

Date – November 19, 2025

To, BSE Limited (“BSE”), Corporate Relationship Department, 2 nd Floor, New Trading Ring, P.J. Towers, Dalal Street, Mumbai – 400 001	To, National Stock Exchange of India Limited (“NSE”) “Exchange Plaza”, 5 th Floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051
BSE Scrip code: 543399	NSE Symbol: TARSONS

Subject: Intimation under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Transcript of Earnings Conference Call

Dear Sir/Madam,

With reference to the captioned subject and in continuation to our intimation dated November 13, 2025, please find enclosed herewith the transcripts of the Investor Conference Call held on Thursday, November 13, 2025, to discuss the Unaudited Financial Results (Standalone and Consolidated) and the financial and operational performance of the Company for the second quarter and half year ended September 30, 2025.

The transcripts of the said conference call have been uploaded on the Company’s website at www.tarsons.com.

This is for your information and records.

Thanking you,

Yours Faithfully,
For Tarsons Products Limited

Santosh Kumar Agarwal
CFO, Company Secretary & Compliance Officer
ICSI Membership No. A44836

Encl: As above



“Tarsons Products Limited
Q2 & H1 FY ‘26 Earnings Conference Call”
November 13, 2025

E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings
uploaded on the stock exchange on November 13, 2025 will prevail



**MANAGEMENT: MR. SANJIVE SEHGAL – PROMOTOR, CHAIRMAN AND
MANAGING DIRECTOR – TARSONS PRODUCTS
LIMITED
MR. SANTOSH AGARWAL – CHIEF FINANCIAL
OFFICER – TARSONS PRODUCTS LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to the Q2 and H1 FY '26 Earnings Call of Tarsons Products Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star then zero on your touchtone phone.

Please note, this conference is being recorded. Before we begin, I would like to point out that this conference may contain forward-looking statements about the company, which are based on the beliefs, opinions and expectations of the company as on date of this call. These statements do not guarantee the future performance of the company, and it may involve risks and uncertainties that are difficult to predict.

I now hand the conference over to Mr. Sanjive Sehgal, Promoter and Chairman and Managing Director of Tarsons Products Limited. Thank you, and over to you, sir.

Sanjive Sehgal: Good afternoon, everyone, and a very warm welcome to the Q2 FY'26 Earnings Conference Call of Tarsons Products Limited. I'm joined by our CFO, Mr. Santosh Agarwal; and SGA, our Investor Relations partners.

Tarsons is one of the leading plastic manufacturing companies in India and continues to strengthen its global presence with steady progress and growing traction in export market. We are pleased to report revenue and EBITDA growth for H1 FY'26, reflecting the resilience of our core operations, while profit after tax has been temporarily impacted by accelerated depreciation and high borrowing costs associated with our ongoing capacity expansion projects coming on stream.

Cash PAT has shown healthy upward trend, underscoring the inherent strength and sustainability of our business model. We believe that the plastic labware industry, both in India and globally offers significant long-term growth opportunities driven by increasing adoption of high-quality labware consumables and driving investment in life science and research.

With our expanded product portfolio, enhanced manufacturing capacity and the enduring trust built around the Tarsons brand over decades, we are well positioned to capture this growth. And we move forward, we remain confident of delivering stronger revenue performance and improved profitability, leveraging our scale, operational efficiencies and deep industry expertise.

I would now like to hand over to Mr. Santosh Agarwal, CFO for Tarsons, for his opening remarks.

Santosh Agarwal: Good afternoon, everyone, and thank you for joining our Q2 H1 FY '26 earnings conference call. Our results and earnings presentation have been uploaded on the stock exchange and the company website, and I hope everyone had the opportunity to go through the same. Over the past several quarters, Tarsons has delivered consistent performance despite a challenging industry environment marked by significant headwinds.

The steady growth in revenue and profitability during this period reflects our expanding market share and our ability to outperform overall industry growth. Our sustained performance in the face of sectoral challenges showcases the resilience of our business model, the superior quality of our products and the enduring trust that the Tarsons as a brand enjoys within the life science industry.

We have been steadily expanding our market share in the domestic market, deepening our customer relationships and increasing our wallet share across customers and industries. While the export business continued to face challenges due to global uncertainties and trade tensions, we remain focused on strengthening our international presence through consistent marketing and distribution efforts.

Our participation in global fairs and exhibitions, coupled with strong value proposition of our diverse product portfolio, cost-efficient manufacturing base and upcoming capacity addition positions us well to capture emerging opportunity in the global market. The ongoing inquiries and the customer engagement from international market has been encouraging, and we are optimistic about meaningful order conversion as our expanded product portfolio is fully operational.

In parallel, the integration of Nerbe acquisition and the strategic substitution of overlapping products with our own manufactured offering are expected to contribute positively to both revenue and margins in the coming periods. Our planned capex at the Panchla and Amta facility is nearing completion and is expected to become fully operational by Q4 FY '26.

The expansion will significantly enhance our addressable market, enabling deeper penetration within our existing customer base through increased wallet share while also helping us acquire new customers across diverse industries.

As utilization levels ramp up through FY '27 and '28, we anticipate a strong turnaround in both revenue and profitability. Higher revenue supported by favorable product mix and improved operating leverage are expected to drive margin expansion. In parallel, we remain focused on enhancing operational efficiency and automation across our manufacturing process, while -- which will further strengthen profitability and sustain long-term growth.

Let me now take you through the financial performance for Q2 and H1. On a stand-alone basis, revenue for Q2 FY '26 stood at around INR81 crores and revenue for H1 FY '26 stood at INR152 crores. EBITDA for Q2 FY '26 came in at INR26 crores compared to INR23.5 crores in Q2 FY '25. Reflecting a growth of around 11% Y-o-Y.

H1FY26 EBITDA stood at INR48.4 crores registering a growth of 19% Y-o-Y. EBITDA margin for Q2 FY '26 stood at 32.5% versus 29.3% in Q2 FY '25 reflecting an improvement of 320 basis points. H1 FY '26 EBITDA margin stood at 31.9% an increase of 390 basis points Y-o-Y.

Profit after tax for Q2 FY '26 stood at INR6.5 crores compared to INR12.9 crores in Q2 FY '25. H1 FY '26 PAT stood at INR10.1 crores compared to INR19.4 crores in H1 FY '25. The

decline in profitability is primarily attributable to higher depreciation expenses of INR20 crores arising from the partial capitalization of Panchla facility.

Once the facility will be fully commissioned and revenue contribution commences, PAT margin is expected to return to normalized level. Speaking of our consolidated performance, consolidated revenue for Q2FY26 was INR102 crores, marking a growth of 3% compared to Q2 FY '25. Revenue contribution from Nerbe during this quarter was around INR22 crore, for in H1 FY'26 revenue growth stood at INR 193.7 crores.. EBITDA for Q2 FY '26 was around INR27 crores with EBITDA margin at 26.8% and for H1 FY'26 EBITDA stood at INR52.1 crores, a growth of 18.4% Y-o-Y.

EBITDA margin for H1 FY '26 stood at 26.9%, an increase of 300 basis points Y-o-Y. PAT for Q2 FY'26 stood at INR3.3 crores compared to INR10.3 crores in Q2 FY '25. While there has been a decline in PAT, we have continued to record healthy growth in the EBITDA. At the same time, we have maintained a strong focus on cash flow management resulting in a significant improvement over the previous year.

Our operating cash flow more than doubled from approximately INR22 crores in H1 FY '25 to about INR44 crores in H1 FY '26. Furthermore, the EBITDA to operating cash flow conversion improved substantially from around 50% in H1 FY '25 to 85% in H1 FY '26, reflecting enhanced operational efficiency and disciplined working capital management. With this, I would like to open the floor for Q&A.

Moderator: Thank you very much. The first question is from the line of Aditya from Securities Investment Management. Please go ahead.

Aditya: Sir, first question is on exports. So, we have seen a drop in exports in Q2. Last quarter, our commentary was that some of our export's deliveries have been shifted from Q1 to Q2. Even after that, there has been a drop in exports. So, if you could just explain that? And secondly, how are the U.S. tariffs impacting us? If you could elaborate on that as well?

Santosh Agarwal: Regarding the export, the same thing also happened in Q2 , although we have some small carried forward from Q1. But in Q2, there are large shipment which got withheld because of non-issuance of BL at the end of the quarter. So that's why you can see the drop in export. But we as a company, we see a healthy growth in the order book of export, and we are quite optimistic about the export growth for Tarsons. That's number one.

And second point is regarding U.S. tariff. Of course, 50% tariff is a kind of no trade zone for everyone. But as we have a strong relationship with our U.S. customers since more than a decade. So we have not lost any customers, and any orders. The things are going in a normal way, and both Tarsons and U.S. customers both are optimistic about reduction in U.S. tariff.

Aditya: But if I look at the last 3 quarters, consistently, your export growth has been flattish or they have been degrowing. So, is it purely because of the freight issues? Or is there something else like have we lost any customer or the U.S. customers are not placing orders with us? And secondly, now this 50% tariff, so are the U.S. customers not placing orders with us and who's bearing the impact of these higher tariffs?

- Santosh Agarwal:** See, the point is that in export, the order book is increasing. The only thing is that in some cases, we are not able to deliver because of our capacity constraint and the machine commissioning issue. So, we are hopeful that by the end of this year, we are able to show growth in export. That's number one.
- And second part is regarding loss of customers in U.S.; we have not lost any customers. In fact, customers are quite supporting to us, and customers and Tarsons both are optimistic about some reduction in tariffs. If required we will discuss what are the tariff issues. But so far, there is no impact.
- Aditya:** We have been able to pass on the increased tariffs to our customers. Would that be a fair assessment?
- Santosh Agarwal:** We have not discussed until that level. Currently, we are waiting for the U.S. tariff trade deal. Once that deal will come, then we will discuss.
- Aditya:** Understood. And sir, in terms of newer geographies, if you could just help us understand about that. So, if the tariffs continue to remain, is there a potential for Tarsons to increase our exports in other geographies like Europe or Asia? And how quickly can we do that?
- Santosh Agarwal:** See, there is a huge potential. Worldwide market is quite huge, and we have not yet penetrated in the European market and other part of the world, so the opportunities are huge, and we keep on getting the large inquiries also. So, we are also bullish on the U.S. also. We don't think that we need some kind of sluggish approach from U.S. market. We don't foresee that. We believe that in this situation also, the U.S. market and other part of the world also.
- Aditya:** But sir, can this process, is it a long-drawn process where you have to take approvals from your customers and it would take around 6 to 9 months to start supplying or you could immediately start doing it?
- Santosh Agarwal:** Not really. It's just we need to send the samples to them, and they need to check that, and it will take max to max 1 month to 2-month time line. But the only thing is that to get the comfort from the customers that will take some time.
- Aditya:** Understood. So how should we look at your export growth this year? So last year, we did around INR100 crores of exports from a stand-alone business. So, do you expect to grow from that level? Or you think that there might be some kind of a degrowth considering the tariff situation?
- Santosh Agarwal:** Global situation, tariff situation is beyond our control, right? What we can do that the discussions with our customers are going very healthy, and we are very much optimistic about that. And we all work for the growth of the company and for both for domestic and export market. So, we are quite optimistic about the export growth. As a company, we don't give any kind of sales guidance or earning guidance.
- Aditya:** Understood, sir. And sir, coming to the domestic market, if you could just help us understand how the outlook for the domestic market. So, we are seeing some drop in growth this quarter. So, is it just a blip or something else is happening in the market? Because if you see other

domestic players, they had higher contribution from exports. And since exports have taken a hit for many of them, are we seeing increasing price competition in the domestic markets?

Santosh Agarwal: Competition is always there. Competition keeps on increasing, new players keep on coming. So as a Tarsons brand, that's the reason why we keep on launching the new products to gain the wallet share. The challenge is always there. The competition is always there. But as a Tarsons brand, we have a very good brand recall in India. So, we believe in Tarsons brand and we think that from going forward with the new product introduction capacity expansion, we will be able to increase our wallet share in domestic market as well.

Aditya: Understood. But sir, is there a higher competition you are witnessing currently higher than usual or it's status quo?

Santosh Agarwal: Absolutely. High competition is there because it's in some part of the area, customer treat this product as a commodity. But in other part of the area, it's more like a bioprocess and high-tech product. So, Tarsons is in the middle of both the payment.

Aditya: Understood, sir. And sir, now if I look at your other expenses, so last quarter, there was a write-off of INR6 crores. So, if I adjust for that, there has been a sharp increase in other expenses on a year-on-year basis. So, if you could explain why is that?

Santosh Agarwal: Other expenses includes many components. And we can separately discuss those expenses, what are your queries are there. But in the published market, we don't give the bifurcation of other expenses.

Aditya: Understood, sir. And sir, this Panchla capacity, what I understand was, first phase was related to the existing products. So, has that part of the capacity has been commissioned?

Santosh Agarwal: Panchla, you know, some part of the capacity has been installed and commissioned. In some areas, we started doing production also. In some cases, the commissioning is in process, and that will complete by January, that's why we have -stated in our presentation that by Q4 FY '26, our Panchla facility will be fully ramped up in terms of production.

Aditya: Understood, sir. Sir, my question is to Sanjive, sir. Sir, if you could just talk about our acquisition at Nerbe. It's been almost 2 years now since we have acquired that entity, but our revenues and profits have really gone anyway. So, if you could just help us understand what issues we are facing over there? And what is the outlook for that business in the coming 3, 4 years?

Santosh Agarwal: So, I will give the answer on behalf of Sanjive sir on that because I'm taking care of the acquisition part also. So Nerbe acquisition was not a financial acquisition. It was a strategic acquisition, number one. Number two is that at the time when we have acquired this company, we have seen that there is a product overlap and there is a good brand recall for Nerbe brand in Germany.

So, we wanted to leverage other products which we are not selling. That was the whole idea. Now what is happening in last 2 years, German economies are not doing well. The other larger

companies are also not showing any kind of growth. On the contrary, they are showing degrowth. In this situation, Nerbe is doing a good job by showing a flat kind of growth, right!

Currently, as a company, we have not started supplying to them. The reason is that currently, we are focusing on completing our organic capex, and we are focusing on external customers with whom we have a large commitment and we wanted to supply their order first. Once this organic capex will be fully ramped up and we would be able to fulfil our external customer demand, then we will focus on supply to the Nerbe brand. And second part is that we are launching a new product, which we are also pushing to Nerbe brand so that the sales will increase in Nerbe also.

Aditya: Understood, sir. And sir, lastly, the share price has corrected a lot and most of our capex is now on the verge of completion. So, is there any plan for the promoter to increase their stake in the company?

Santosh Agarwal: Currently, there is no plan to increase the stake in the company. Currently, we are fully focused to how to increase the business products.

Moderator: The next question is from the line of Jasdeep Walia from Clockwine Capital.

Jasdeep Walia: Sir, your sales in the domestic market also have been subdued. So, can you comment on where - in which product segments have you seen weakness and reasons behind the same?

Santosh Agarwal: See Jasdeep, domestic market on a quarterly basis, we should not see the results for domestic market on a quarterly basis. We should see the results on a basis of 6 months, 9 months or 1-year timeline. In domestic market, currently, competition is there. Competition is there and new players are also coming.

And we are also not able to give what price some customers are asking. So always these kinds of situations are there in the market. Only good part is that we are launching the new products, and we are getting good response for that. So going forward, we can see incremental revenue from the new products as well.

Jasdeep Walia: Got it, sir. So, for the full year, do you expect the domestic market to grow at its usual rate of growth of, let's say, 10%, 12% or even that will be difficult?

Santosh Agarwal: Jasdeep as I already said, as a company, we always want the growth for the company. We have an internal target. But on the earnings calls to the market, we don't give any kind of guidance.

Jasdeep Walia: Got it, sir. Sir, also, you commissioned Phase 1 of Panchla facility in first quarter. So, have you seen significant scale up in sales in that Phase 1 facility in 2Q? And how do you see trends in third quarter and fourth quarter for Phase 1?

Santosh Agarwal: Not significant. In Panchla, basically, we launched the bioprocess products like PETG bottles and roller bottles. Now we started getting good response from the customers approval, we have started getting approval. So, we have not got significant sales, but some sales started flowing for PET, PETG bottles kind of products. And part of the capacity expansion related products also commissioned and the sales is also coming from that, but not significant. So, the products in

which we are doing the capacity expansion, we foresee a good amount of sales going forward from FY '27 and good start for new products in FY '27 as well.

- Jasdeep Walia:** Got it, sir. And sir, what will be the peak depreciation once all your capex is complete?
- Santosh Agarwal:** FY '26, my peak depreciation should be in the range of INR85 crores to INR90 crores, as I already said. In FY '27, my peak depreciation will be in the range of INR100 crores to INR105 crores.
- Jasdeep Walia:** INR100 crores to INR105 crores. Got it. And FY '26, it will be INR85 crores to INR90 crores.
- Santosh Agarwal:** Absolutely. It can be the situation that if we are not able to capitalize some machines and moulds in this year, that depreciation will go to FY '27. But more or less, the numbers should be in the same range.
- Jasdeep Walia:** Got it. And sir, have you taken some price reductions? And hence, can we assume that volume growth in the business has been higher than the value growth that we see in reported numbers?
- Santosh Agarwal:** Neither we reduced the prices nor we increased the prices. And whatever numbers you are seeing, that came purely from the volume.
- Jasdeep Walia:** Got it, sir. And sir, in the Nerbe, in rupee terms, we see some growth in Nerbe as well. That is only account of rupee depreciation or there has been some growth in constant currency as well on Y-o-Y basis, right?
- Santosh Agarwal:** You are right, that is on account of rupee depreciation.
- Jasdeep Walia:** Sir, what's your estimate of peak debt in the business once all the capex is complete?
- Santosh Agarwal:** See in India, on a stand-alone basis, my total debt in the balance sheet is about to be INR285 crores. We don't think that the debt will go beyond INR350 crores because some LC has been issued, which can get converted into debt going forward. But at the same time, we are also repaying the loans on a disciplined basis. So, we don't see that my total debt on a stand-alone basis can go beyond INR350 crores.
- Jasdeep Walia:** Okay. And what about consol? We need to add INR100 crores on INR350 crores. INR450 crores will be peak consol?
- Santosh Agarwal:** Yes, INR100 crores is there, and the repayment is also happening for that. So, including put together, so peak debt should not go beyond, I don't think INR425 crores to INR450 crores.
- Moderator:** The next question is from the line of Ritesh from Girik Capital.
- Ritesh Poladia:** Sir, just wanted to know on the capex of this INR251 crores of capital work in progress, when this would get commercialized?
- Santosh Agarwal:** See, this capex of INR251 crores of capital work in progress, it includes some parts of Panchla facility and major parts of Amta facility. So, both of them will get commissioned within March,

within fourth quarter. So, you will start seeing some depreciation, some capitalization in Q3 and the remaining capitalization by Q4 FY '26.

Ritesh Poladia: Okay. So, by FY'26 March, your net block will be somewhere INR760 crores. Or is there more capex to be done on this? H1, I think you have spent about INR70 crores what is to be spent now?

Santosh Agarwal: See, if you see the balance sheet, capital advances is about to be INR64 crores and CWIP will be INR251 crores. So, this two will go to main segment of capex or fixed assets by Q3 and Q4.

Ritesh Poladia: Okay. So, in cash flow statement for H2, there won't be meaningful capex to complete this one.

Santosh Agarwal: So if you see my cash flow statement, you will find that my total capex outflow is about to be INR71 crores. Yes, I'm talking about H1.

Ritesh Poladia: So, in H2, it won't be such kind of numbers. Is it -- is my assumption, right?

Santosh Agarwal: It depends, it will be too early to comment on that because we need to check what kind of payment is due for different machine suppliers and what kind of capex due dates are there. So currently, I cannot comment on that, but we can separately discuss on that.

Ritesh Poladia: Okay. Given that after commercializing, these are the 2 really big facilities, is there any plan to shut down the old facility or everything would run together?

Santosh Agarwal: Everything will run together because all the facilities are all revenue-generating facility and Panchla and Amta are the additional capacity which we build. So, there is no question of closing down any entity.

Ritesh Poladia: Okay. So far, you have been in the Labware segment, is there any plans to go to the other pharma segments like injectables and anything?

Santosh Agarwal: No. We will focus only in the plastic labware only.

Moderator: The next question is from the line of Madhur Rathi from Counter Cyclical Investments.

Madhur Rathi: Sir, I'm trying to understand our domestic revenue is flat at INR200 crores levels for the past 4 years. In the same time, our net block has increased from INR163 crores to INR730 crores. So where is this -- sorry, the gross block has increased from INR160 crores to INR730 crores. So, what is the issue that there is no growth in the domestic business excluding Nerbe, there might be some growth in our export business. So where is the business lacking between the capacity creation and the revenue flowing to our numbers?

Santosh Agarwal: See, whatever capex we have done, that capex has been done for generating the revenue for next 4 to 5 years, right? That's number one. Number second is that regarding domestic revenue, domestic revenue is not stagnant. If you see our 4 to 5-year financial, domestic revenue has shown good amount of growth even in the last year also, our revenue has increased to INR215 crores.

Yes, as we already said, market is tough. We are facing competition. That's why we are launching the new product. But we find that Tarson has a good brand record overall in the industry, not only in India, but also we are in the emerging market also. So we are quite bullish that with this kind of capex, with this kind of new product, the revenue will increase, but revenue will not increase in 1 year, 2 years, and we would not be able to utilize the full capacity in 1 or 2 years, we would be able to utilize the full capacity in next 3 to 5 years.

Madhur Rathi:

Right. Sir, no doubt, regarding that, that we will utilize our capacity. But sir, gross block has increased if I look at FY '21, Sir, we have invested closer to INR150 crores in the Amta facility. So, what kind of charges were paid for the radiation and the sterilization charges that we expect cost savings from with this in-house product is the process moving in-house?

Santosh Agarwal:

Sir, we have not built the radiation facility to save any kind of cost. The objective of doing the investment in radiation facility is to reduce the dependency on the existing sole vendor in based out of waste combine. If we don't build this facility, then we will face problem in the future. That was the objective in our mind. That's why we build this radiation facility. Of course, Panchla and Amta put together in the production area will have large percentage of sterile goods, which will help us to get the operating leverage going forward. Of course, we will save money also, but not immediately.

So, the objective was not to save money, objective was to reduce the dependency because if that outsourced factory will shut down their shop, then we have to do all sterilization from north or west part of India. So that will be quite expensive for us. So, we are quite optimistic about the saving also going forward, but not in the short term.

Madhur Rathi:

So, what was the charges that we incurred for this radiation or sterilization during FY '24 and FY '25?

Santosh Agarwal:

Basically, my radiation percentage charges is about to be 1.5% something on my top line.

Madhur Rathi:

Got it. Sir, my next question was, sir, we've created so much capacity, and we expect that it will help us grow over the next 3, 4, 5 years. So how has been the new customer addition either in the ODM segment? Or yes, if you could just help us understand new customer addition in the domestic market either and the ODM segment?

Santosh Agarwal:

We are getting a good number of new inquiries in the ODM segment. We keep on getting good inquiries in the domestic market, we are in touch with the most of the customers, right? Sometimes it can be the case that they don't take the products from us or they take from others or sometimes they take from us, not from others, So in domestic market, if you ask any customer, they know Tarsons. But in case of export market, we are an emerging company, and we keep on getting the large OEM inquiries as well as the branded goods inquiry as well.

Madhur Rathi:

Sir, have we been able to get into any new customers? So, have we been able to get into new customers? Or have we seen an agreement or contractual, whatever it might be with our current existing customers that they will scale up their business as and when our capacity is available?

- Santosh Agarwal:** See, we are launching the new products, so we could supply these products in the past, so we are going to supply the new products to the same set of customers, and we are increasing the wallet share of the existing customers in most of the cases.
- Moderator:** The next question is from the line of Shamit Ashar from AMBIT Private Limited.
- Shamit Ashar** I wanted to know that you mentioned that you are getting orders from the U.S. customers, but you are not able to deliver the products because of capacity constraints. So, what are your current capacity utilization? And how are you seeing those expand in the future with Amta and Panchla coming in? And which all products have you launched during this quarter? And what's your product pipeline for the year?
- Santosh Agarwal:** We have not said about only U.S. customers. We are getting good number of orders across the world. And in some of the products, the orders are not being delivered because of our capacity constraint or some kinds of machines are under commissioning. That's number one. Number two is we have launched many new products in last which I will not comment on quarter-on-quarter basis.
- In the last 1 year, we have launched many products like we launched all the bioprocess-related products like PET, PETG bottles, roller bottles, et cetera, right? So, things are quite promising for us going forward, and we are working on that.
- Shamit Ashar** Okay. And on the capacity utilization levels, what are those percentages?
- Santosh Agarwal:** We cannot give the capacity utilization data. The reason is that currently, we have more than 600 moulds and more than 60 machines, right? And these moulds are fungible, right? So, it is very tough to give any kind of capacity utilization kind of situation. But on the existing plant, we can say overall, it is 80% utilized.
- Moderator:** The next question is from the line of Yash from iThought PMS.
- Yash:** Sir, we mentioned that with the new capacity commissioning, the peak revenue potential is INR350 crores to INR400 crores, out of which close to INR100 crores is the potential from the existing products and then the rest is new products. Am I right on that?
- Santosh Agarwal:** Yes. For example, if we are projecting about to be INR400 crores of top line from the new facility, both Panchla and Amta, we believe that about to be INR100 crores to INR125 crores will come from the capacity expansion and the remaining will come from that.
- Yash:** Sure. So, relating to this INR100 crores to INR125 crores of capacity expansion, in your assessment, what could be the ramp-up time lines for this complete ramp-up of INR100 crores to INR125 crores because these will be the products that we are selling currently as well. And the ramp-up would be in domestic or it could be in exports. But in your assessment, can we do a full ramp-up by FY '28? Or will that take even more longer?
- Santosh Agarwal:** See, the ramp-up will take about to be, I will say, 3- to 5-year time line
- Yash:** So just for the existing capacity as well.

- Santosh Agarwal:** Yes. I'm talking about the full pledge, whatever capex we have done in Panchla and Amta. But of course, for the capacity expansion on the existing products, which we are doing, for that, the capacity utilization will not take much time. It will be maybe 2- to 3-year time line will be good enough to utilize the full capacity for the capacity expansion related products. But for the new products, it will take about 3- to 5-year time line.
- Yash:** Sure. Got it. That's helpful. So, 2 to 3 years for the capacity expansion. The other point is this was discussed in the last call and a lot of discussion in this call also about the price competition in the domestic market due to some overcapacity and sluggish demand. Now for us, with such a big capital investment and capex commissioning, it becomes extremely essential for us to utilize that capacity once it gets commissioned.
- So, what is our strategy to utilize this capacity in the next 3 to 5 years? What gives us confidence that despite such market conditions, we'll be able to scale up? And is there any backup or are we -- will we be ready to sell aggressively by cutting price if utilization doesn't pick up? So, some thoughts around that.
- Santosh Agarwal:** See, we don't cut prices for all the customers. We are giving a standard discount to our distributors and distributor in turn gives some additional discount to their end customers as well, right? We give that additional discount to when we get the scale up opportunity. When we get the volume, then only we give the prices. Otherwise, we don't reduce the prices and play with our margins.
- Yash:** Got it. And sir, I mean, something around the ramp-up that you mentioned 3 to 5 years. What makes us so confident that we will be able to do it in 3 to 5 years? Because majority bulk of it is new products, which are again more technical in nature. There's a higher entry barrier to a breakthrough in those products. So, what are the discussions with our customers? Or what is the sense that we are getting on the scale up for the new products?
- Santosh Agarwal:** So whatever products we have, we have seen for the validation, whatever products we have launched, we got good response. That gives us confidence that going forward, all capex will be gradually translated into revenue. And Tarsons brand has a good brand recall in India and also in the emerging market in the world also. So, we are quite optimistic about the ramp-up utilization. And second part is that we are the only one who are launching who have the cell culture facility in India, right? So that gives one kind of advantage for us as an early mover in the next 1 or 2 years.
- Yash:** Got it. And sir, in the initial comments, you mentioned on the order inquiries that we have received, I think, from the international market. Can you elaborate a little more if you received any sort of concrete orders or any new client wins that you would have added in the last few months?
- Santosh Agarwal:** We keep on getting orders from the existing customers worldwide, only thing is that whatever new products we are launching, they are also giving us opportunity to supply those new products as well. So that kind of addition will keep on happening, and there is no major customer addition happening, but we are getting the good number of inquiries from the world market.

- Yash:** Okay, sir. And the inquiries are mainly for the ODM or the branded product? Because I believe if we get an ODM contract, we can scale up pretty fast.
- Santosh Agarwal:** The large number of inquiries are mainly for the ODM.
- Yash:** Okay. Got it. And sir, can you tell us what would be the profitability or margin differential between ODM and branded for the international market?
- Santosh Agarwal:** So, we already said that the international market is more competitive than the domestic market. The gross margins are lesser in export market than domestic market.
- Yash:** Okay. And ODM will be lower than branded.
- Santosh Agarwal:** No, branded and ODMs are identical. But in compared to domestic, it is lower.
- Moderator:** The next question is from the line of Lakshminarayanan from Tunga Investments.
- Lakshminarayanan:** Sir, just one question regarding the thing. I want to understand what has been the total amount that has actually gone in so far in the company? And what has been the half year performance in that entity, both in terms of top line and bottom line?
- The second question is that can you use that as a conduit to bypass the tariff barriers? Can you export to Nerbe and then from there, it can be rerouted? Is there a possibility is there -- some companies have identified certain scenarios to reroute the exports to U.S. in that way. So, I just want to understand that part.
- Santosh Agarwal:** Sir, we've already given our P&L and balance sheet. So, you can review the numbers, and you can get back to us if you have any doubt. And second part is related to U.S. credit. As a company, we don't prefer any kind of bypass route. We just follow the legal route of export. And in U.S., certificate of origin is extremely important. And whatever goods we are supplying to U.S. customers, European customers, they do the audit in our facility also. And they want a straight supply from our factory, not through any other factory.
- Lakshminarayanan:** Got it. Sir, we are halfway through. And I just want to understand what are the things that didn't work for you as you actually planned and budgeted in the start of the year? What didn't work out? And what are the reasons?
- Santosh Agarwal:** Things which has not worked out for us is beyond our control, like global situation, like freight situation, like BL implementation by government, like U.S. tariff. So, these things are beyond our control. If these things have not came in our way, then our growth would have been much better.
- Lakshminarayanan:** Got it. And in terms of your capex building and those 2 facilities, that's all in line with your timeline or there has been some delay, you think?
- Santosh Agarwal:** Absolutely. The delay is there because of various reasons, which we already disclosed in our previous earnings call. But now things already shaped up, and we are quite hopeful that the all production capacity and everything will be fully ramped up in terms of capacity by Q4 FY26.

- Lakshminarayanan:** Got it. In those 2 facilities, what is the kind of manpower you will actually have? And when do you think you will actually start staffing those 2 units fully?
- Santosh Agarwal:** So, we have kept a minimum number of manpower, which is required to run the facility currently. But we will increase the manpower gradually as the sales and production increase.
- Lakshminarayanan:** Got it, sir. So, what is your variable cost as a percentage of revenue? Sorry, sorry, your fixed cost as of now?
- Santosh Agarwal:** It is very difficult to give the fixed percentage because there are many costs are there, which are semi-variable in nature. So, it is very tough. I can only say repair cost, employee cost, these are the expenses, which are fixed in nature and most of the other expenses are semi-variable in nature.
- Moderator:** The next question is from the line of Shubham from Perpetual Capital Advisors.
- Shubham Thorat:** I recently started tracking this company, and I have a few questions regarding the capex program. So, I just wanted to know how much total capex have we planned for Amta and Panchla and how much of that is currently completed? And also, second is that what kind of products are we planning to manufacture through these facilities in Amta and Panchla?
- Santosh Agarwal:** See initially, our plan for Panchla and Amta are quite lesser, but the capex amount got increased because of inflation and of foreign exchange fluctuations. That's number one. And now we believe that by Q4 FY '26, everything will be ready, but some payments are still pending, which are scattered in the next 6 months to 1 year time line.
- Shubham Thorat:** Okay. Can you quantify, sir, what will be the total capex amount for this facility?
- Santosh Agarwal:** Currently, Panchla and Amta put together, with the existing capacity we have injected about, the total capex program was about to be INR550 crores to INR650 crores.
- Shubham Thorat:** INR550 crores to INR550 crores?
- Santosh Agarwal:** INR550 crores to INR650 crores.
- Shubham Thorat:** Okay. And can you elaborate on what kind of products are we planning to manufacture this facility?
- Santosh Agarwal:** Can you repeat your question, please?
- Shubham Thorat:** So, I just wanted to know what kind of products are we planning to manufacture through this facility?
- Santosh Agarwal:** In Panchla facility, we are launching some products where we are doing capacity expansion on certain products. And in Panchla, we are also launching cell culture products. Apart from that, we already launched the bioprocess product like PET, PETG bottles and roller bottles. That's Panchla. And in Amta facility, we are doing the radiation plant. We already completed the export

and domestic warehouse also, and along with that, we are also doing some small manufacturing capacity expansion on new products also.

Moderator: The next question is from the line of Rushil from Pink Wealth.

Rushil: Sir, my question is regarding the distribution network. Since we see North and in East side, we –see the number of distributions are higher, but the percentage of sales, if we see, is not contributing much compared to the South where distributors are less. So, can we say that North and East market is very competitive or fragmented?

Santosh Agarwal: It is not like that. The distribution of market to all the distributors is on the basis of different kind of end customer geography, right?

Sanjive Sehgal: I'll just make it more clear. You see basically, we have lot many pharma and biopharma companies in South and West, which we don't have in North and East. So that is the reason. The business is very, very scattered in North and East, whereas in South and West, the customers are also more and the volume of intake is also much more.

Rushil: Okay. So, sir, is there any room that to increase the more products towards North and East side? Can we say that going forward?

Sanjive Sehgal: No Basically, you see demand for such bioprocess products is not there in North and East. The demand will be only there in South and West where you have got pharma and biopharma industries.

Rushil: Okay. Got it. And sir, like this one, I just wanted to have some confusion regarding the capex. You said that in Panchla and Amta together, capex we have done is INR550 crores, right?

Santosh Agarwal: No. What I said is that my total capex is about INR550 crores to INR650 crores, including all capex. The breakup approximate ballpark figure is like INR300 crores for Panchla, about to be INR150 crores for Amta and about to be INR100 crores for the existing plants.

Rushil: Okay. And sir, in Amta, basically, is there a fulfilment center and sterilization plant? Or are we going to manufacture some products also?

Santosh Agarwal: We are also manufacturing some products also there.

Sanjive Sehgal: We initiated that as well.

Santosh Agarwal: We initiated some product manufacturing there that the machine and moulds commissioning is going on. We are hopeful that in the next couple of months, the production will start.

Rushil: So that will be for the existing products or new products?

Santosh Agarwal: That is for the existing products.

Rushil: And for Panchla, you said that it will be fully for new products or there also it will be the mix of existing and new products?

- Santosh Agarwal:** Mix of existing and new products. We are doing capacity expansion on pipette tips, and we have already launched new products like bioprocess products like PET, PETG, roller bottles. And now in next 2 to 3 months, we are going to launch the cell culture products as well .
- Rushil:** Okay. And sir, just last question that we have spent this capex of INR550 crores to INR600 crores overall, how much asset turnover should we expect on gross block level, peak revenue?
- Santosh Agarwal:** We would estimate about 0.7 to 0.8 kind of asset turnover.
- Rushil:** Okay, sir. And sir, since the new products which we are going to launch, so like how confident are you that we'll be able to sell it fast because it takes a lot of approval time also, right? So just wanted to understand that how we are going to ramp up for the new products. I know it will take 3 to 5 years, but what is your like business road map plan? If you can just explain us and tell us that how much time also it takes to get a product approval and get into commercialization?
- Santosh Agarwal:** Yes, we have a robust sales team both in domestic as well as in export market. The first step is to send the product for the validations and approval and then to talk with the end customer at a different level to understand what kind of challenges they are facing to ship the product from the existing suppliers to Tarsons. Of course, the immediate shift is not going to happen. If they are purchasing by importing certain products, so lead time is high. So, the shift will be gradual. It will not be immediate.
- Rushil:** Okay. And for existing products, I think we'll be able to sell fast, right, since we are already selling those products, so we have done validation also.
- Santosh Agarwal:** Yes, I believe so.
- Rushil:** Okay, sir. And sir, how we are seeing the demand? If you can just throw some light in export and domestic market?
- Santosh Agarwal:** Inquiries are good in export market. In case of domestic market, sometimes we see good inquiries. Sometimes we see some kind of flattish kind of situation. Competition is high. So, we need to work really hard to increase our wallet share.
- Rushil:** But sir, I think 3, 5 years back, we used to say that we have like brand awareness is among the customers. And also, there are like MNC companies where we have a price differential advantage also. So, from where this competition is coming? And do you see going forward, once demands come back, this competition will be scattered?
- Santosh Agarwal:** What is happening, the MNC company, which we talked about 3 to 4 years back, the MNC companies are doing subcontracting from the local supplier, local manufacturer also. So, they are as competitive as they are as other local players are there. So that is one of the reasons why competition increased. And second part is that it is not a unique product, right? Anyone can enter into this market. Only thing is about the quality and what kind of users are there.

- Rushil:** Okay. So, going forward, we can say that even for the next 2 to 3 years, there will be competition will be there, and it will be difficult for the price hike also in the domestic market, and that is why we are focusing more in the export market?
- Santosh Agarwal:** Competition was there, is there and will be there, And in every product in every industry, So it does not mean that the growth will not be there. Growth will, of course, be there. Tarsons has already reached to that kind of level, and we are launching new products also, going to gain the market share also. We need to be resilient and we need to be confident on ourselves.
- Moderator:** The next question is from the line of Madhur Rathi from Counter Cyclical Investments.
- Madhur Rathi:** Previously, sir, maybe 1 or 2 years back, sir, in our investor presentation, we had mentioned that the Indian plastic labware industry was expected to grow to INR2,600 crores, INR2,700 crores in FY '25. Sir, what is the current status? And sir, what is the shift between movement from glass labware to plastic labware in India as well as globally over the past 3, 4 years? And if you could just help us understand the trend here?
- Santosh Agarwal:** So, regarding our investor presentation, whatever industry data has been given that is actually based from our IPO prospectus. At the time of our IPO, we have conducted a kind of market research from Frost & Sullivan and these projections has been published by Frost & Sullivan report. And second part is that these projections has been given in FY '21 and the market got sluggish in FY '23 and FY '24 post COVID, right? So that's the reason those projections may not have been satisfied in FY '24, FY '25.
- And your second question was related to shifting from glass and plastic. As we already said in our previous calls also,. There is no competition between glass and plastic. Plastic has its own use and glass has its own use. They have a different market. Some overlap may be there, but both are working independently.
- Madhur Rathi:** Sir, I'm trying to understand, sir, what would be the current market size? And sir -- yes, and sir, what is the shift that we can expect from the industry moving. So, I understand that there might be some segment that will be using glass where acid will be required or some other chemicals will be required. But in segments where plastic is competitive, I'm trying to understand what shift it can be? And what is the current market size for the plastic labware industry?
- Santosh Agarwal:** So, there will be no shift from glass to plastic and vice versa. What we can say is that plastic labware market currently is INR1,200 crores. And the expansion of plastic labware market will be more in compared to glass. For example, whatever data we have seen previously 20 years back, the glass market was 75% and plastic market was 25%. Now glass is 50% and plastic is also 50%. Going forward, of course, the share will increase, but this share will not increase by shifting from glass. This share will increase because of the larger expansion in plastic labware in compared to the glass.
- Moderator:** Mr. Rathi has left the chat. Due to time constraint, that was the last question. I now hand the conference over to the management for the closing comments.



Santosh Agarwal:

Thank you all for joining us today. I hope we have addressed all your questions. We remain committed to keeping the investment community informed with regular updates on our development. For any further information or query regarding Tarsons, please feel free to reach out to us or our Investor Relations partner, SGA. Once again, thank you for your time and support.

Moderator:

On behalf of Tarsons Products Limited, that concludes this conference. Thank you for joining us. You may now disconnect your lines.