

Mitsuchem Plast Ltd.

(Formerly known as Mitsu Chem Pvt. Ltd.)

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Date: November 10, 2025

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Phiroze Jeejeebhoy Towers,
Dalal Street
Mumbai- 400001

Script Code : 540078

Dear Sir/Madam,

Sub: Transcript of Conference Call with Investors and Analysts held on November 07, 2025

With reference to our previous communication dated October 31, 2025 intimating you about the Conference Call with Investors and Analysts held on November 07, 2025, please find attached transcript of the aforesaid Conference Call.

Kindly take the same on record.

Thanking you.

Yours truly,

FOR MITSU CHEM PLAST LIMITED

MANISH
MAVJI
DEDHIA

Manish Dedhia
Managing Director
(DIN:01552841)

Encl: as above

Manufacturing Units

Unit-I: N-83/84, MIDC, Tarapur,
Boisar, Dist. Palghar -401506.
Maharashtra.

Unit-II: J-237, MIDC, Tarapur,
Boisar, Dist. Palghar -401506.
Maharashtra.

Unit-III: Plot No. 24/11, 24/12, 24/15, 24/8B & 25/1,
Village-Talavali (Lohop) , Post: Majgaon,
Opp. Birla Carbon Ind P Ltd., Tal. Khalapur,
Dist: Raigad, Pin: 410220. Maharashtra, India.

• Industrial Containers • Furniture Parts • Automotive Parts • Medical Devices etc.

Blow Molding | Injection Molding | Custom Molding



“Mitsu Chem Plast Limited Q2 & H1 FY '26 Earnings Conference Call”

November 07, 2025



MANAGEMENT: **MR. MANISH DEDHIA – MANAGING DIRECTOR &
CHIEF FINANCIAL OFFICER, MITSU CHEM PLAST
LIMITED**
**Ms. KASHMIRA DEDHIA – VICE PRESIDENT (FINANCE
& ACCOUNTS), MITSU CHEM PLAST LIMITED**

MODERATOR: **MR. GANESH – KIRIN ADVISORS PRIVATE LIMITED**



*Mitsu Chem Plast Limited
November 07, 2025*

Moderator: Ladies and gentlemen, good day, and welcome to the Q2 and H1 FY '26 Results Conference Call of Mitsu Chem Plast Limited, hosted by Kirin Advisors Private 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 “*” then “0” on your touchtone phone. Please note, this conference is being recorded.

I now hand the conference over to Sir Ganesh. Thank you, and over to you, sir

Ganesh: Thank you. On behalf of Kirin Advisors, I welcome you all to the conference call of Mitsu Chem Plast Limited.

From the Management team, we have Mr. Manish Dedhia – Managing Director and CFO; Ms. Kashmira Dedhia – Vice President (Finance & Accounts).

With that, now I hand over the call to Mr. Manish Dedhia. Over to you, sir.

Manish Dedhia: Thank you, Mr. Ganesh. Good evening, everyone. It is a pleasure to welcome you all our investors, analysts and participants to the Mitsu Chem Plast Limited Q2 and H1 FY '26 Earning Conference Call. We sincerely appreciate your continued support and interest in our company.

The first half of FY '26 has been a period of steady progress for Mitsu Chem Plast. We have continued to strengthen our operational foundation, diversify our product portfolio and deepen our operational foundation. Diversify our product portfolio and deepen our relationship across domestic and global markets.

Despite a challenging environment for polymer-based industries, we delivered consistent growth in both revenue and profitability, reflecting the strength of our business model and disciplined execution. Over the years, Mitsu Chem Plast has evolved into comprehensive blow and injection molding solution provider, catering to multiple sectors, including industrial packaging, infrastructure, healthcare and emergency handling equipments.

Our three manufacturing facilities in Maharashtra equipped with over 51 blow molding machines and 18 injection molding machines deliver an annual capacity exceeding to 28,000 metric tons. This scale combined with our in-house R&D and testing capabilities enable us to innovate rapidly, maintain superior quality and respond swiftly to evolving customer needs.

A key growth driver for us continues to be the Healthcare Furniture Part segment under our dedicated brand, Furnastra. The brand reflects our commitment to designing durable, ergonomic and high-quality hospital furniture and components that enhance patient comfort and operational safety. The growing recognition of Furnastra in India and overseas supported by our

participation in prominent exhibitions such as Arab Health in Dubai, MEDICA in Germany, and WXH in Miami has further strengthened our international visibility and customer base.

Our export business continues to expand steadily as we strengthen our presence across new market. Mitsu today export to more than 17 countries and our participation in major global trade fair has enabled stronger brand recall and deeper engagement with OEM client across pharmaceutical, healthcare, chemicals and FMCG sector. This momentum demonstrates the growing trust in Mitsu as a reliable long-term partner known for precision, quality and service reliability.

We also initiated capacity expansion at our manufacturing facility to cater to rising demand from both domestic and export customers. While the expansion did not impact the reported quarter, it strategically positioned us to capture the next wave of growth. The new capacity will enhance operational flexibility, improve turnaround time, and enable faster scaling of new product lines across industries.

Sustainability and responsible manufacturing remain integral to our operations. We continue to focus on energy optimization, waste recycling, and water conservation initiatives, while setting measurable goals to reduce carbon and energy intensity over time. Our efforts were recognized with the Envirocare Green Awards 2024 and the Sustainability Leader of the Year Award by FICCI, reaffirming our leadership in ESG-driven manufacturing.

Beyond business performance, we continue to invest in social impact through the Mitsu Foundation, which supports initiatives in healthcare, sports, and community welfare, including eye care programs, cancer relief, para-athlete sponsorship, and women's sports development. These efforts reflect our belief that true progress lies in creating long-term value for all stakeholders.

As we look ahead, our strategies, focus remains clear to drive sustainable and profitable growth through innovation. Operational excellence and diversification guided by our four transformation pillars, healthcare, furniture, which is Furnastra, packaging products, operational excellence and data-driven marketing, we are steadily advancing towards our long-term goal of achieving Rs. 1,000 crore in annual revenue by FY 2028.

Before I conclude, I would like to express my sincere gratitude to our employees, customers, business partners, shareholders for their trust and continuous support. Your confidence inspired us to innovate, expand and deliver enduring value year after year.

With this, I conclude my remarks and now I request Ms. Kashmira Dedhia to take you through the financial performance for the quarter and half year ended September 30, 2025. Ms. Kashmira.

Kashmira Dedhia:

Thank you, and good evening, everyone.

I will now take you through the financial highlights for Q2 and H1 FY '26:

For the 2nd Quarter of FY '26, Mitsu Chem Plast Limited delivered strong year-on-year growth. Total income stood at Rs. 92.56 crore, up by 13.63% year-on-year, driven by broad-based demand across our key segments.

EBITDA for the quarter stood at Rs. 5.88 crore, registering a growth of 24.13%, with an EBITDA margin of 6.37%, reflecting an improvement of 53 basis points.

Net profit for Q2 FY '26 came in at Rs. 1.88 crore, up by 65.72% year-on-year, with a net profit margin of 2.04% and EPS of Rs. 1.39, higher by 65.48% compared to same period of the last year.

Moving to the first half of the FY '26:

We reported a total income of Rs. 177.96 crore, up by 9.95% year-on-year. EBITDA increased by 14.03% to Rs. 10.89 crore, with margin expanding to 6.13%, a growth of 21 basis points year-on-year.

Net profit for H1 '26 stood at Rs. 3.20 crore, reflecting a 43.65% growth year-on-year, with an EPS of Rs. 2.35, up 40.72% compared to the previous year.

This result reflects the company's ability to sustain growth momentum, optimize cost, and improve operational efficiency even in a competitive environment. We continue to focus on strengthening our product mix, enhancing export, and scaling the Furnastra brand to drive profitability going forward.

That concludes my update on the financial performance. I would now request to open the floor for questions. Thank you.

Moderator:

Thank you very much. We will now begin the question-and-answer session. Anyone who wishes to ask question may press * and 1 on their touchtone telephone. If you wish to remove yourself from the questioning queue you may press * and 2. Participants are requested to use handsets while asking a question. Ladies and Gentlemen we will wait for a moment when the question queue assembles. The first question is from the line of Madhur Rathie from Counter Cyclical Investments. Please go ahead.

Madhur Rathie:

Sir, I am trying to understand why our operating margins halved in the past 2-3 years from 13% to less than 7%?

- Manish Dedhia:** Sir, sorry, what did you said in starting?
- Madhur Rath:** Sir, our operating profit margin has halved from 13% in FY '21 to less than 7% last year and 6% in the last quarter. So, what is the reason for this?
- Manish Dedhia:** See, 2021 which you are referring to COVID period which was actually a different period for many of the companies. And I think we are trying to get over the EBITDA margin and we are trying also for the same. But there is no specific reason why it has come down. But definitely there are a lot of polymer prices pressure and everything. So, our EBITDA margin is a little lesser.
- Madhur Rath:** Now, even if we compare ourselves to Time Technoplast which is in the same commodity business as we are, they are doing double the margin that we are doing. They are doing 15% operating margin. So, how is it that they are also making the same barrels that we are making? So, how is it that our margin is less than half of theirs?
- Manish Dedhia:** I will not be able to comment on any competitor these things right now, because many people or many competitors are also having many other business also. And we are only making the packaging items and this blow molding and injection molding process only. So, I would not really want to know the exact details of the other companies.
- Madhur Rath:** No, what I am trying to understand that to the best of my knowledge in amongst all the injection molding, blow molding and custom molding companies that are listed, somehow this company has the lowest margin. So, I mean, I am just trying to understand that what is the reason for that. I don't want you to comment on your competitor's business. You please comment on your own business why our margin is so low.
- Manish Dedhia:** Yes, I mean like that is what I say. So, definitely, we are also trying to get the raw material at a cheaper rate which other companies may be getting at that very lucrative prices. And being in Maharashtra, we have always some disadvantage that the power factor also a little higher than the other competitors because most of the competitors are either in Daman, Silvassa or Gujarat. So, obviously that is also makes lot of difference. So, other expenses, if you compare to other states, always we are on a little higher side. So, considering all the expenses and everything, yes, our margins are little low.
- Madhur Rath:** So, now we are doing something like Rs. 350 crore revenue on trailing 12-month basis. So, how realistic is the Rs. 1,000 crore revenue target over the next 1.5 years?
- Manish Dedhia:** So, we have some plans, which we are working on that, and definitely we will come out very soon that what are our plans. And I think that we will also announce how we will achieve those Rs. 1,000 Cr projections.

Madhur Rathi: I mean is it organic target? or it is contingent upon some M&A activity?

Manish Dedhia: We will announce very soon what are the plans and everything because yet we haven't declared anything yet. So, let us wait for sometimes.

Madhur Rathi: And what was the volume during H1 and during Q2 of this financial year?

Kashmira Dedhia: H1 FY '26?

Madhur Rathi: Yes.

Kashmira Dedhia: So, the capacity utilization is around 70%, 71%, sir.

Madhur Rathi: Ok. And for this financial year, what is the total sales volume that we are targeting? Like, last year we did 20,800 tons. So, for this financial year, what is the target that you are working with?

Manish Dedhia: So, I think last time, as I mentioned, at least this year we are targeting at least 15% to 20% growth.

Madhur Rathi: Volume growth.

Manish Dedhia: And we have more capacity is also unutilized. That also we are trying to utilize the same.

Madhur Rathi: So, basically, 15%, 20% volume growth year-on-year?

Manish Dedhia: Yes.

Madhur Rathi: And in the first half, what kind of volume growth have we done versus last year same period?

Manish Dedhia: Same period, yes, six to six months.

Kashmira Dedhia: So, around 9%, sir.

Madhur Rathi: So, then in H1, we did 9%, but in full year, our target is to do 20%. So, then in H2, what kind of volume growth will we have to do?

Manish Dedhia: So, little more we have to do for sure. Because, I think and we have also adding many customers. We have added a quite good number of customers in last two months and we are hoping to get more business from them.

Madhur Rathi: But 30% kind of volume growth is possible in H2.

- Manish Dedhia:** Yes, because we are at around 70% of our growth right now and also you must have seen, we have just added two new machines in last week, and we are adding some of the machines also. So, that way also we are in the progress of installing some new machines also.
- Madhur Rathi:** Now, if I see our segment breakdown, then our, the whole growth in the past four years, three years has come from container segment. Our furniture segment has actually remained stagnant from Rs. 36 crore in FY '22 to Rs. 38 crore last year, whereas our other segment has actually declined from Rs. 21 crore in FY '23 to Rs. 8 crore last year. So, to the best of my understanding, the lowest value-add segment, which is the proper pure commodity segment, that seems to be showing the maximum growth and the high value-added segment seem to be either declining or stagnant.
- Manish Dedhia:** So, exactly it is not like that. So, I will tell you. So, what happens is like we have added some more capacity also in containers with the value addition and with the new product in the packaging containers item. So, it looks like we are growing in that, but definitely we are growing in the furniture parts as well. And as I said in my con call speech that we are adding customers. We have already now exporting to around 17 countries. So, maybe you will find a good results because I think this is the starting. So, we have just started export. So, these are all the infrastructure product. It takes some time to give the fruits, but once it will started, it will have a good impact on the overall business.
- Kashmira Dedhia:** So, I would like to add, sir. To be very specific, if we compare this half year to the last half year, in the niche product of furniture part, we have grown by 32% if we compare the value, and if we compare the last two financial year full '23-'24 and '24-'25, the growth in value was 28% in the niche product of hospital furniture.
- Manish Dedhia:** Hospital furniture, yes.
- Madhur Rathi:** So, if you could just make us understand that out of the blow molding, custom molding and injection molding, which segment is what? Like blow molding is for containers, that much is clear. For our furniture parts, basically hospital furniture parts, it is injection molding?
- Manish Dedhia:** It is a mix of both, blow molding and injection molding. Every process are both mix, blow molding and injection molding.
- Madhur Rathi:** So, basically, is our capacity interchangeable between all three segments?
- Manish Dedhia:** No, you can't say it that way. Yes, so my blow molding, yes. Like that, yes.
- Kashmira Dedhia:** So, it is flexible in product vertical, sir, in container and hospital furniture. The capacity is flexible in both the...

Manish Dedhia: We have to do very minor changes, yes.

Madhur Rath: And also recently, there has been some anti-dumping duty on blow molding. So, are we impacted by that?

Manish Dedhia: Sir, as far as my knowledge, I do not have this particular knowledge yet.

Madhur Rath: Right, Sir, so now, what percentage of our business is B2C or 100% is B2B business?

Manish Dedhia: Most, I think, we are almost B2B only.

Madhur Rath: So, this Furnastra thing, it is also B2B?

Manish Dedhia: Yes, yes, B2B, B2B.

Madhur Rath: No, like, even B2B business can be branded. I mean, if institutional hospitals are buying our plastic beds, so are we selling under our own name or are we doing white labeling?

Manish Dedhia: Both. So, we have launched our Furnastra brand. So in that, the furniture brand, the furniture parts brand is Furnastra. So, we are also supplying into Furnastra brand also.

Madhur Rath: Sir, what is the EBITDA per Kg and realization per Kg across our container, hospital beds, and the custom molding segment?

Manish Dedhia: So, it is like, I will say, you know, you are talking about the generic, right?

Madhur Rath: Yes, generic realization per Kg, if you can just give me.

Manish Dedhia: So, generally, container gives around 3% to 8% mainly. And the furniture and other niche items gives around 15% plus.

Madhur Rath: Sir, in our investor presentation, we have given one slide where we have showcased the HIV test and all these products that we manufacture. So, have we been able to get any pharma company or some kind of customers in this segment? Or is it just that we can manufacture this, but we haven't been able to get a customer for this yet?

Manish Dedhia: Sir, out of our around 900 customers, around 30% are my pharmaceutical clients. 25% to 30% are my pharmaceutical clients. So, all biggies are our most of the, our client. So, pharma and chemical all together is around 35% to 40%.

- Madhur Rathi:** Sir, so then why are our margins so low? Because, sir, if I compare with similar players in the industry, even they supply to these customers and their margins are 12%, 13% just in the container segment.
- Manish Dedhia:** Yes, I know, I will not be able to comment on the other's margin, but yes, we are, I can say, and I can agree with some of the things that, yes, we are lower in the margin. So, we are trying to get over that thing. Still the progress is on. You will see the better result very soon.
- Madhur Rathi:** Sir, so for doing 20% volume growth this year, we will have to do 14,000 ton in H2. So, you think with the new clients you are onboarding, that looks possible?
- Manish Dedhia:** Looks possible, because, see, we are increasing our capacity and Q3, Q4, as I said, we have added some customers. So, we are planning, I mean, like, we are also trying to get over capacity utilization more. So, hope for the best. I think this is what we are assuming and definitely you know the economic market should also support us, then we can achieve those target.
- Madhur Rathi:** Sir, then what is the pricing arrangement that we have with our customers? Is it a monthly, quarterly, yearly fixed price contract or is it a formula based pricing wherein the raw material is passed through? What exactly is the arrangement?
- Manish Dedhia:** It is generally monthly prices. Most of the customers having a monthly, only some of the customers are having quarterly prices. So, the prices change, and we have to either pass on or we have to take that price addition.
- Madhur Rathi:** What is the trend in raw material prices?
- Manish Dedhia:** So, you are talking about the past or you are talking about the future?
- Madhur Rathi:** No, I am talking about last quarter and present.
- Manish Dedhia:** Yes, it was a stable, prices was a stable. So, there are a lot of import material also coming and some traders are selling at a lesser cost. So, there are disruption in the market for sure to, I mean, like yes, so you can say little volatile, not too much.
- Madhur Rathi:** And what are our main raw materials?
- Manish Dedhia:** HDPE.
- Madhur Rathi:** HDPE.
- Manish Dedhia:** Yes.

Madhur Rath: And what percentage of our total raw material is the HDPE?

Manish Dedhia: So, total in the production you are talking about?

Madhur Rath: Yes, out of the total raw material consumption, HDPE would account for roughly how much?

Manish Dedhia: I think 90% like.

Madhur Rath: 90% is the HDPE.

Manish Dedhia: Yes, 90% is the HDPE.

Madhur Rath: Sir, so is it a possibility that our raw material procurement itself is higher than the industry and that is why our margins are low? Because to the best of my knowledge our competitors are buying directly from the petrochem plants.

Manish Dedhia: We are also buying from the petrochem plants. Some of the buyers having a more buying power or such as the quantity wise and petrochemicals always gives the more discounts to the higher volume and so on. And like somebody uses a different type of material also, adding a mixing material or something like that. So, as a company, we have to be very safer side because we are supplying to too many chemical and pharmaceutical company. So, we have to adhere to some of the norms also. So, we restricted to use only prime materials. So, these are also one of the reasons.

Madhur Rath: So, I was trying to understand that in our hospital furniture, a high value-added business, sir, what is the constraint? I mean, is there no demand or are we not qualified from a majority of the institutional hospitals? Sir, why are we not able to ramp up this side of the business? We can reduce the utilization in the commodity segment, container segment and increase the revenue in the high value-added segment, but so why is it not happening? What is the constraint over there?

Manish Dedhia: So, sir, if you have studied my results, see, every year we are growing that segment, and it is a highly technical product, and this is the infrastructure product. So, once hospital built up, my demand will come up, but once the hospital built up and the bed is installed, then there will be no demand further. So, recurring business will not be there in that particular segment.

So, definitely in India and in abroad, so compared to abroad, India will have a more market than abroad. Still we are also exporting to 17 countries and I think this kind of products we are slowly, slowly will come up, and we are definitely focusing on that.

We are probably said we have developed our own brand which is Furnastra, and we are the largest one who has a complete, I mean, maximum design compared to our competitor worldwide. Please go ahead.

- Madhur Rath:** So, lastly, sir, I just wanted to say that I hope you have heard of Shaily Engineering Plastic. They are also in the same business basically, sir, but they are making medical instruments of a far higher value-added. So, can we in future, do we have the capability to make the products that they are making or do you hope to reach there in future?
- Manish Dedhia:** So, again, I will not be able to comment on any competitor's business because every business has a different, different set of thought process and different set of business completely. But yes, see, we are into this furniture parts segment, which is the hospital furniture parts, and we are doing, I think, you can see more of the progress in that. And also we are adding many, many more new products, many more new products. I think in last six months also we have added around 25 plus product and in coming year also we are adding. So, our new development is in full force and we are coming up with the many new products.
- Madhur Rath:** Ok Sir, great, Thank you very much.
- Moderator:** Thank you Sir, I hope your questions are answered. The next question is from the line of Aditi Roy, an individual investor. Please go ahead.
- Aditi Roy:** Thank you for giving me the opportunity. Sir, I just want to understand how are you managing costs and availability for key materials?
- Manish Dedhia:** How? Can you repeat the question? And can you speak, a little louder please?
- Aditi Roy:** Yes Sir, Am I audible now?
- Manish Dedhia:** Yeah, but can you please come a little bit near to the mike please.
- Aditi Roy:** Yes Sir. I just want to understand how are you managing cost and availability for key materials?
- Manish Dedhia:** Ok, So, you know most of the polymer cost has been defined worldwide and the price has been already defined worldwide with the demand supply gap and crude oil and dollar prices. And definitely with this also there are many other area where the prices goes up and goes down. But we are at least trying to get over material from the main suppliers. So, the availability we have at least MoUs with some of the suppliers, so we get that preference.
- Aditi Roy:** Ok Sir. And say, how do you protect margins? Means what is your approach to pricing discipline in tenders and long-term contracts?
- Manish Dedhia:** We are not working too much on contracts, but yes, so some of the contracts, so it is always whenever the price change monthly, it is on a formula basis.

- Aditi Roy:** And sir, I just want to know what is the current revenue share of value added or customized product, and what is the target over the next year?
- Manish Dedhia:** So, what is the target of?
- Aditi Roy:** For next year? Means sir, what is your current revenue share for value added or customized products, and what is your target for?
- Manish Dedhia:** So, right now we are at around 84% of our commodity business like containers and around 15% are furniture and other infrastructure product, and our target is around 20% for this year. So, furniture parts and others, we have a target of around 20%. So, value-added item is 20% right now.
- Aditi Roy:** And sir, any products or certification or audits are scheduled in the next year that will help for revenue gain to increase the top line?
- Manish Dedhia:** So, I think audit from the customers is always lined up in our company because as I said, we are supplying to many of a pharma and chemical company. So, I think audit is an ongoing practice for Mitsu. But there is no such specific certification as of today. But yes, if any legal requirement for any certification, we are always go ahead with that thing.
- Aditi Roy:** And sir, what progress have you made on PCR-enabled products, and how are customers responding on specification and pricing?
- Manish Dedhia:** Yes, good question because I think today's burning issue is sustainability. And yes, I think Mitsu was the first company who was giving PCR product since I think 1.5 year that we are ready with all our PCR facility from 100 ml to 250 litre. But the customers are also very cautious because some of the customers are, see, I supply to pharma, I supply to food. And PCR is not allowed in food and pharma. But yes, chemical companies, many companies have started this. And further also we are ready and we are already doing a lot of value engineering where we can use more PCR.
- Aditi Roy:** Ok Sir, Thank you Sir, That's it from my side. All the Best Sir.
- Manish Dedhia:** Ok, Thank you Ma'am.
- Moderator:** Participants who wish to ask questions may press Star and One. The next question is from the line of Preetam Shah, an individual investor. Please go ahead.
- Preetam Shah:** So, I have a couple of questions with me. So, I will just start with the first one. So, I just wanted to know how will you expand your distribution footprint to reduce lead times in the underpenetrated regions?

- Manish Dedhia:** Sir, can you just repeat your question once, please?
- Preetam Shah:** So, I wanted to know how will you expand your distribution footprint to reduce lead times in underpenetrated regions?
- Manish Dedhia:** Ok Great. So, I think whatever I have understood, I will reply. So, in hospital furniture, yes, see, we have, I think, one of the distributors in Northside. So, he also, he has our stock ready with them. So, anytime we supply just in time, we have our own godown in Hyderabad. So, there also we have enough stock where customer comes and picks up or maybe we deliver in very just-in-time like that. And also we dispatch directly because we also have a lot of quantity. Generally, this is an infrastructure product and so you know most of the things are very planned. So, they always give a proper date. So, we supply on that particular date. About commodity business, yes, it is mostly 300 kilometer radius. So, that we supply from our factory only.
- Preetam Shah:** So, specifically, if we talk about the exports, do we have any currency exposure? And if yes, how are we managing the hedge, managing and hedging the pricing?
- Manish Dedhia:** Yes, as of today, the export volume is very low. We are hedging some of the amount where it is very confirmed. So, most of the amount is in advance. So, we don't have to take in a hedge fund, hedging of that money.
- Preetam Shah:** So, any talent or incentive changes to support, I would say, execution of sales or operations or any product development? So, do we have any incentive regarding?
- Manish Dedhia:** No, sorry, sir, can you repeat the question? I am sorry.
- Preetam Shah:** I am asking any incentive or any talent changes in monetary terms, you can say, to support execution of sales, operation and product development?
- Manish Dedhia:** Sir, we do a lot of exhibitions worldwide. So, I think, the world's largest exhibition is coming up in Germany in MEDICA. It is called MEDICA, which is in November third week. So, we are taking part in that. ArabPlast, I think in U.S., Latin America, so we are taking part in all the exhibitions and definitely the leads are generating from there. Generally, from lead to the business, it takes around one year time because these are many technical products. We have to make new shapes and design. So, it takes around one-year time to convert the customer.
- Preetam Shah:** Each segment like chemical, agro, pharma, FMCG, which end market are the most supportive you can say or the capacity aligned to them?
- Manish Dedhia:** Yes, so for that we are participating in exhibition in near, like, it is happening in Mumbai ChemTECH Expo. So, we take a part in that and definitely we have huge sales teams. So, they approach directly because you required a one-on-one interaction for that.

- Preetam Shah:** So, considering this, do you have any customer concentration risk or what are we doing to manage if you scale up, so do we have any guardrails regarding?
- Manish Dedhia:** Sorry, sir, I am not able to understand. And your voice is getting and I am not able to hear your complete voice. I think you are not in the range actually.
- Preetam Shah:** Am I audible?
- Manish Dedhia: It is good but sometimes it is coming and sometimes it is completely vanished.
- Preetam Shah:** So, my question is do we have any customer concentration risk and do we have any guardrails to manage that as you scale up? Like how do we protect that?
- Kashmira Dedhia:** So, your first question is, sir, customer concentration risk. So, the customer base is such that not more than 2% to 3% or 5% we are serving to any one particular customer. So, I, as a Finance Head, don't find the major customer concentration risk. And what was the second question, sir?
- Preetam Shah:** So, let's say, if you do not have the customer concentration risk, that's okay. So, if you scale up, do we have any guardrails or any protection to manage that concentration?
- Kashmira Dedhia:** Yes, sir. So, the protection to manage the customer concentration risk? So, you mean to say, how we manage the customer concentration risk, if it persist?
- Preetam Shah:** Yes.
- Kashmira Dedhia:** So, if you see the history of the Mitsu Chem, sir, we serve to the many different industries chemical, pharma, FMCG. So, yes, we don't find the fall in all the industry at the same time. So, that way the risk is managed till now.
- Manish Dedhia:** Risk is divided.
- Kashmira Dedhia:** Yes. And the totally different segment of hospital bed furniture part.
- Preetam Shah:** Ok, Thank you, That's all from my side.
- Kashmira Shah: Ok
- Moderator:** Thank you, The next question is from the line of Chandersh Singh as an individual investor. Please go ahead.
- Chandersh Singh:** Thank you for giving me the opportunity. So, sir, my question is what cash conversion and free cash flow do you target for this financial year?

- Kashmira Dedhia:** Cash flow?
- Chandersh Singh:** No, I was asking what cash conversion, free cash flow do you target for this financial year?
- Manish Dedhia:** Sir, sorry, we are not able to understand your exact questions. You are trying to say the profitability and the exactly cash flow or what exactly you want to know?
- Chandersh Singh:** So, just tell me about the cash flow. So, what free cash flow do you target for this financial year?
- Kashmira Dedhia:** So, sir, ours is majorly a debt-based company, so I am still not understanding the free cash flow, sir. Do you mean to say how much is getting added to the internal accruals of the company this year?
- Chandersh Singh:** Just tell me what CapEx has been approved for the next 12 to 18 months, and what are the commissioning timelines?
- Manish Dedhia:** So, we haven't declared any of the project yet. And as I said in my last this thing, one of the questions, we are working on to achieve that Rs. 1,000 Cr target and the plans are under this thing. So, once we are very through, we will definitely inform the Board and then maybe we will come out with the things.
- Chandersh Singh:** OK Sir, Thank you. I will join back the queue if I have any more questions.
- Manish Dedhia:** Thank you.
- Moderator:** The next question is from the line of Vrushali Shah as an individual investor. Please go ahead.
- Vrushali Shah:** Thank you for this opportunity. So, my question is, what contribution do you expect from closures and caps? And how does the margin profile compare with the base packaging?
- Manish Dedhia:** Yes. So definitely, we are very bullish on cap and closure. And I think we are trying to acquire many more customers in that as we are going for a very new development on the same. The margin, operating margins are good enough. I think 10% plus you get a good EBITDA margin there and also you get a good quantum. So, we are also hopefully to get more business in that.
- Vrushali Shah:** Thank you for answering that. My next question will be, how will the healthcare components portfolio scale over the next year, and what margin profile are you targeting?
- Manish Dedhia:** So, I can say, see, right now we are at around 15%, 14%, 15% and we have a target of 20% to 25% over the period. So, this year we have kept a target of around 20%. We will achieve nearby, not exactly the target, but yes, the next year we have kept it at least 20% to 25% target.



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- Vrushali Shah:** Ok. So, I have one more question. What is the approval pipeline for new healthcare SKUs and what are typical conversion timelines from trials to repeat orders?
- Manish Dedhia:** No, so we have a many orders are already we have supplied. As I said, we have supplied already to 17 countries. So, many companies have approved and some of the under approval. So, I hope to get many more repeat orders from those countries.
- Vrushali Shah:** Ok. Thank you for that Sir. That's all. Thank you for answering my questions.
- Moderator:** Thank you. As there are no further questions from the participants, I now hand the conference over to Ganesh from Kirin Advisors Private Limited for closing comments. Over to you, sir.
- Ganesh:** Thank you everyone for joining the conference call of Mitsu Chem Plast Limited. If you have any further queries, you can write to us at research@kirinadvisors.com Once again, thank you everyone for joining the conference.
- Manish Dedhia:** Thank you very much.
- Kashmira Dedhia:** Thank you, everyone.
- Moderator:** On behalf of Kirin Advisors Private Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.