PONDY OXIDES AND CHEMICALS LIMITED POCL®

29th July 2025

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BSE Limited
Corporate Relationship Department,
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NSE Symbol : POCL
BSE Scrip Code : 532626

Dear Sir/Madam,

Sub: Transcript of the Q1 FY 2025-26 Investor Call held on 25th July 2025

With reference to our letter dated 25th July 2025, intimating you about the link of the audio recordings of the investor call held on Friday, 25th July 2025 at 03:30 PM IST, and pursuant to Regulation 30 read with Schedule III of the SEBI (LODR) Regulations, 2015, please find enclosed the transcripts of the aforesaid Investor call.

The above information will also be available on the website of the company i.e., **www.pocl.com**

We request you to kindly take the above information on record.

Thanking you,

Yours faithfully
For Pondy Oxides and Chemicals Limited

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"Pondy Oxides and Chemicals Limited

Q1 FY26 Earnings Conference Call"

July 25, 2025

MANAGEMENT:	**MR. ASHISH BANSAL – MANAGING DIRECTOR – PONDY OXIDES AND CHEMICALS LIMITED** **MR. K. KUMARAVEL – DIRECTOR FINANCE AND COMPANY SECRETARY – PONDY OXIDES AND CHEMICALS LIMITED** **MR. R. S. VAIDHYANATHAN – EXECUTIVE DIRECTOR – PONDY OXIDES AND CHEMICALS LIMITED** **MR. VIJAY BALAKRISHNAN – CHIEF FINANCIAL OFFICER – PONDY OXIDES AND CHEMICALS LIMITED**
MODERATOR:	**MR. SAKSHI NARVEKAR – GO INDIA ADVISORS LLP**

Moderator: Ladies and gentlemen, good day, and welcome to the Pondy Oxides and Chemicals Limited Q1 FY '26 Earnings Conference Call hosted by Go India Advisors. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand over the call to Sakshi Narvekar from Go India. Thank you, and over to you.

Sakshi Narvekar: Good afternoon, everyone, and welcome to Pondy Oxides and Chemicals Limited earnings call to discuss Q1 FY '26 financial performance. We have on the call Mr. Ashish Bansal, Managing Director; Mr. K. Kumaravel, Director Finance and Company Secretary; Mr. R. S. Vaidhyanathan, Executive Director; and Mr. Vijay Balakrishnan, Chief Financial Officer.

We must remind you that the discussion on today's call may include certain forward-looking statements and must therefore be viewed in conjunction with the risks that the company may face. May I now request Mr. Ashish Bansal to take us through the company's business outlook and financial highlights, after which we will open the floor for Q&A. Thank you, and over to you.

Ashish Bansal: Thank you, Sakshi. Good afternoon, ladies and gentlemen, and welcome to our Q1 FY '26 earnings call. I trust you've had the opportunity to review the earnings presentation, press release and financial results that were uploaded on the stock exchanges. I will guide you through the results, after which we will have a question-and-answer session.

I'm delighted to announce that POCL has kicked off FY '26 with its best ever quarterly performance, driven by robust operational execution. On a year-on-year over basis, Revenue, EBITDA and PAT have grown by 36%, 82% and 90%, respectively. We achieved record high EBITDA and PAT margins of over 7% and 4.5%, reflecting our increased emphasis on value-added products and enhanced operational efficiency. Before we delve into operational and financial highlights, I'd like to begin with key strategic updates.

Capacity Expansion Update - POCL is undertaking a two-phase expansion of its lead production capacity at the Thervoykandigai plant, adding a total of 72,000 tonnes per annum, 36,000 metric tons in each phase. Commercial production of Phase 1 of 36,000 metric tons per annum commenced in Q1 FY '26 with the plant operating at approximately 40% to 45% capacity utilization during the quarter. This is expected to increase to around 70% in the upcoming quarters. Phase 2 of expansion is scheduled for commissioning in the second half of FY '26 with an estimated capital expenditure of approximately INR20 crores.

POCL invested INR 8 crores in Capex during Q1 FY '26 and plans to invest an additional of INR 42 crores over the remaining nine months of FY '26. POCL is looking at setting up R&D facilities for the creation of value-added products, both for current portfolio and for feasible products, which will add overall value to the top and bottom line of the company.

Coming to the operational performance, the yearly procurement mix of lead, plastics and copper through imports is approximately 84%, 53% and 100%, respectively. Capacity utilization of copper more than doubled, leading to a significant increase in production and sales of copper. The production in sales of lead has increased significantly by 17% and 9% to 24,167 metric tons and 22,530 metric tons on a year-on-year basis. EBITDA per ton of lead increased significantly by 48% to INR 16,898 per tonne on a year-on-year basis.

Moving to our financial results for Q1 FY '26. I would like to reiterate that POCL has achieved highest ever quarterly revenue, EBITDA, PAT and margins. Revenue from operations has increased to INR 596 crores, up 36% and 15% on Year-on-Year and Q-on-Q basis. POCL experienced this substantial growth, as a result of increased production, sales and realizations in both lead and copper.

The Q1 FY '26 sales mix between domestic and exports markets stood at 44% domestic and 56% exports, respectively. The percentage of value-added products in lead segment stands at 71% compared to 50% and 58% on a Year-on-Year and Q-on-Q basis.

EBITDA increased significantly by 82% to INR 43 crores on a Year-on-Year basis. EBITDA margins exceeding the 7% mark represent a significant milestone in POCL journey towards long-term sustainable value creation. This increase is due to increased sale of value-added products and operational efficiencies.

PAT increased by 90% to INR 28 crores on a Year-on-Year basis. PAT margins increased to 4.6%, up from 3.3% in Q1 FY '25. On a consolidated basis, also POCL reported a strong financial performance. Revenue from operations, EBITDA and PAT increased by 35%, 78%, and 94%, respectively, Year-on-Year basis.

In conclusion, POCL is firmly on track to achieve its long-term strategic objectives for 2030 with a clear road map centered on value creation and sustainable growth. We are aggressively scaling our net production capabilities, while expanding adjacent non-ferrous verticals, targeting over 15% value growth, revenue CAGR and profitability growth of 20% plus. These gains will be accompanied by meaningful margin expansion with a focus on achieving EBITDA margins above 8% and ROCE greater than 20%.

Our strategy is not only growth-oriented, but also deeply aligned with sustainability imperatives. We are working towards generating over 60% of revenue from higher-margin value-added products, while targeting a 20% plus reduction in energy consumption, reinforcing our commitment to operational efficiency and environmental responsibility.

With strong capacity expansion and progress, prudent capital deployment, operational excellence, regulatory tailwinds and direction of a seasoned leadership team, POCL is well equipped for sustainable long-term value creation. Supported by the continued trust of our stakeholders, we remain confident in our journey towards a more innovative, responsible and profitable future.

That concludes my update. And I'd now like to open the floor for questions. Thank you.

Moderator: Thank you very much. The first question is from the line of Rahil from Crown Capital. Please go ahead.

Rahil: Sir just one question on these margins. So by 2030, you're saying you're targeting 8% EBITDA margins, correct? Whereas in this quarter 1 itself, you achieved 7%. And if I remember correctly, in the previous call, quarter 4, FY '25, you had said FY '26, you can expect 6% margins for the year. So when you're already achieving 7%, first of all, will they continue for the next couple of quarters? And why such a low target then for 2030?

Ashish Bansal: Definitely, the margins will continue and remain over 7%. And with the addition of value-added products and all of this as a blended margin overall, we are looking at 8%. We add on our more value-added products, maybe we will look at our margin profiles. But as of now, the guidance that we have provided is around 8%.

Rahil: Yes, you have given 8% but so why just like a 100 basis point improvement in the next 3, 4 years? Can't it be more than that?

Ashish Bansal: There could be a possibility. But as of now how we are looking at -- with blended products and multiple portfolios coming in, we would like to look at it in this manner.

Rahil: Okay. But for this year, 7% overall for the full year, we can definitely expect?

Ashish Bansal: Yes, we will definitely continue again.

Moderator: The next question is from the line of Sagar Shah from Spark Capital.

Sagar Shah: First of all, congrats to the management team of Pondy Oxides and for an amazing performance in Q1. To begin with, first -- my first question, sir, was related to a follow-up question actually compared to the previous participant on the margins. The margins were, I noticed the margins were quite actually led by the lead segment in this quarter as well because in the plastics segment, we are an EBIT loss and still copper, although the utilization has actually increased almost doubled as you highlighted in the opening commentary, but the lead margin have expanded.

So I wanted to understand two things behind that. Is the lead margins because of the drop in the lead prices that we saw in the preceding quarter? So that's why are we seeing some sort of an inventory impact due to that or maybe purely operating leverage that we are actually carrying through in this quarter, that we are actually that we are enjoying such a healthy margins? And that is so early, actually just in the first quarter, the capacity has just started. So that is my first question, sir.

Ashish Bansal: Thank you for your question. See, regarding the copper margins, as you said, the copper is a product that we've just started. And as we are also looking at further other products, copper margins will continue to improve, as we go on adding products, and this is the initial part of the manufacturing. Hence, as you are aware, slowly, the efficiencies will start coming in and the process will be also more efficient and the margins will -- margin profile will improve.

As far as lead is concerned, it has nothing to do with the inventory overhang or anything because our inventories, our positions are all completely hedged and we work on a back-to-back model. The main increase in margins is one due to our operational efficiencies. We have -- in the whole of last financial year, we had done a lot of modifications in our processes, use more efficient kind of systems, furnaces and all of those, a lot of changes and additions have been done.

Apart from that, also, if you look at our sales profile, the value-added products that was sold in this first quarter was on a higher quantum. So these are what contributed to the lead margins.

Sagar Shah: Okay. Okay. Fine, sir. So can you -- you already highlighted that we are running at almost 40% to 45% capacity utilization in this quarter as far as the new plant is concerned. But can you highlight what is the utilization of the existing capacity, which is at 132,000 tons that we already have? What was the utilization in that segment -- in that capacity, sir?

Ashish Bansal: So the existing plants are running at in excess of about close to 70%. As far as the smelting capacity, smelting capacities are running at 90% plus and overall at 70%.

Sagar Shah: Okay. Fine, sir. So my next question was related to the copper. In relation to copper, actually, we were having some forward integration products, we were actually having some other value-added products for new clients actually. So any update on the progress actually that what are you eyeing that segment? What kind of response have you got from your customers so that your copper segment can be enhanced and your contribution for lead to come down, which is your actually overall guidance. So any progress on that segment, sir?

Ashish Bansal: The progress is continually happening. And as and when we have, we will let all our shareholders know through a public announcement.

Sagar Shah: Okay. Okay. Fine, sir. So I just have 1 or 2 data keeping questions. First of all, thank you for keeping -- for giving the segmentation of revenue as per the product-wise. And secondly, I wanted to ask what are the volume figures for copper, plastics and if any aluminum we have produced in this quarter?

Vijay Balakrishnan: Hi, Sagar, this is Vijay. So with respect to lead, the volume for this quarter is about 22,530 metric tons. Copper is about 1,107 metric tons and plastics is about 808 metric tons.

Sagar Shah: Plastics was 808 metric tons. Okay. And any update, sir, on the plastics segment? What is the reason behind that we are running an EBIT loss in that segment? And how do you see that segment going ahead in the rest of the year? Will we become profitable? And how are we exploring something in the new products there?

K. Kumaravel: Yes. Actually, plastics segment, we are -- at present, we are running in the leased premises. Now we are planning to move to our own premises, where we have sufficient land bank and structures. We are planning to do some restructuring of moving -- most of this EBITDA and slight EBITDA positive. Other administrative loss is causing the overall net loss.

The rent we want to stop it. Already, we have given vacation notice. So probably from the next quarter onwards, that substantial amount of rent will be saved and we move to our own premises automatically that segment will come to the positive. Though, we are getting EBITDA margin on plastics because of this administrative overhead, lead it is coming negative. Otherwise, it is EBITDA positive only.

Sagar Shah: Okay. So basically, that is just because of the overheads and the kind of admin expenses that you are facing. But otherwise, it's an EBITDA positive business that you pull through?

Vijay Balakrishnan: Yes.

Sagar Shah: Okay, fine. Thank you so much and all the best for the following quarters.

Moderator: Thank you. The next question is from the line of Shweta Dikshit from Systematix Group. Please go ahead.

Shweta Dikshit: Congratulations on a good set of numbers. My first question would be on the aluminium segment. Any update since we were evaluating different product profile for aluminium. So any update on there because we were expecting to start generating revenues for it to contribute into profitability this year?

Vijay Balakrishnan: Yes. Hi, Shweta. Thank you. Yes, it is in progress and we will have some numbers on the aluminium segment in this second quarter and the work is in progress for the same as updated earlier. There is a slight delay on that, but in the second quarter you will start seeing the numbers.

Shweta Dikshit: Any update on the products that we were evaluating since we are moving away from the existing or the product profile also. So any color on the -- what kind of aluminium products we're looking at now?

Vijay Balakrishnan: We'll keep you updated. They are linked products to our existing products and we'll keep you specifically updated on the product as we complete the evaluation, yes.

Shweta Dikshit: Understood. And so now coming back to the existing business, where we've made upwards of 7% margin profile and considering that the new plant at TKD has achieved only 40% to 45% capacity utilization and that plant being more operationally efficient and reduce manpower cost and everything.

And we are expecting 70%, 75% capacity utilization in Q2 and that will, of course, naturally reach peak utilization subsequently. And why are we not guiding for margins higher than 7% or is there any impact, which we don't see coming in from the existing operations? I'm trying to understand this stable EBITDA margin level for the existing operations that we can see for the rest of the year and why not higher than this?

Ashish Bansal: See being a new plant, the product definitely is manufactured and commercial sales also has commenced from this plant, but however, as you know, to scale up the complete capacity, there are little approvals and other formalities that are being done with our customers. And as we speak now, we have quite a few approvals and that is the reason why we are saying that we'll be ramping up from 40%, 45% to 70%. And definitely, for -- as spoken earlier our margin guidance will be in the range of 7% plus on average for the whole year.

Shweta Dikshit: Understood. And lastly, a question on the bookkeeping side. What is the cash on your books as of now and what is the net -- what is the gross debt level now?

Vijay Balakrishnan: So the cash at bank as of today is about INR 52 crores. This comprises of both the QIP money, which is pending to be utilized as well as the warrant proceeds, which we have received during this quarter. The overall debt in our books of accounts, as of 30th June is about INR 122 crores. So net debt is less than INR 100 crores.

Shweta Dikshit: And could you repeat what the capex plan for the -- capex number for the remaining 9 months and what it was in the first quarter?

Ashish Bansal: For the remaining 9 months, we're looking at about INR 42 crores of capex approximately. And we've already in quarter 1, done a capex of about INR 8 crores.

K. Kumaravel: This is excluding our Thervoykandigai plant capitalization.

Ashish Bansal: That was already done of approximately INR75 crores, which was completed.

Shweta Dikshit: So this INR 8 crores went towards Phase 2 of TKD?

Ashish Bansal: Yes, partially towards Phase 2, yes.

Shweta Dikshit: And any update on Mundra, sir?

Ashish Bansal: As we discussed earlier, once this plant is complete, we are also looking at our proper project and multiple other projects. And in the next financial year, we'll be looking at the Mundra part of it.

Shweta Dikshit: Understood, sir. Thank you.

Moderator: Thank you. The next question is from the line of Sakshi Goenka from Sohum Asset Management. Please go ahead.

Sakshi Goenka: Congratulations for the great set of numbers. Just quickly continuing on the previous participant's question, sir, just wanted to understand out of the EBITDA per ton, which we have posted for lead INR 16,900, you alluded that there were opportunistic value-added product sales and operating efficiencies coming through.

But if I exclude what could be – what I am trying to understand what could be a sustainable EBITDA per ton taking into account that the new plant is more efficient. We have generally done EBITDA in the INR 11,000 to INR 12,000 range. I believe that will see a step jump because of the new plant, but obviously this quarter had some value-added name, but what could be a sustainable EBITDA per ton, any color around that?

Ashish Bansal: Yes. So as guided earlier during this call as well, Sakshi, our minimum levels that we are looking at for this year on an average basis will be in excess of 7%. Though this quarter, we've had 8% as told, we've had some opportunity to have a good high share of value-added products. But definitely, that is not going to drop in the next few quarters. And on a conservative level, we speak at 7% plus.

Sakshi Goenka: Got it. So -- and sir, this year, obviously, next year is there any scope for further efficiency gains, assuming that the new plant, our Phase 1 will be operating at 70% this year. And in second half, we will see Phase 2 coming. So will operating efficiencies continue into next year also? So can we see better margins next year?

Ashish Bansal: The focus of the company always remains year-on-year to achieve higher operational efficiencies. But definitely the company is not going to be overoptimistic and start guiding towards higher numbers and try to make the market more acceptable towards that. So as you've seen in the past as well, we've always been conservative in our numbers and we will continue to do.

However, as you see 7% margin for this year guidance we will continue to do and we are continually working on our operational efficiencies, which definitely will reflect back on to numbers year-on-year.

Sakshi Goenka: Got it. And sir, just quickly, existing plant has smelting capacity of 90,000 from what I understand and the 2 phases, that is about 72,000 roughly 160,000 tons of capacity. On this capacity what can be the maximum capacity utilization. I just want to understand what can be FY '27 kind of volumes if we operate at maximum capacity?

Ashish Bansal: This -- the current financial year, we are targeting at operating at about in excess of 1,20,000 tons of capacity, I mean.

Sakshi Goenka: Yes. I was talking about more like FY 27 with both the plants in and our existing smelting capacity of 90 plus the two plants adding up to 72, so that's roughly 160. So what can -- on 160, what can be a max capacity utilization, can it be 90%?

Ashish Bansal: See generally, we always aim for 90%. But however 80% plus on the smelting side is a good capacity.

Sakshi Goenka: Okay, sir. Sure sir. Thank you so much, sir.

Moderator: Thank you. The next question is from the line of Jigar Jani from Nuvama PCG Research. Please go ahead.

Jigar Jani: Just two questions. Just a clarification. So your smelting capacity is 90,000 ton from lead, right?

Ashish Bansal: In our existing two plants, our capacity is 90,000 tons, approximately 92,000 tons, 93,000 tons. And with the addition of our new plant, we will be adding in two phases, 36 plus 36. So approximately goes in over 160,000 tons.

Jigar Jani: Okay. So on the first plant, which is -- you have already added that, which has come online?

Ashish Bansal: Yes. The first is already online, yes.

Jigar Jani: Okay. And sir, on this margin front, again, sorry about harping on this. What is the products that have seen or what -- can you just throw some more light on what are these value-added products that have given you better margins and realizations this quarter and do you feel that these are sustainable levels of these value-added products because I believe some antimony lead alloys have seen some spikes over the last 6 months or so. So do you feel it is sustainable and whether it is these kinds of lead alloys that have led to higher margins for us?

Ashish Bansal: So as we have also highlighted earlier, POCL is one of the largest specialized alloys -- lead alloys manufacturer in India and we continue to hold that position. And we manufacture certain specific alloys for customers, which have given us these margins. And as you rightly highlighted antimony alloy, antimony alloy has been already there at a better margin levels over the last 6 to 8 months.

So that is not the specific reason for this quarter, the quarter's numbers going up, but rather our other value-added specific alloys that we manufacture for certain international customers and domestic customers is what has given us a margin. And going forward as well, this will continue.

Jigar Jani: Okay, understood sir. Thank you so much for answering my question and best of luck.

Moderator: Thank you. The next question is from the line of Khush Gosrani from InCred Asset Management. Please go ahead.

Khush Gosrani: Thank you for the opportunity and congratulations on the good set of numbers. My question most have been answered. Just one thing on the copper side, at peak utilization what kind of revenues we can generate and what kind of EBITDA margins we will be able to do, assuming today's pricing?

Ashish Bansal: So with the current capacity that we have at the peak utilization, the revenues could be around INR 650 crores to INR 700 crores on copper in terms of approximately somewhere around 10,000 tons, 12,000 tons of capacity. And currently, I mean, as what we are doing right now about 4% to 4.5% levels of margin is what we are looking at, which will be enhanced as we add some forward integrated value-added products.

Khush Gosrani: Got it, sir. And any update on the EPR flow-through where it is stuck somewhere it was stuck. So any progress on that front?

K. Kumaravel: EPR already we registered -- we started taking credit of as well lead as well as plastics.

Ashish Bansal: We haven't sold any credits as of now, but we have them in our books.

Khush Gosrani: Okay. Got it. So any plans when you start selling or is the pricing not correct or not feasible right now?

Ashish Bansal: The market is not yet 100% mature. And as the penalties start kicking in is when the value of the EPRs would be better.

Khush Gosrani: Sure. Got it. Thank you. I will get back in the queue.

Moderator: Thank you. The next question is from the line of Siddharth Malhotra from Kotak Securities. Please go ahead.

Siddharth Malhotra: Thanks for the opportunity sir and congrats for a good set of numbers. Sir, sorry to harp back again on the EBITDA margin question. But can you sort of just explain to us what exactly is this VAP share, which we are selling around because it seems our fundamental margin profile has change this quarter.

I mean, if you see at the margins from almost 5%, 5.5% we are almost jumping to 7% this is an improvement of more than 20%, 25%. I mean what changed in one quarter which led to this fantastic performance. So can you just sort of give us more color into it?

Ashish Bansal: Yes. Good question. Definitely, I'd love to answer this. The margin jump is not specifically in this quarter, any specific change that has happened. We've indicated in the last couple of earnings calls as well that we are in the process of increasing our efficiency. So increasing in efficiency is not an overnight process. The increase in efficiency could be due to various changes in processes.

So a lot of R&D is being done on that in terms -- could be in terms of power efficiency, fuel efficiencies, how the furnaces operate, the overall structure, the overall layouts and the whole product profile mix, how they are blended, how -- what products need to be taken up more aggressively, what products need to be done. So it's a complete blend of all the working that has been done in the last two, three quarters that has been going on in our plants in a silent manner.

And as those projects got completed, you would have seen a little jump in the previous quarter and you see the -- also the whole numbers coming into play in this quarter. And that is how we are extremely confident that the following quarters also will be in similar levels.

Siddharth Malhotra: Okay. Then you also, sir. Yes, sir, please continue.

Ashish Bansal: Yes. And apart from this a certain percentage of our margins also come, as I indicated earlier, that we have concentrated more on value-added specific products. So those products were concentrated on and the sale on those value-added products also were increased.

Siddharth Malhotra: Okay, sir. Just a follow-up, say, for example, if your margin increase was, say, approximately 2%, what proportion of this total increase was due to, say, higher share of VAP versus efficiency gains, sir?

Vijay Balakrishnan: So about 1% to 1.5% is based on efficiency that has been gained, about close to -- in the range. Yes, I'm giving you a slight range because I cannot put an exact specific point digit number. So 1% to 1.5% is in terms of efficiencies and about 0.5% to 1% in terms of the specialized specific value-added products that we've been manufacturing.

Siddharth Malhotra: Understood, sir. And when it comes to our new capacities, this 36 KTPA capacities, assuming that these capacities are yet to fully ramp up. So obviously, your operating -- fixed operating costs would not be totally absorbed. So fair to assume that some amount of margin expansion is definitely on the cards from these capacities as well, say, by the end of the year, sir?

Vijay Balakrishnan: As basic thumb rule of economics, it would be fair to say that because fixed costs will get absorbed, so that has to contribute back. But I will leave it to that.

Siddharth Malhotra: Okay, sir. Just one last question on this, sir. Any particular sort of -- whether any sort of particular alloys, which were not there in the base quarter, for example, which contributed to this 50, 60 bps improvement, which you were referring to earlier?

Vijay Balakrishnan: Yes, there are some alloys that are under the development stage, which we started supplying in this first quarter, and that has definitely helped us in margin expansions.

Siddharth Malhotra: Sir, any chance you could give us more color on what these alloys are, who are the other people who manufacture?

Vijay Balakrishnan: Yes. We have NDA with our customers, so I don't think I might be able to give you too much of information on that.

Siddharth Malhotra: Okay, sir. Just who are these customers only sectors, not specific names, if that is possible, sir?

Ashish Bansal: Yes. These are mainly international customers.

Moderator: The next question is from the line of Naman Parmar from Niveshaay Investments.

Naman Parmar: So firstly, on the lithium-ion side, what is your update? Because in previous quarter, you were telling to shifting towards from lead to Lithium-Ion.

Ashish Bansal: Sorry, I lost you. Could you repeat your question, please? I'm sorry.

Naman Parmar: Yes. So I was just asking about what's the update on the lithium-ion side you were telling in previous quarter that you are going to under the lithium-ion side acquisition -- so any update on that, sir?

R.S. Vaidhyanathan: So we are currently in discussion with many of our technological partners in terms of identifying the chemistry because there is -- this industry is quite fast moving. I'm sure -- I mean, it started with NMC and LFP and LMFP and now there are a lot of technologies that are coming up now, and we really wanted to -- we don't want to be in a hurry and do something and then later repent.

So we thought we'll wait and understand the industry quite well. And once it matures to a level where -- because the feedstock is very important. And currently, the only the LFP is the 70% of the market is using LFP as the technology now.

So probably over a period of time in the next few months, we will settle down on a particular chemistry and a particular technology with a technological partner, then we will go ahead on this. That's the thought we have currently, yes.

Naman Parmar: Okay. Understood. And secondly, on the copper side, if we see in the current quarter, even at a very initial stage, you had done around 3.5% of the EBITDA margin, right? And you are guiding on a consol basis, you can do a 7% on a whole year basis. But on a sustainable basis, how much margin is possible on the copper side? And how the capacity ramp-up will be going on?

Because just asking because if you see on the aluminum side, initially when you entered the aluminum side, it was a very good business, right? But after a very high volatility on that side, it becomes very hard for us to increase the capacity utilization on the aluminum. So it is not similar to that in copper also that if the volatility increases there, there can be a margin pressure also?

Ashish Bansal: Let me explain to you. Coming -- I'll go a little forward and then come back with your question. Coming to the aluminum part of it, I would like to explain that aluminum business was a business where you could not hedge your raw material and you could not concentrate and fix your margin from the product.

If you see the metal part of it, any and every metal is volatile and the maximum movement that happens on a metal is copper because that is the main -- the most liquid metal on the whole index. So it would not be right to say that once copper becomes volatile, the margins will go up because copper has and always been the most volatile metal.

But the only advantage over aluminum that we have in copper is copper is a product, where your raw material versus your sales can be hedged in a proper sense and you can safeguard your margins on the product.

And going forward, in copper, we are looking at growing our volumes and looking at a margin. In the current year, we're looking at a margin of about close to 4% to 4.5% and we are extremely confident on that. So it will not be right to be comparing aluminum and copper as similar products.

Naman Parmar: Okay. Understood. And lastly, on the capacity of the copper only, it was, I think, around 6,000. You are going to ramp up to 9,000 to 12,000. So, it will be live by how much?

Ashish Bansal: I didn't get you, sir. It will be live by?

Naman Parmar: It will live in which time in second half or in FY '27?

Ashish Bansal: So in this year, we are looking at achieving the capacity is what we have, about existing capacity, 90% utilization. And by next financial year, we'll -- the additional capacity will also be live and will be utilized.

Naman Parmar: Okay. And on the lead side, what the optimum utilization can we achieve?

Ashish Bansal: We can achieve an utilization of approximately 80%.

Naman Parmar: Okay. 80%.

Ashish Bansal: But will be implemented in phased manner. Yes.

Moderator: The next question is from the line of Sanjay Parekh from Sohum Asset Managers Private Limited.

Sanjay Parekh: So my first question was this is a fairly fragmented industry. So do you plan to do any acquisition?

Ashish Bansal: Sorry to interrupt you. Your voice is unclear and breaking. Could you please repeat the question, sir?

Sanjay Parekh: Okay. So because the industry is fragmented, the unorganized sector, so would you look at consolidating through acquisitions, small acquisitions ahead? That's the first question.

Second is, you clearly are in a growth phase. So while what is visible to us is more like INR 2,500 crores, INR 2,600 crores turnover this year and then INR 3,500 crores in '27 and then potentially going to INR 5,000 crores maybe over next 2 years after that.

So in the growth phase, the question I have is, one is the supply side capacity creation. So one is the expansion -- current expansion and then the Mundra expansion. So how do you think about it once you plan Mundra, when can you commission it? So the constraint, would that be a supply side or the sourcing of scrap when you, let's say, you want to hit a scale of INR 5,000 crores, would sourcing of scrap be a challenge to you?

And the last question is, are there rules world over where there are -- there's a clamp down of export of scrap from their own country outside because they want their own environment norms to get better. So that is a little bit your thoughts would help. So these are my questions.

Vijay Balakrishnan: Hi, Sanjay sir, Vijay speaking. So see, right now, as we have already promised, we have started Phase 1. So next, we wanted to start Phase 2, which is going to happen in the second half of this year. Once the Phase 2 gets stabilized and the entire lead operation starts, then as we already planned, we will start the copper also.

Copper, everything, all the discussion phase and all over. And we will start putting the -- we will start the forward integration of copper in the last third quarter of this year. And by FY 2027 first quarter, we'll start the operations in the copper.

So on a phased manner, first, we wanted to focus on one vertical, complete it, stabilize it, let make it on autopilot mode, then we focus on copper. Once that also is a product for us, then for forward integration, we wanted to move on. And slowly, once these 2 verticals are being done, then we will start focusing on Mundra.

Ashish Bansal: And also, as you rightly asked the question about small acquisitions, we are not looking at these small acquisitions of other companies because right now, the kind of technology that we have installed in our plant is one of its kind in India, and I'll say probably one of its kind globally also with our new lead operations. And none of the other plants will have -- do have that efficiency nor do have that kind of processes and machinery available.

So definitely, we are not going to take a step backwards to acquire any of these small companies, who are not efficient in production and would not make sense for us to acquire a small company and re-establish the whole system and equipment. Rather, we would be organically doing it internally, converting our existing plants going forward to make it more and more efficient.

Sanjay Parekh: We need not have to buy.

Ashish Bansal: That makes no sense. We have sufficient real estate in our kitty.

Sanjay Parekh: Perfect. And on the -- as you get scale, the scrap sourcing and globally, are there any norms to restrict scrap sales from those countries?

Ashish Bansal: Yes. Definitely, I'm just saying there are talks about the same happening. But also, we need to understand that globally, countries who are talking about these are again still talking in excess of a couple of years ahead when they would start.

But the point is they themselves also realize they do not have the capacities and capabilities to recycle those scrap within their own country. Their generations are much, way, much higher than what they can consume internally.

So as of now, we do not look at it. And also as India is becoming a little more organized in terms of the way the disposals are happening, the domestic availability also is on an incremental side. So I mean, all of these put together, I mean, the whole thing has been weighed and balanced and seen.

So we do not -- see, there could be a little tightness in the supply. But again, it all depends on your procurement efficiencies, where -- what is your kind of network where you can source the scrap and all of these put together.

Further also with our government becoming more-and-more tight in terms of disposal, so the domestic scrap, which was going out to the unorganized sector is flowing back into the organized sector. All of this is balancing the supply side as well.

Sanjay Parekh: So we do not see a big challenge as we scale up to maybe INR 3,500 crores and INR 5,000 crores in sourcing of scrap. That will not be a big challenge?

Ashish Bansal: Yes. So it's not just a single product. When we are scaling up, we're not scaling up only on a single product. We are not scaling up only on lead. Lead definitely is a large part of our portfolio. Copper is coming in, and there are a few other products that we are working on will also start coming in. So it's going to be -- the revenues are going to be a blend of all these products together.

Sanjay Parekh: Perfect. No, great. This is very, very helpful. The last one, in the lithium-ion, if at all you finalize on the technology piece, technology front, what would be the capex that you need to do for that?

Ashish Bansal: It will be incremental capex because right now, the volumes are so low. So I mean, the capex -- right now, it's difficult for us to estimate the capex because there are multiple processing capabilities that are being looked upon.

There can be high capex, low capex, but the idea -- the thing is to see what kind of scrap generally is available in the market and what is the technology that needs to be used. It will be a little too early for us to estimate on the capex side at this point in time.

Sanjay Parekh: And the last one, on this regulatory front, there are several tailwinds that when we met, you had explained us. But how is the implementation in India? Is it enforced BWMR or reverse GST or EPR. So all these regulations, are they enforced now properly so that it helps us or it's still work in progress?

Ashish Bansal: So BWMR is being enforced. And the only part now that is -- I mean, the notifications are out, the only part that is left is the penalization part of it, which is -- right now, the industry stakeholders are opposing that because, of course, they do not want to get into the penalization part.

But consciously, they are all completing their requirements that are needed for the BWMR year-on-year target. They're already meeting before even the penalization happening. So that part of it is going ahead.

In terms of the reverse charge mechanism, it has been notified, but reverse charge mechanism currently has not had a great impact on the supply chain side. In fact, the GST reduction and a few of the other topics that are being taken up to the GST Council those that the industry is working on. So we see that in this year, shortly within this calendar year, there should be a good change in that as well.

Moderator: The next question is from the line of Dibyansu Kumar from Craving Alpha Wealth Fund.

Dibyansu Kumar: My first question is with the growing adoption of electrical vehicles and an increasing penetration of lithium-ion batteries, how important is the use of lead-based batteries in the EV ecosystem in today's time? And also, how does the POCL view the future demand trend in this space?

Ashish Bansal: I mean, your -- can I get your name again? I lost you in the beginning. Sorry.

Dibyansu Kumar: Sir, my name is Dibyansu from Craving Alpha Wealth Fund.

Ashish Bansal: Dibyansu, regarding the usage of lead acid battery, as of now, the growth in terms of the lead acid battery segment is still in excess of 3% globally and in India, still at about 6%. How we look at it is, I mean, it cannot be an overnight change in terms of lead acid battery to lithium battery because there are a lot of restrictions, constrictions in terms of usage of lithium batteries in all of the system, right?

If you look at the EVs right from your basic infrastructure of charging to disposal to even the whole chemistry, it is still in the phase, where it is evolving. So right now, for the next about 8 to 10 years, lead acid batteries are definitely here to stay. And going forward as well because it's a mature technology and pretty safe and techno-commercially viable.

Dibyansu Kumar: Thank you for the answer. Next question is, sir, could you share an update on the lithium battery recycling facility plan for FY '27? And what impact do you expect it to have on the company's financial and product mix over the time?

Ashish Bansal: We have not yet finalized anything on the lithium ion side. Like we said earlier, Mr. Vijay -- sorry, Mr. Vaidhyanathan expressed, that we are looking at different technologies. We are working on it because the chemistry by itself, what's available, what's not available, what's happening is being -- the market is still evolving. So once that is there is when we will take a decision. As of now, we do not have a concrete plan in establishing a setup.

Dibyansu Kumar: Okay. Sir, another question, last question from my side is that is the company planning to position itself to benefit from China Plus One strategy in the current scenario? Have been any significant traction or inquiries from the battery manufacturers shifting away from Chinese suppliers?

Ashish Bansal: I'm sorry, I didn't get you on that. Can you repeat that question?

Dibyansu Kumar: My question is, sir, does the company positioning itself is to benefit from as an alternate to China for lead production and all -- for lead sourcing and all.

Ashish Bansal: Yes. Let me explain to you. I mean, India never imported metal lead metal from China because generally from China, metal, I mean, lead does not get exported out and stays within the country due to their internal taxation or export tax laws or whatever. So I mean, there is no impact specifically on that.

But definitely, yes, as a lot of consumers are moving away from China in a lot of aspects, so the Southeast Asian demand is a little higher, except, I mean, the companies or the buyers, who have moved away from China.

Moderator: The next question is from the line of Vaishnavi Gurung from Craving Alpha Wealth Fund.

Vaishnavi Gurung: Congratulations on the good set of numbers, sir. My first question is a follow-up question on EBITDA margin again. However, the operational efficiency part is understandable. But if you can give us a range of how much lead prices is on EBITDA margins?

Vijay Balakrishnan: Can you please come back again?

Vaishnavi Gurung: Yes. My question is on the EBITDA margin par. Apart from the operational efficiency -- what percentage of lead price impact is on EBITDA? If you can give us a range, how significant impact is on EBITDA margins by the lead prices?

Ashish Bansal: Do you mean the basic lead price by itself?

Vaishnavi Gurung: Yes.

Ashish Bansal: I mean, in terms of our margins, we run a completely hedged model. So in terms of percentage, the impact is hardly any impact because our raw material versus our sales are completely hedged.

Vijay Balakrishnan: So like Mr. Ashish said, see, through operational efficiency, 1% to 1.5% increase in EBITDA margins. And apart from that, when you convert that into numbers, it's approximately INR 2.5 to INR 3 in terms of number terms. When it comes to the value-added product part, it is about 1%, which is typically INR 2, which in total makes about INR 5 to INR 5.5.

Vaishnavi Gurung: So there's basically no significant impact by lead prices?

Ashish Bansal: True. Yes. In terms of percentage numbers, yes.

Vaishnavi Gurung: Okay. My second question is on the new capacity added. If you can give us an overall capacity utilization that you're expecting by FY '26? And any plan of adding new capacities in FY '27 and '28?

Ashish Bansal: We are targeting -- I mean, about 120,000 tons in the current financial year. In FY '23, on the lead side, currently, we are not looking at any further capacity creation. But definitely, yes, on our other verticals like copper and the fresh verticals that are coming in, capacities will be added.

Vaishnavi Gurung: Sir, can you please repeat the number for FY '26?

Ashish Bansal: FY '26, we are targeting at about 120,000 tons.

Vaishnavi Gurung: My third question is on the geographical breakdown of export revenues, if you can provide us with the same?

Moderator: Sorry To interrupt Vaishnavi Gurung, I'll request you to join the queue for follow-up questions as there are several participants waiting for the turn. The next question is from the line of Rahil from Crown Capital.

Rahil: Sir just two questions, quick ones. What is the overall value-added products contribution to the revenue? And can we do -- can we achieve given the current pricing and the market conditions, a 30% growth for FY '26?

Ashish Bansal: The current contribution, about 71% of the lead portfolio is a value-added product on the value-added products. 30% growth on overall -- I didn't get your second question. Can you be more specific?

Rahil: Yes. Like on a consolidated basis, can we see a 30% plus revenue growth for this year since the first quarter has been really good?

Ashish Bansal: See on optimistic basis, we are looking at similar ranges, but I mean, it's a forward-looking statement. So we definitely are not committing, but definitely, we are looking at such numbers.

Rahil: Okay. Something like that is definitely achievable you're saying?

Ashish Bansal: Yes.

Moderator: The next question is from the line of Shivam Dave from MIV Investments Private Limited.

Shivam Dave: Congrats on a great set of numbers. Fairly new to the business. I have one basic question. How do we assess your profitability on an EBITDA level? Do we look at it on a margin basis? Or do we look at it on a per kg basis?

Vijay Balakrishnan: We are looking at margin basis, but since all the investors are looking at EBITDA per ton levels, so we are also coming out with EBITDA per kg or EBITDA per ton levels. We generally look at margin as a percentage basis.

Shivam Dave: Okay. But given that all the products that you deal with are commoditized in the sense that the prices fluctuate a lot, would it be better to look at it on a per kg basis because your margin guidance also on -- like you've given a guidance on margins. So that was the question.

Ashish Bansal: Yes. On a percentage basis, I look at it because on an annual average, when you look at it, the overall pricing on -- based on plus or minus, I mean, they get to that point. And for us, our model is basically like we spoke earlier, it's a hedge model. So we look at generally in terms of percentage. But since people like to know about rupees per ton, so we also guide on those numbers.

Shivam Dave: Okay. Okay. Another question I had was on your value-added product mix. So today, you are at 71%. So if I had to look at it on per kg or margin basis, how much more differential can you get just by shifting to a value-added product? Because assuming you are at 71%, what is the total number of VAP can go to?

Ashish Bansal: See, we had earlier guided we are targeting about 60% plus value-added products. We've been able to achieve 70% this year. So I mean, definitely, 100% of your products can't be value-added. There are some basic base products as well. So it's more of a package that is -- customers also require.

So as of now, for this year, we will be looking at similar levels of 70% of value-added products. And look, in the future, we will look into to buy -- in our other portfolio, that's our copper portfolio and all of that, that is where we will look at more value-added products, which we are developing. And in the coming financial years, we will be able to explore that side of it.

Shivam Dave: Okay. Okay. And just one follow-on, if I could ask. Your lead volumes grew 9% year-on-year. So how do you expect this vertical to grow going forward? On Volumes.

Ashish Bansal: Yes. I mean in terms of volume, like we have guided about 120,000 tons is what we are looking at this year. And going forward, reaching from the smelting side, reaching 160,000 tons capacity from the smelting side.

Moderator: The next question is from the line of Bhavesh Chauhan, as an Individual Investor. Please go ahead.

Bhavesh Chauhan: Sir, now that Amara Raja is also expanding its capacity from 50,000 tons to 150,000 tons, and they will have their own clients giving -- supplying them lead -- scrap lead from their own batteries. So sir, in terms of our availability of raw scrap from domestic market, will it not be impacted?

Ashish Bansal: So Amara Raja as a company was earlier also collecting their scrap batteries, but was giving out as tolling through their recycling partners. And now they will be using the same scrap themselves for their manufacturing. And I mean, it's a balance in market. I mean what they were consuming through others, now they'll be consuming through their own recycling process. And that's how we...

Bhavesh Chauhan: Okay. But sir, in case of shortage, how -- if we import more than domestic, how it will impact our margins?

Ashish Bansal: So this is a balancing of the market. Basically, the markets behave differently at different LMEs. Sometimes at the lower LME levels, the domestic market tends to become more expensive, at the higher LME levels, it is a little cheaper to have a domestic procurement. So it has to be balanced out on an averaging basis through the year, and that needs to be hedged back to the exchange.

Bhavesh Chauhan: So is my understanding correct that there is not much -- overall, there is broadly there's not much difference between imported scrap and domestic?

Ashish Bansal: In terms of the -- I mean, quality of the batteries, the types of batteries that each application has. So recoveries and the price is based on the kind of scrap that you import or that you buy domestically. So it all finally comes back to the amount of recoveries that you can get out of each battery.

Moderator: The next question is from the line of Shagun Jain, as an Individual Investor.

Shagun Jain: Congratulations for the fantastic results, sir. I wanted to understand what new products you're working on. Is there any thought on the new demand, which has come up in the market on the rare earth minerals because there's a lot of talk of recycling of rare earth minerals also going on in the market. Can you please let us know your thoughts on the same?

Ashish Bansal: We are working on a couple of products. It would be a little early for us to explicitly speak about them. But definitely, we are working on similar lines, where the demands are keeping up.

Moderator: The next question is from the line of Gopinath Chena from CDK. Please go ahead.

Gopinath Chena: Congratulations on a great set of numbers, sir. Sir, I have two questions. The first question is if you compare the last revenue with Y-o-Y, we have around 40% of increase, around 40%. So how is the rest of year going to be?

Vijay Balakrishnan: So in the lead, as we already told, it's about 120,000 tons we are expecting in terms of tonnage. In terms of value on an overall basis, 30% is something which we are expecting on the value side with blended both lead and copper put together.

Gopinath Chena: Yes. Okay. That's great. And the second question is in earlier, you have said that something like we are going to save some administration or lease cost. So is that how much amount can we quantify that?

Vijay Balakrishnan: It's approximately about INR 17 lakhs per month, which equates to INR 2 crores per year. So to that extent, there will be an increase in EBITDA in the Plastics division.

Gopinath Chena: Yes. Thanks. All the best.

Ashish Bansal: Thank you.

Moderator: Thank you. The next question is from the line of Sagar Shah from Spark Capital. Please go ahead.

Sagar Shah: Thank you once again for giving the opportunity. My first question was related to the reverse charging mechanism actually. So sir, we were expecting that in this quarter, maybe in the next, actually, the mechanism will be applicable on the lead and on the lead recycling and there will be a shift in market share due to -- from the unorganized to organized due to the imposition of such regulations.

So I know you have already answered, but I wanted to understand that what is your take on that, that will the change in market share happen because of this quickly or this imposition will happen year end FY '26? And if it happens, what will be the effect of the same?

And my second question was the data keeping question that out of the total scrap that we took for lead in this quarter, how much was imported and how much was domestic in percentage terms? Thank you. These were my two questions.

K. Kumaravel: For the first question, threshold limit Government of India has not fixed high -- very low threshold that they are deciding. In the metal industry or scrap industry, value is very much important. Small quantum if they fix and if they give RCM, it is of no use to the players like us.

So that will be equal to 10 tons of material, which is not enough. If they increase the threshold limit, then if they give RCM, that will be useful, that may not be useful for the future. At present for import, it is 80%, 20% is domestic we are buying.

Vijay Balakrishnan: So adding to Mr. Kumaravel, see, when it comes to RCM, what happens is the buyer of the scrap has to remit duty on the seller's behalf to government. So in that case, what happens is even if it's an informal player, the moment he is supposed to pay duty on that respect, so that what -- when he procures from some other person it is his obligation if he is a GST registered dealer, he has to pay duty on the seller's behalf and he has to remit.

So to that extent, the revenue leakage will come down to government. So, that is how it is going to transition. Most of the informal players will have to move to formal system in RCM because there is a onus of responsibility on the buyer to remit the duty. It is not on the seller.

So to the second thing what Mr. Kumaravel was telling was in terms of GST percentage, now if it is at 18%, the moment it has been brought down to 5 percentage, then the cash incentivization will come down in terms of -- when it comes to informal players. So once that incentivization comes down, formally there is no benefit for the informal players to sell. So automatically, everyone has to come through the formal system.

Sagar Shah: Okay. Okay. Fine. So do you believe that the informal system will be able to bring to the -- will be able to adapt to the formal system, sir, quickly?

K. Kumaravel: Already that percentage has gone up from 20%, 30% to now it is moved to 60% -- informal sector is reduced now. It has moved to the formal sector. So over the period of time, that will be reduced further.

Ashish Bansal: When there's a compression and there are no ways or there is marginally any benefit for them to remain informal, they will have to get back to the formal sector. And that shift should happen -- is happening and slowly over the next 2-3 years, there will be a great shift in the market.

Sagar Shah: Okay. Okay. Sure, sir. Sir, my second question, sir, was related to the scrap. How much was imported and how much was domestic in this quarter, sir?

Vijay Balakrishnan: So it is 80% import and 20% domestic, approximate.

Moderator: The next question is from the line of Navneet Chadha from Triumph Services. Please go ahead.

Navneet Chadha: Okay. First of all, I would like to congratulate for -- to all and everyone at POCL for giving these fantastic results. And my question would be -- and of course, good luck for the future. And my second question would be, is POCL wanting or willing to expand in the overseas market or are they going to acquire some assets out of India for their expansions?

Ashish Bansal: Any more questions? Is that the only one?

Navneet Chadha: No, this is the only question.

Ashish Bansal: Sir, we are definitely looking at opportunities in the international markets, and we're exploring. But currently, our focus, I mean, is more towards India-centric operations. And as you've seen in the past few quarters, we've been expanding domestically. The domestic demand and the demand coming from overseas market to ship out of India has been great. And India has been one of the global focus.

So our current focus is more on India, but definitely alongside, we are looking at opportunities for international expansion, and that will continue.

Once we have a good opportunity, we will definitely look at it. But definitely, we are not -- as guided earlier, we're not looking at the African markets at all.

Navneet Chadha: All right, sir. Very well noted. Thank you so much. That was the question.

Ashish Bansal: Thank you, sir.

Moderator: Thank you. The next question comes from the line of Shweta Dikshit from Systematix Group. Please go ahead.

Shweta Dikshit: Hi. Thank you again. Last question from my side. What would be the copper exit capacity at the end of FY '26?

Ashish Bansal: The copper capacity end of '26?

Shweta Dikshit: Yes, at the end of FY '26.

Ashish Bansal: The copper capacity end of '26 will be about 12,000 tons. Currently, we are operating at approximately 6,000 tons, which is in the process of expansion as well.

Shweta Dikshit: And when you say you expected to achieve 90% utilization, that's for 6,000 tons of capacity in FY '26?

Ashish Bansal: Yes, please.

Shweta Dikshit: Okay. And for FY '27, where this number could be on a total capacity of 12,000 tons?

Ashish Bansal: Again, at 90% -- in excess of 90%.

Shweta Dikshit: Okay. Understood. Thank you very much.

Moderator: Thank you. The next question comes from the line of Vaishnavi from Craving Alpha Wealth Fund. Please go ahead.

Vaishnavi: Hello. Thank you for taking my question again, sir. One question was regarding the geographical breakdown of export revenue and which regions or countries are the primary sources of lead scrap for us? And the sourcing from Africa in particular offer any specific advantage?

Ashish Bansal: I'll repeat your question. Are you asking our geographical breakup of sourcing and in specific Africa?

Vaishnavi: Sir, both and plus our export revenue breakup.

Vijay Balakrishnan: Okay. So when it comes to lead exports, our sales split is 65% exports and 35% domestic. When it comes to -- for this quarter; for copper, it is 93% export -- sorry, domestic and 7% export. So when specific to countries, see, for us, there is -- we import from different continents. So if I were to say in terms of procurement, each continent contributes about 15% to 20% of our overall procurement. So from Middle East, from Europe, from U.S., from South America, we procure from different continents.

Ashish Bansal: And in specific to Africa, the lowest procurement for us is from Africa, which is only maybe below 5%.

Vaishnavi: Okay. Thank you, sir. Just again, I would like to repeat one question. I was asking for exports revenue breakup, not domestic versus export, but just export revenues.

Ashish Bansal: So approximately in terms of numbers is what you're looking at?

Vaishnavi: Yes. In terms of percentage?

Ashish Bansal: In terms of percentage, about 65% is our export revenue, correct.

Vijay Balakrishnan: Export revenues in terms of lead, it is about INR 328 crores export.

Vaishnavi: Sorry to interrupt you, sir. I was asking for on geographic basis, like how much is from U.S. versus how much is from Europe?

Ashish Bansal: So Europe is marginally -- Europe is below 5%. Southeast Asia would contribute to about 75% to 78% and the balance would be a part of it to the Middle East and other parts.

Vaishnavi: Understood. Sir, one last question from my end. As one of the fellow participants pointed out, do we foresee any near-term risk of clients establishing in-house lead recycling capability?

Ashish Bansal: I mean we do not see a risk because if you look at the global trend that has been there and many of the large battery makers have their own internal battery recycling capacities, even to a lot of customers that we are currently supplying as well have their internal battery recycling capacities for over a decade. So that is a part of the whole industry as it is already there. So that does not really pose a large risk to us.

Vaishnavi: Understood. Thank you, sir.

Moderator: Thank you. The last question is from the line of Aadesh Gosalia from Spark Capital. Please go ahead.

Aadesh Gosalia: Congrats sir on sir, on such a good set of numbers. I just had two questions. The first one was on the new alloys that you mentioned about supplying to the international customers, right? So can you just -- like do we have any kind of order visibility in that on those orders there we have already booked those orders currently as we are so confident about maintaining the higher margins. So that was the question one.

And the second question was a follow-up on the previous participant if I might have missed the point that as you said that the exit capacity for copper would be around 12,000 metric tons for FY '26. So where will this capacity come in? And will we see any revenue from this additional capacity in the current financial year?

Ashish Bansal: So to your -- regarding your first question, regarding the specialized alloys, yes, we have a clear order visibility. See, we sign annual contracts. And starting this first quarter, we have signed the annual contract for these alloys as well, and we have a very clear visibility through the year for these alloys. And as every year it gets renewed, what we've been doing historically, the same will be renewed. And in terms of...

Aadesh Gosalia: Any number or metric tons or something that you can share some numbers on that respect, if it's possible for you, obviously?

Ashish Bansal: So it will not make a very specific sense if I just say random in terms of tonnage or something because these are measured very differently in various parameters. They are blends of different alloys, different packages that's how we do it. So in terms of metric tons, we'll not really give you a clear idea on that. And coming back to your copper question, our current copper capacity is about 6,000 metric tons. And this -- by the end of this financial year, we'll be scaling up to about 12,000 metric tons.

And this year, we'll achieve out of the 6,000 tons, we'll achieve about 90% and more. And in the next year, on the 12,000 tons also, we target to achieve a minimum of 90% and could be higher as our market goes, if we are able to ramp up much faster, it could be higher than 12,000 tons as well for the next financial year.

Aadesh Gosalia: Okay. So FY '26, we should only take in 6,000 tons as a capacity for revenue, like the revenue will be coming in from the 6,000 capacity only?

Ashish Bansal: As of now, on the conservative levels, yes.

Aadesh Gosalia: Okay, okay. Thank you. That's it for my end.

Ashish Bansal: Thank you.

Moderator: Thank you. Ladies and gentlemen, we will take that as the last question. I now hand the conference over to the management for closing comments.

Ashish Bansal: Thank you, everyone, for participating in this call. We trust that we have addressed all your queries during this session. However, if there are any remaining questions, please feel free to reach out to our Investor Relations team at Go India Advisors. Once again, we extend our gratitude to all the participants for joining us today, and thank you, and have a great day.

Moderator: Thank you. Ladies and gentlemen, on behalf of Pondy Oxides and Chemicals Limited and also Go India Advisors, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.