.

**Moderator:** Hello.

**Saumil Jain:** Got it, sir. Thank you.

**Moderator:** Thank you, Saumil. Sir, we will take a question from chat. It's from Omkar Dandekar. He is asking what is the CapEx amount required for copper cathode capacity.. Hello.

**Nitin Heda:** Yes.

**Moderator:** Yes. What is the CapEx amount required for copper cathode capacity?

**Nitin Heda:** Already told, sir. INR40cr. The working we did, it's almost INR40cr, sir, INR40 crores.

**Moderator:** Okay. And how are we planning to utilize INR12 crores to INR13 crores raised from the preferential issue?



**Nitin Heda:** Sir. INR12 crores to INR13 crores. So, I think almost, as we said, some would be going in cash for the taxation purpose. And then the rest would be coming for maybe general purpose or the ATC plan's double capacity, etc. For those things, it will be utilized, sir. Busbar, etc., whatever we have brought.

**Moderator:** Okay, okay, thank you sir. We will take the next question from Pranav Bora. Please go ahead.

**Pranav Bohra:** Hello, sir. Am I audible, sir?

**Moderator:** Yes, Pranav. Yes, sir.

**Pranav Bohra:** You mentioned INR40 cr in phase I for cathode, right?

**Nitin Heda:** Can you repeat, sir? Can you repeat, sir?

**Pranav Bohra:** Like 40cr CapEx, for phase 1, for copper cathode, if we do phase 2, how much CapEx would be required for that?

**Nitin Heda:** We will not require that much for that, sir. Because we will do almost 40% to 50% of the second phase in the same single phase, first phase. So, we will be needing a little less CapEx for that. 70% or 60% CapEx would be required for the second phase.

**Pranav Bohra:** Okay. Thank you, sir.

**Moderator:** Thank you, Pranav. Sir, we will take the question from Amit Agicha. If you can ask. Yes, Amit.

**Amit Agicha:** Thank you for giving the opportunity and congratulations for a good set of numbers. My question is, with ATC and Busbar being high margin products, what share of revenue do you expect from value-added products in FY27?

**Nitin Heda:** For FY27, we are hoping for about 30%, we are thinking of doing in-house. Till now, we are running at 10%. We had reached 15%, 20% but moment the capacity expanded it went to 10%.

**Amit Agicha:** So, right now, what is the ratio of the main business and the Busbar?

**Nitin Heda:** Yes, sir. Can you repeat once again, sir?

**Amit Agicha:** So, what is the ratio of the main copper code business and the Busbar and ATC?

**Nitin Heda:** Sir, main copper -- sir it is 90% and 10%. Till now, after expanding our capacity.

**Amit Agicha:** And you plan to reach it to 70% and 30%?

**Nitin Heda:** Yes, 70% and 30% in 1.5 years.

**Amit Agicha:** So, I think EBITDA margin will improve with the use of this.

**Nitin Heda:** Yes, yes, yes.

**Amit Agicha:** And as you are saying, we are expecting roughly INR3,500 crores by FY27 the revenue, right?

**Nitin Heda:** FY28.

**Amit Agicha:** FY28, you are saying?

**Nitin Heda:** Yes, because when our cathode plant will start, it will be seen in FY27-'28.

**Amit Agicha:** And tentatively, the margin will also improve from 2% to 3%, 3.5%, 4%

**Nitin Heda:** EBITDA margin, right?

**Amit Agicha:** Yes.

**Nitin Heda:** But obviously, the margin will obviously improve. It will be improving but I can't comment that it will be from 1.9%, or 2.5% or 3%. It will be a time process. But yes, the margin will improve. This is for sure.

**Amit Agicha:** The intention for asking this was since now the ratio is 90-10 and you plan to take it to 70-30 so 30% business will give better margins.

**Nitin Heda:** Yes, I told you that margins will improve but you were saying percentage so I told you. I won't say percentage but margins will improve. It will be improving, yes.

**Amit Agicha:** You won't be able to guidance about the margin properly, right?

**Nitin Heda:** Sir, exactly till when it will come, how can I comment on that? I am telling you that margins will improve but percentage will be very difficult for me to comment.

**Amit Agicha:** I understand sir. All the best for the future. Thank you for answering my questions.

**Moderator:** Thank you, Amit. Sir, we will take a question from chat from Hitesh Tirna. He is asking, sir, is there any scope for improvement in EBITDA per tonne from INR17,000 to INR25,000?

**Nitin Heda:** Sir, how to calculate this? I don't know but I can say that EBITDA margin will improve. If you ask me how much it will be improving then everyone's business method... EBITDA margin will improve it is for sure, return of capital will also be good it is for sure.

**Moderator:** Thank you very much, sir. We will take the last follow-up question from Vedansh Agarwal. Please go ahead.

**Vedansh Agarwal:** Sir, please clear the revenue timeline for me. For example, in H1, people had done a revenue of INR1,150 crores. In H2, there is a plan to do better than this, right?

**Nitin Heda:** Yes, yes.

**Vedansh Agarwal:** Sir, you are saying that we will close FY26 with a revenue of INR2,400, INR2,500 crores. In FY26-'27, there will be a growth of 10% 15% and in FY27-'28, there will be a new plant of INR1,300 crores. After that, there will be another plant of INR1,300 crores, correct?

**Nitin Heda:** Yes, yes.

**Vedansh Agarwal:** So can we say that in the next 4, 5 years, we are targeting a revenue of INR5,000 crores.

**Nitin Heda:** Almost.

**Vedansh Agarwal:** Thank you so much, sir.

**Moderator:** Thank you, Vedansh. Sir, since that was the last question, would you like to give any closing comments?

**Nitin Heda:** Closing comments? Thank you very much, everyone, for coming. Sunlite Recycling Industries Limited is poised to grow better moving

forward. We are hoping that whatever questions you had, you gave the right answers. Sorry, everyone, if I could not answer. Thank you very much.

**Moderator:** Mr. Manish?

**Manish Heda:** Thanks a lot, everyone. Thanks for coming on the stage. Surely, we will grow further and stay positive. We have many more plans. We will grow together. This is the main objective of ours. Let's see what happens next. We will stay together and update together. Thank you, sir.

**Moderator:** Thank you very much. Thank you to the management team and thank you to all the participants for joining on this call. This brings us to the end of today's conference call. Thank you.