Management Discussion

Aditya Pal - Analyst, MSA Capital Partners
Thank you. On behalf of Systematix Institutional Equities, we welcome you all to the Q2 FY27 and Earnings Conference Call of Stylam Industries Limited. From the management side, we have Mr. Jagdish Gupta, Managing Director; Mr. Manit Gupta, Whole-Time Director; Mr. Krishan Nagpal, Chief Financial Officer; and Mr. Sanjeev Madan, Vice President. I will now hand over the call to the -- to Jagdish ji for his opening remarks, followed by Q&A session. the call will be scheduled for about 45 minutes, and no repetitive question be asked. Over to you, sir.

Jagdish Gupta - Managing Director, Chairman, Stylam Industries Ltd
It is my pleasure to welcome you to Stylam Industries Limited Conference Call for the second quarter and half year ending September 30th, 2026. On behalf of the entire leadership team, I would like to extend my sincere appreciation for your continuous trust and confidence and support in Stylam Industries. In the interest of time, rather than taking you through the presentation in detail, we would like to make the session interactive and engaging with a focus on addressing your questions and sharing our perspective on the company's performance, business outlook, growth opportunity, and strategic priorities.

With this opening remark, I would now request the moderator to take over and open the floor for question-answer session. Thanks again for joining us today. We look forward to insightful and constructive interaction with all of you. Thanks.

Questions & Answers

Operator
Thank you very much. We will now begin the question and answer session. [Operator Instructions] . The first question is from the line of Keshav from HDFC Securities. Please go ahead.

Keshav Lahoti - Analyst, HDFC Securities
Hi, thank you for the opportunity. So first thing I want to understand, so now the new plant has commissioned, what is the outlook for the same? How is it, you know, ramping up? Has it started commercial products? Production and what sort of revenue are we expecting for this year from that plant?

Jagdish Gupta - Managing Director, Chairman, Stylam Industries Ltd
Plant is already started one by one. Two presses is already start, third one is going within two days, three days and fourth also within few days. Within this month plant will be fully operational, but the problem we have orders in hand for export But the problem we are facing is due to this war, ocean freight, and non-availability of vessels to Middle East countries. So even then we are expecting INR 250 crore to INR 300 crore turnover this year from the new plant.

Keshav Lahoti - Analyst, HDFC Securities
Understood. All right, tell me one thing. If I see your export realization worksheet by the volume data what you have reported, that is just up by 1% year on year. So ideally considering that now ocean freight are up, you know chemical prices have increased, s o ideally export utilization worksheet should have increased by double digit. So what am I missing or has the product mix become more like a common you know low low margin product or more like a you know low revenue product you

have sold in this quarter?

Jagdish Gupta - Managing Director, Chairman, Stylam Industries Ltd
[Foreign Speech] I think can you [Foreign Speech]

Krishan Nagpal - Chief Financial Officer, Stylam Industries Ltd
Keshav [Foreign Speech] good afternoon, Krishan Nagpal here [Foreign Speech] last year [Foreign Speech] average realisation [Foreign Speech] export [Foreign Speech] 161 rupees [Foreign Speech] per kg [Foreign Speech] per kg realisation export [Foreign Speech] 186 rupees [Foreign Speech] realisation [Foreign Speech]

Keshav Lahoti - Analyst, HDFC Securities
[Foreign Speech] quarter [Foreign Speech] year on year [Foreign Speech] 1% increment [Foreign Speech]

Krishan Nagpal - Chief Financial Officer, Stylam Industries Ltd
[Foreign Speech]

Keshav Lahoti - Analyst, HDFC Securities
Okay, okay [Foreign Speech] offline. And one last question from my side, we has seen EBITDA margin, you know, which used to be around 19%, 20% , this quarter is down to 17%. We have seen a sharp increase in other expense by 40%. What is ther reason for the increase? I mean, what is the margin output in upcoming quarters?

Jagdish Gupta - Managing Director, Chairman, Stylam Industries Ltd
First of all it is 18%, not 17%.

Krishan Nagpal - Chief Financial Officer, Stylam Industries Ltd
[Foreign Speech] EBITDA margin is eighteen point something percent [Foreign Speech] Export incentive [Foreign Speech] EBITDA is 18 point something percent

Keshav Lahoti - Analyst, HDFC Securities
But the outlook is what like last quarter it was 21 % so should we expect this to be back to, you know, 20% what we are doing in couple of quarters or this is the normal, 18%.

Krishan Nagpal - Chief Financial Officer, Stylam Industries Ltd
[Foreign Speech] war situation [Foreign Speech] and everyone knows what is happening with the crude and the raw material prices so if we say that [Foreign Speech] we really can't and -- we we really can't comment on this particular point whether it will be 18%, 16%, 15%, 10% or 20% [Foreign Speech] situation day to day basis [Foreign Speech] top line has increased because that means we are doing something good a better margin [Foreign Speech] not only laminate industry it would be any industry in the world only due to the crude prices.

Jagdish Gupta - Managing Director, Chairman, Stylam Industries Ltd
And another thing, another thing you will notice that if you compare last half year versus this half year, we are better off in this half year in comparison with the previous half.

Keshav Lahoti - Analyst, HDFC Securities
Right, right, right. Got it, got it. Okay, thank you so much.

Operator
Thank you. [Operator Instructions] Next question is from the line of Aditya from MSA Capital Partners. Please go ahead.

Aditya Pal - Analyst, MSA Capital Partners
Yeah, am I audible?

Operator
Yes, you are.

Aditya Pal - Analyst, MSA Capital Partners
Yeah, thank you so much for the opportunity. Sir, great, great set even after this macroeconomic setup. So just wanted to get -- understand from you that exports -- so it's a tale of two stories, right? Export is doing really well, domestic is still subdued. So if I want to double-click on exports and try to understand what is really driving this growth, and once the new plant comes in, how large can export again -- how fast can export grow? So that is two . One is understanding what is driving this growth, and second, a forward-looking outlook on exports.

Krishan Nagpal - Chief Financial Officer, Stylam Industries Ltd
So I think firstly I'll talk about the domestic one which you said. Domestic, I think we are actually revamping it, and which was not going okay since the last so many years. So I think it will take another one quarter. I think in the last call also we said that it might take two to three quarters to get it revamped, and you will see a drastic change in the domestic market as well. I would say this coming quarter as well as Q4. So that is the domestic one which you didn't ask, but I would like to highlight that.

Now talking about the export, i n export market also, the global manufacturing is getting a little bit affected by multiple reasons. It can be energy cost, it can be labor cost, it can be different raw material prices everywhere in the world, due to which European or other manufacturers are facing a problem manufacturing and competing it with India. So I think that would be one of the points where we as a manufacturer are taking their market share. And as of now it looks okay, but no one knows what will happen as per the global issues happening in each and every region.

But from our side, we don't think any issues going forward as well for the export market and domestic market to which we are revamping.

Aditya Pal - Analyst, MSA Capital Partners
Understood, understood. So my second question, thank you so much for answering on the domestic point as well, is if I look at -- if I look at your gross profit, or what you call internally, contribution margins, they have not budged even at these -- even in these difficult times. So yes, we have taken a hit on the EBITDA margins, but our contribution margin has has remained steady.

So two points on this that I want to understand. One is the new plant is coming and there would be some teething issues, there would be -- it could be working i n a lower capacity, utilization for thH first half at least till you ramp up. how do you see the margin profile in terms of for the contribution margin profile for the company level, both the new plant coming in and the raw material scenario that we are in. Do you think we can hold on to this? Or -- and [Speech Overlap] once the capacity utilization of the new plant reaches your optimum utilization, can we better -- can we better from there?

Krishan Nagpal - Chief Financial Officer, Stylam Industries Ltd
Can be better. First of all, we'll try to -- or not we try, we will definitely make it that we will hold at least this much of the margins you're alking about. Secondly, the ramp-up or the util -- or the teething issues. I think there won't be any teething issues. There might be issues of just a few weeks because this is not a new product what we are manufacturing. It's exactly same product and we know how to do so.

So it might not take us half a year or one year to reap or to get the plant stabilized. Yes, if the market reacts in a proper way, the global geopolitical issues, whatever is happening definitely the margins might be better as well.

Aditya Pal - Analyst, MSA Capital Partners
Understood. If I can just squeeze in one more question.

Krishan Nagpal - Chief Financial Officer, Stylam Industries Ltd
I think you can ask the moderator one.

Krishan Nagpal - Chief Financial Officer, Stylam Industries Ltd
Should you have a follow-up question, please rejoin the queue.

Aditya Pal - Analyst, MSA Capital Partners
All right, thank you.

Operator
Thank you. Next question is from the line of Surender Singh from My Equity Sherpa. Please go ahead.

Surender Singh - Analyst, My Equity Sherpa
Hi sir, good afternoon. I hope I'm audible.

Jagdish Gupta - Managing Director, Chairman, Stylam Industries Ltd
Yes, sir.

Surender Singh - Analyst, My Equity Sherpa
Yeah, thank you. So sir, you mentioned that this worldly disorder is leading to other expenses elevation. Yeah, a lot of folks are facing it. I was just wondering whether it is leading to only headwinds or we are getting some better opportunities to make inroads into new clients for increasing our exports because of this?

Krishan Nagpal - Chief Financial Officer, Stylam Industries Ltd
Yes, it would be that way also.

Surender Singh - Analyst, My Equity Sherpa
Okay. Second thing, sir, congratulations on this new plant. It was something which was going on for a long time. With this in place now I'm just looking for your views that what are the things which are exciting you today because of which our numbers will improve in coming times. So your thought process around it?

Krishan Nagpal - Chief Financial Officer, Stylam Industries Ltd
No, sorry, I couldn't understand your question. Exciting as in?

Surender Singh - Analyst, My Equity Sherpa
At management level, many things happen today, the results of those will come two years later and all, right? So once this plant is in place, we have this bandwidth available now. So what are the areas which are kind of exciting for us today, which will show up in numbers but in future not now?

Krishan Nagpal - Chief Financial Officer, Stylam Industries Ltd
In future, there are multiple things which we have already considered, and we were just waiting for this plant to start within the next two months to three months. Once the plant is completely stabilized with all the presses running properly and we have that kit for the board domestic, because that is also we're going to revamp, we are looking for other avenues as well side by side.

Surender Singh - Analyst, My Equity Sherpa
Okay, sir. Thank you. Thanks a lot.

Operator
Thank you. Next question is from the line of Chirag Shah from White Pine Investment Management. Please go ahead.

Chirag Shah - Analyst, White Pine Investment Management
Yeah, thank you for the opportunity, sir. Just a clarification before I ask a question. S ir, if you can just quantify, you feel that sequentially there is a 200 bps or almost 300 bps margin decline and It appears everything is coming from other expenditure, maybe some staff cost because of new plant. So if this freight-related issues, what was the impact? If you can just quantify, because it will help us to understand that once the issue goes away, how should we look at it? And any other one-offs -- any other major one-off which led to this 300 bps decline in margin?

Krishan Nagpal - Chief Financial Officer, Stylam Industries Ltd
We also mentioned in the presentation very clearly that almost 3%, 3.5% is due to energy cost and freight cost. It was very simply mentioned.

Chirag Shah - Analyst, White Pine Investment Management
I missed that, sorry.

Krishan Nagpal - Chief Financial Officer, Stylam Industries Ltd
It waw only ocean freight and second thing is the energy cost. Energy cost means use of pet coke or coal or gas what we are using. [Speech Overlap]

Chirag Shah - Analyst, White Pine Investment Management
[Speech Overlap] so that is the biggest driver. Sir, my question is actually now that Aica Global [Phoentic] has come in, what kind of discussions till now you had with respect to integration, be it product, be it sales, anything -- anything that you would like to highlight? What are the -- because there are opportunities in terms of products which is available to us, even in terms of the geographies are available to us. If you can just talk about that.

Krishan Nagpal - Chief Financial Officer, Stylam Industries Ltd
Are you talking here about Aica or?

Chirag Shah - Analyst, White Pine Investment Management
Aica. I mean, the...

Krishan Nagpal - Chief Financial Officer, Stylam Industries Ltd
As of now, sir, I think it's been just another -- just been four months. So they came on board on 15th of June or 16th of June. So it's been just four months. So there are still multiple talks, multiple discussions happening, but nothing as of now where I shall highlight or inform everyone that something is happening and that might last or do something. But all the efforts are going on by Stylam itself directly in the market.

Chirag Shah - Analyst, White Pine Investment Management
And sir, my question is on exports. Sir, Middle East used to be, including Israel, used to be a big part of our revenue. And because of Israel war, we had lost some part of Israel revenues. So today, given the war situation, are we affected even in the rest of the Middle East area in terms of our revenue? So the export numbers that we see --

Krishan Nagpal - Chief Financial Officer, Stylam Industries Ltd
Not yet.

Chirag Shah - Analyst, White Pine Investment Management
Not yet.

Krishan Nagpal - Chief Financial Officer, Stylam Industries Ltd
Not yet. But again, we might lose if there is a war again, which everyone was predicting. So even if the Saudi airspace is blocked or something happens there in the Middle East, so it would be affected to everyone, not only specifically Stylam. So that would be for every product being supplied from India. As of now, it doesn't seem to be, but we cannot predict the future of the next two months, three months.

Chirag Shah - Analyst, White Pine Investment Management
So as of now our revenues are not really affected, it's only shipping [Speech Overlap]

Operator
Sorry to interrupt sir, should you have a follow-up question please rejoin the queue. Next question is from the line of Rahul Singh, an individual investor. Please go ahead.

Rahul Singh - Analyst, Individual Investor
Yeah, good afternoon and what I've heard from sources is that it is one of the best plants using the latest technology in the world, and I would like the management to comment on that also. And my question is particularly related to these -- first part is related to the, your CWIP of INR 12.41 crore. So I'd like to know if that is pertaining to the new plant or you are upgrading the earlier plant also a s per the latest standards.

Krishan Nagpal - Chief Financial Officer, Stylam Industries Ltd
This is primarily related to the new plant.

Rahul Singh - Analyst, Individual Investor
So there is some works which are still pending at the plant. It's not commissioned at the --

Krishan Nagpal - Chief Financial Officer, Stylam Industries Ltd
Yeah so far as operational plant is concerned, that is complete. So as informed by our managing director, that two presses are still in the pipeline, that is related to those presses only. And there are

some other, you know, construction work or some outside wall and other improvement in roads and all that, so that relates to that.

Rahul Singh - Analyst, Individual Investor
Okay. And any plans of upgrading your old plant also to the -- upgrading your old plant to the latest standards?

Krishan Nagpal - Chief Financial Officer, Stylam Industries Ltd
Yes, sure, we are doing so side by side. A little contribution in this is also for both the old plants, just you can say filling up the bottlenecks wherever we can just to have more capacity in the old plant or maybe able to utilize more there.

Rahul Singh - Analyst, Individual Investor
Okay. And I'd like you to comment on your solid acrylic services business. Like, it's been very small and contributing very little to the overall business. So like, with Aica Kogyo coming up, is there any synergy coming up which -- where, you know, Aica would be opening new ways for this business to prosper?

Krishan Nagpal - Chief Financial Officer, Stylam Industries Ltd
Nothing, sir. As of now, there is nothing. Again, domestic acrylic surfaces business is just similar to -- as we were talking earlier, similar to domestic market. So we're actually revamping it because we didn't do any domestic or export sales in the last two years, three years for this particular product. So as soon as and when we are revamping the domestic laminate business, you will see a change in the domestic acrylic as well in the coming one quarter to two quarters. And same what we are doing for export.

Rahul Singh - Analyst, Individual Investor
Understood, understood. And like my earlier thing, like the new plant is as per the, you know, latest technology and the best in the world I hope so, because that's what I heard from -- yeah.

Krishan Nagpal - Chief Financial Officer, Stylam Industries Ltd
Yes, I think this is by far the largest and the most advanced plant.

Rahul Singh - Analyst, Individual Investor
Okay, so my heartiest congratulations to the team, and I wish you all the success in the business. Thanks a lot.

Krishan Nagpal - Chief Financial Officer, Stylam Industries Ltd
Thank you.

Operator
Thank you. Next question is from the line of Rudraksh Raheja from iThought Financial Consulting. Please go ahead.

Rudraksh Raheja - Analyst, iThought Financial Consulting
Yeah, thank you for the opportunity, sir. So I wanted to ask on the exports volume growth that we have witnessed. It's actually more than 30%, 35% in this first half. So what would be the rate that you would be actually comfortable? You mentioned that we are gaining market share because of all the uncertainty going on in global markets, but in let's say in peace time when this uncertainty

subsides a little, what is the kind of volume growth that we should witness in exports?

Krishan Nagpal - Chief Financial Officer, Stylam Industries Ltd
Sir, [Foreign Speech] again very difficult to actually answer it. But yes, there has been a volume growth for us. We are targeting more markets wherever we could. Looking at different product segments in our HPL as well. Going forward, we will try to keep or manage the same, or maybe even increase more volumes in different parts and different product ranges.

Rudraksh Raheja - Analyst, iThought Financial Consulting
Got it, sir. And sir, any price increases that we have taken to manage this stress on the cost side? And how do you look at price increases going forward as well?

Krishan Nagpal - Chief Financial Officer, Stylam Industries Ltd
[Foreign Speech] yes, we have taken a few price increases, but our domestic market share is very less, so I think that won't be very much. And export, it is very difficult, we are trying our best wherever we can. That is why our focus would be more on volumes and trying to look at the bottom line as well. But the competition is not only with organized players, the competition is with local Indian unorganized players as well as -- so that is the main competition we are facing now. So difficult to have a complete price push in the market for export.

Rudraksh Raheja - Analyst, iThought Financial Consulting
Got it, sir. And sir, on the fixed cost side that might have impacted our P&L because of the new plant coming in, is everything now visible in Q2 numbers with respect to whether it be depreciation, other expenses, or employee costs. Are we factored in all the expenses that should come in our P&L because of new plant?

Krishan Nagpal - Chief Financial Officer, Stylam Industries Ltd
Oh, these have been -- if you can see the P&L, the fixed expenses, of course these are primarily relating to new plant and all that, but we don't foresee much increase except that, as explained, primarily relating to fuel cost and ocean freight going up due to Middle East factors.

Rudraksh Raheja - Analyst, iThought Financial Consulting
Understood, sir. Understood. And sir, are we on track for whatever numbers you gave earlier for new plant utilization in FY27?

Krishan Nagpal - Chief Financial Officer, Stylam Industries Ltd
Yes.

Rudraksh Raheja - Analyst, iThought Financial Consulting
Got it, sir. Got it. And sir, could you maybe help us understand a bit more on the domestic market? You said that we are doing some big --

Operator
Sir, sorry to interrupt. Should you have a follow-up question, please rejoin the queue. Next question is from the line of Pritesh Chheda from Lucky. Please go ahead.

Pritesh Chheda - Analyst, Lucky Investment
So, just one clarification. I'm unable to comprehend the conversion going on in the new plant. So when I look at the depreciation number, there is no depreciation which has come in . So What is the

status of new plant? When it is becoming fully operational? And when should we start seeing the costs associated with new plant to be built in the P&L?

Krishan Nagpal - Chief Financial Officer, Stylam Industries Ltd
See, this plant became operational on 22nd September 2026. That's why you could see very little depreciation increase in this relating to new plant. So as informed earlier also by our managing director that two presses -- production in two presses have already started, and another two presses will start in few days' time.

Pritesh Chheda - Analyst, Lucky Investment
Okay. And on the fixed cost side, because it's the plant at the same location, do we have to build any extraordinary large fixed cost? Because this plant itself is a very big plant with many presses, so will there be a large fixed cost, or, you know, it's a number which may not be so significant.

Krishan Nagpal - Chief Financial Officer, Stylam Industries Ltd
No, there will not be much of a fixed cost increase due to new plant. Only increase will be primarily on of -- on account of direct costs.

Pritesh Chheda - Analyst, Lucky Investment
Okay. And my last question is, you know, on the margin correction that we are seeing because of, you know, whatever other expense increases and a little bit GP also, so what are the corrective actions in terms of pricing, if any, you know, which are -- or it's a passing phase where, you know, few things have to normalize for the margins to go up. So which one is more plausible, a price hike or the second lever?

Krishan Nagpal - Chief Financial Officer, Stylam Industries Ltd
See, it will be a combination of many factors. One, you -- if you will observe previous half year versus current half year We are in -- we are much better off in EBITDA margin or operational margin, even in PAT margin also. So it is combination of, it will be -- and because of new plant coming up and all that, there will be operational efficiencies, economies of scales also.

Jagdish Gupta - Managing Director, Chairman, Stylam Industries Ltd
Listen. We are -- we feel proud that if we see the world total HPL plants in the world, not in India, our EBITDA margin is much more even than Aica, our new partner. [Indecipherable] our partners, their EBITDA is around 12%, 13% maximum. Under these so big circumstances of oil, ocean rate, still we have 18%. Many from our Aica is congratulating us every day. And if this war situation, whenever it will improve I think not 3%, 4%, 5% is very easily can be plus.

Krishan Nagpal - Chief Financial Officer, Stylam Industries Ltd
Okay, and what is your half-yearly volume growth and volume numbers sir, in sheets, if you could?

Krishan Nagpal - Chief Financial Officer, Stylam Industries Ltd
Yeah, half-yearly, last year it was 5.83 million sheets and this year it is 6.96 million sheets. But if you go by kg numbers [Foreign Speech]

Jagdish Gupta - Managing Director, Chairman, Stylam Industries Ltd
[Foreign Speech] And it is even there is no much contribution of this in new plant contribution in this.

Krishan Nagpal - Chief Financial Officer, Stylam Industries Ltd
Yeah, in this. H as grown by more than 1 million sheets actually.

Pritesh Chheda - Analyst, Lucky Investment
So 6.9 million versus 5.3 million sheets.

Krishan Nagpal - Chief Financial Officer, Stylam Industries Ltd
5.83 million.

Krishan Nagpal - Chief Financial Officer, Stylam Industries Ltd
Oh, 5.83 million . Okay. Thank you very much and all the best. And happy new year, sir. Happy Diwali and happy new year.

Operator
Thank you. Next question is from the line of Aditya P al from MSA Capital Partners. Please go ahead.

Aditya Pal - Analyst, MSA Capital Partners
Yeah, thank you so much for the follow-up -- for taking the follow-up. Sir, on acrylic solid surfaces, so it's been now -- we have this -- we started this business now a little more than five years. And how do we plan to scale it up? We have -- we -- if you're -- if I'm not wrong, we have more than INR 300 crores of revenue potential of capacity in this business. So are we thinking of -- if domestic is not working, are we thinking of starting to exports? Or how is -- how are we thinking about this? If you can just help me understand on this.

Krishan Nagpal - Chief Financial Officer, Stylam Industries Ltd
See, we know that this business was started in 2019-20. It's been almost five years. That is why I answered this question earlier as well, that we are taking this, to be honest, as a fresh business right now after what we are doing in the domestic market. So, to be honest, you have to wait maybe another one or two quarters a s and when the Indian domestic market is revamping, solid surface is a complete important part, and we have targeted ourselves the next two quarters, and you will see a drastic change only in solid surface as well. As far as export is concerned, again, as we were not focusing on this due to our family compulsions, so we -- I really don't have an answer of what to say for the last four years. But going forward, yes, it is an important part to be done for both export as well as domestic.

Aditya Pal - Analyst, MSA Capital Partners
Understood. This is really heartening. Sir --

Krishan Nagpal - Chief Financial Officer, Stylam Industries Ltd
I will be honest rather than saying something else, really honest here that going forward you'll see a change. Even this quarter, October for Q3 you'll see a change in domestic. I -- it will be gradually, it won't be magic, but you will see a change in both export and domestic in solid [Indecipherable]

Aditya Pal - Analyst, MSA Capital Partners
Perfect, that sounds really good. For Middle East, Middle East as a whole has been a very large market for us, you know, and a very big growth driver as well for export engine. Sir, if I was to say, if with all this war, if I was just to say a silver lining. So there'll be a lot of reconstruction effort going on after entire war comes to an end. So do we see that -- or do we see at least some bit of hope that we think Middle East can be a much larger geography because of the entire reconstruction effort?

Krishan Nagpal - Chief Financial Officer, Stylam Industries Ltd
You are absolutely right. Middle East can or is still a very big geography for us. The last Q2, I think there has never -- there has not been a downfall in the Middle East market, Gulf market. And even right now, there is nothing at all like this. It is just that we are just taking precaution that if the war happens again, if the airspace, if everything is shut down just like it happened i n Q1 when all the seaports were closed in Middle East, then it might be a problem. Else, as of now, we are not seeing any problem there at all.

It can be an opportunity also it is not good to say that, but it is -- it can be, or it is an opportunity for companies -- for building material companies, because definitely there will be construction happening again there. And your other question was, during -- due to this price, raw material prices going up, sometimes it is an opportunity for all the organized players for any industry who are into Indian and export markets, because in such case an organized company has the capacity or the capability to actually play the market in a proper way.

So in terms of volume, so that is where we can -- now we are focusing more on volumes so that our top line increases. Definitely the margins would further increase, and whenever there is a slight reduction in any of the raw material, there will be a jump on the entire margins.

Aditya Pal - Analyst, MSA Capital Partners
Perfect, perfect. Thank you so much for taking all my questions so patiently. And wishing you and the team a very happy Diwali. Thank you so much. Wishing you all the very best.

Operator
Thank you. Next question is from the line of Yogansh from Mittal Analytics. Please go ahead.

Yogansh Jeswani - Analyst, Mittal Analytics
Hi, thanks for the opportunity. Firstly, congratulations to you, the entire team, for commercializing this much-awaited new plant of ours. Really excited to see the performance of this one and all the best to you. So just one question, in last couple of calls we had mentioned that going forward our focus would improve on domestic business as well and we were looking to take some price increase. So -- and like you mentioned to a previous participant that you had taken some price increase, but then when we see the sheets, the volume data, we see some slight dip. So is this because of the price increase that we have been facing issues to push things or is it more of a mix change, or you know, more of a demand situation on the ground? If you could just help clarify that, please.

Krishan Nagpal - Chief Financial Officer, Stylam Industries Ltd
We have taken the price increase as of any other organized player. If I talk about the volume dip, we have actually stopped selling the commodity product in the market. Which generally you call it as liners. Earlier we were selling almost 300,000 sheets every month of liners. So just to change the market perception that we are not a liner king anymore, we are just focusing on the value addition product. That is why you will see the volume decrease, but the value would be the same. So we are not focusing -- if you want, we can right now also just open the market, sell 300,000 sheets every month immediately without any problem, but we are not doing so.

So we have -- that is why we are revamping everything. We have taken some steps where the reputation -- the Indian domestic reputation changes for Stylam. That is why it might take one or two quarters more and you will see a drastic change in value as well as volume in the Indian market.

Yogansh Jeswani - Analyst, Mittal Analytics
That's really good to hear, sir, and I'm sure with couple of quarters, we'll be able to do domestic play much better. So similarly o n the export side, if you could just help us understand, stepping aside from the whole logistics issue and all of those things, in terms of now with the new line coming up, do we expect better realizations? I know our realizations are already top-notch, but now with the kind of presses that we have added, do we see value growth along with volume growth also as a possibility in coming two quarters, three quarters as the new plant scales up? If yes, if you could just quantify how you're looking at it.

Krishan Nagpal - Chief Financial Officer, Stylam Industries Ltd
So you're correct. See, firstly I'll say with the new plant coming, it's a complete new plant, latest machine, latest technology. So that means the maintenance cost will be almost zero in the new plant for the next one years or two years. Bottom [Technical Issues] so in this case you can see the -- automatically the margins will be better there. Secondly, if there is a slight decrease in raw material anywhere, you will -- I think we expect better margins there in the second half.

Yogansh Jeswani - Analyst, Mittal Analytics
Got it. So any numbers you'd like to add on to that, or will you wait?

Krishan Nagpal - Chief Financial Officer, Stylam Industries Ltd
Numbers we cannot commit because again, depending on the situation, the raw material situation, if there is slight decrease anywhere you'll immediately see the numbers in any of the months. Right now what is happening, the raw material is at the peak. I think, you can say it is more of a -- sometimes it is more of a cartel also by all the traders, by all the raw material suppliers, but it is at the peak right now.

Yogansh Jeswani - Analyst, Mittal Analytics
Got it, sir. That's it from my side. Thank you and all the best to you and the entire team.

Krishan Nagpal - Chief Financial Officer, Stylam Industries Ltd
Thank you.

Operator
Thank you. Next question is from the line of Resha Mehta from GreenEdge Wealth. Please go ahead.

Resha Mehta - Analyst, GreenEdge Wealth
Hello. Yeah, so, you know, first is just a suggestion. I think since you're all are saying that, you know, realizations per kg is the right metric to look at, it would be great if, you know, you can start disclosing the volumes you know, in terms of kg or tonnage, right? Because what the data that we get, I think, is, you know, just the sheets. The, you know, that was one suggestion. My question is basically, you know, on the export side, because of whatever disruptions that we are seeing, have you lost out on any revenues in the second quarter? Meaning that, you know, the 16% reported revenue growth that we are seeing, could this have been much higher?

Krishan Nagpal - Chief Financial Officer, Stylam Industries Ltd
Thank you for the suggestion. Definitely we will start doing so from Q3 because in our case maybe a sheet value is not appropriate or the correct way, because it's always a mix of thin laminates, compact laminates. So we -- there is no point discussing. You're right, and we will definitely make it

a point to make it in our presentation in kgs as well. For the second thing, yes, there we have also seen a drop -- a little bit drop in Q2 because in such we were not able to get containers from Middle East as well as Europe because it was just not only due to the ocean freight but even there were multiple vessels being skipped for India.

So there was a -- that was not a big amount, maybe 2% to 3%, we would have definitely increased our sales more in the export.

Resha Mehta - Analyst, GreenEdge Wealth
And would you say that the container availability issue has, you know, kind of been mitigated to some extent? Because I think that's what we are hearing from, you know, a few companies across different industries, that the situation has got better. So just checking from your side.

Krishan Nagpal - Chief Financial Officer, Stylam Industries Ltd
It has gone better, but we won't say [Speech Overlap]

Jagdish Gupta - Managing Director, Chairman, Stylam Industries Ltd
From worse to better.

Resha Mehta - Analyst, GreenEdge Wealth
Got it, got it. And lastly, you know, on this 16% revenue growth that we are seeing, can you quantify what would be the breakup in terms of price realizations or product mix and volume growth in terms of tonnage?

Krishan Nagpal - Chief Financial Officer, Stylam Industries Ltd
And we can send you that data if you can just email us. We'll send you the data separately.

Resha Mehta - Analyst, GreenEdge Wealth
Sure, sounds good. Thank you and all the best.

Operator
Thank you, ladies and gentlemen. [Operator Instructions] Next question is from the line of Keshav from HDFC Securities. Please go ahead.

Keshav Lahoti - Analyst, HDFC Securities
Hi, my question is already answered. Thank you.

Operator
Thank you. Next question is from the line of Lovish from Berman Capital Management. Please go ahead.

Lovish Soien - Analyst, Berman Capital Management
Hi, thank you for the opportunity. Am I audible?

Krishan Nagpal - Chief Financial Officer, Stylam Industries Ltd
Yes, sir.

Lovish Soien - Analyst, Berman Capital Management
Yeah, s o I think you mentioned in your PPT as well as on the call that freight cost and ocean -- sorry, freight cost and gas prices affected our margins. So I just wanted to understand how much of the increase in other expense, which was INR 58 crores last quarter and INR 77 crores this quarter,

how much of the increase in absolute terms would be due to these two factors? If you can help us quantify that.

Krishan Nagpal - Chief Financial Officer, Stylam Industries Ltd
[Foreign Speech]

Lovish Soien - Analyst, Berman Capital Management
And the rest of the other expense increase was because of which factors,sir?

Krishan Nagpal - Chief Financial Officer, Stylam Industries Ltd
[Foreign Speech] This is hardly any increase in other expenditure. This is primarily increase in ocean freight and fuel expenses.

Jagdish Gupta - Managing Director, Chairman, Stylam Industries Ltd
Only just 4% EBITDA.

Lovish Soien - Analyst, Berman Capital Management
So if I see the number reported in 1Q of this year, we had around INR 58 crores of other expenses. I n 2Q this quarter it is INR 77 crores, so that the delta is around INR 19 crores. And from what the numbers you have told me, INR 11 crores is because of ocean freight and from PNG price increase. I'm understanding -- I'm trying -- what's the other part which has increased?

Krishan Nagpal - Chief Financial Officer, Stylam Industries Ltd
Some of the, if you see, the volumes have also gone up. Some of the expenses, of course, they move up according to volume basically. Primarily this is INR 11 crore is disproportional expenses that we have explained. Rest are proportional to the increase in basically production and sales.

Lovish Soien - Analyst, Berman Capital Management
Understood. Understood. So sir for the increase INR 11 crore that we have seen, by when can we expect?

Operator
Sorry to interrupt, sir. Should you have a follow-up question, please rejoin the queue.

Lovish Soien - Analyst, Berman Capital Management
I just have one question. And that's my second question I'm asking.

Operator
Sorry sir, please rejoin the queue. Thank you. Next question is from the line of Vipin Vijay from DSP Mutual Fund. Please go ahead.

Vipin Vijay - Analyst, DSP Mutual Fund
Yeah, hi. my question is pertaining to the finance costs last year. In H1 FY26, it is shown INR 9 crores, but in full year basis it is INR 3 crores. So what led to this decrease of, finance cost of INR 6 crore in the [Indecipherable]

Jagdish Gupta - Managing Director, Chairman, Stylam Industries Ltd
See, earlier we were having surplus in our hand basically, and now you know, you have seen that new plant has come up on that. So whatsoever surplus was lying, that has been used for our basically new plant, and now we have started utilizing the working capital limits to some extent.

Vipin Vijay - Analyst, DSP Mutual Fund
That should increase the cost. That should not decrease the cost. Finance cost has decreased from INR 9 crore in H1 to INR 3 crore in full year basis.

Krishan Nagpal - Chief Financial Officer, Stylam Industries Ltd
Actually there was a loss on the credit -- credit for one quarter.

Vipin Vijay - Analyst, DSP Mutual Fund
Sorry, I didn't hear you. Can you please repeat that?

Krishan Nagpal - Chief Financial Officer, Stylam Industries Ltd
[Foreign Speech] approximately INR 78 crore that's why H1 2025 point, last year -- last year.

Vipin Vijay - Analyst, DSP Mutual Fund
When was that sir?

Krishan Nagpal - Chief Financial Officer, Stylam Industries Ltd
[Foreign Speech]

Aditya Pal - Analyst, MSA Capital Partners
[Foreign Speech] We are doing the same we are doing the same thing last H1 last two [Foreign Speech] last year [Foreign Speech] currently [Foreign Speech] last year [Foreign Speech] comparison [Foreign Speech]

Vipin Vijay - Analyst, DSP Mutual Fund
[Foreign Speech] I'll just clarify sir so that it is better for you to understand. H1 FY26 had a finance cost of INR 9 crores full year FY26 had a cost of INR 3 crores so if the loss is there in H1 also it should reflect in the full year also [Foreign Speech]

Krishan Nagpal - Chief Financial Officer, Stylam Industries Ltd
[Foreign Speech] answer [Foreign Speech] answer [Foreign Speech] same [Foreign Speech] balance sheet [Foreign Speech] loss of INR 7 lakh INR 8 crore [Foreign Speech] pred forward contract March March [Foreign Speech] recover [Foreign Speech] minus [Foreign Speech] finance [Foreign Speech]

Vipin Vijay - Analyst, DSP Mutual Fund
Okay, if I get this right, sir, H1 we had a loss on forward contracts, then in H2 we would have had some profit which recovered that loss. Is that understanding right?

Krishan Nagpal - Chief Financial Officer, Stylam Industries Ltd
Yes, yes.

Vipin Vijay - Analyst, DSP Mutual Fund
And this kind of volatility in the forward contract profit loss is kind of normal course of business, or how we should look at it?

Krishan Nagpal - Chief Financial Officer, Stylam Industries Ltd
[Foreign Speech] if the dollar and euro prices are increasing, then they will be definitely forward contract loss. [Foreign Speech] then they will be profit. because we we are booking the for

Vipin Vijay - Analyst, DSP Mutual Fund
The currency movements are higher, right w hen they are much volatile,

Jagdish Gupta - Managing Director, Chairman, Stylam Industries Ltd
Usually such kind of volatility is not there. This is primarily, you know, the war started last year in February, and by that time dollar, euro, everything went up. That's how we were able to recover those. But if, but if you know, currently the situation is, so far as dollar and euro status is it is not that volatile. That's why this is not appearing this year -- in first half of this year.

Vipin Vijay - Analyst, DSP Mutual Fund
Okay, okay, thank you, sir. Second question is regarding the cash generated from operation this year. I think it is around INR 26 crores. out of this INR 26 crores, INR 15 crores is coming from [Indecipherable] in itself, the change in other current financial liabilities. I think from negative INR 5 crore it has gone to a lmost INR 21 crores. So can you just explain what is this? What includes this other current financial liabilities and why this overcomes?

Jagdish Gupta - Managing Director, Chairman, Stylam Industries Ltd
Please repeat the question.

Vipin Vijay - Analyst, DSP Mutual Fund
Sure. So you can't adjust cash from operating activities. INR 26 crores. [Foreign Speech] INR 15 crores is coming from just one line item, which is other current other current financial liabilities. It was negative INR 5 crores in March end now it is positive INR 12 crores so what is the other current financial liability and why so much delta here?

Krishan Nagpal - Chief Financial Officer, Stylam Industries Ltd
Will come back. W ill come back on this, please send off the mail, we will reply you there.

Vipin Vijay - Analyst, DSP Mutual Fund
Alright, thank you thank you so much for taking my question.

Operator
Thank you. The last question is from the line of Deepak Ajmera from Elpro International Limited. Please go ahead.

Deepak Ajmera - Analyst, Elpro International Limited
Sorry, I joined late, so in case the question is answered, please pardon me. My question is largely on the JV partner, how we are planning to utilize their strength. Second question is on the new plant, what percentage utilization by this year and by FY28. And on the domestic side, what is our plan and going forward? Because three areas where you were focused.

Krishan Nagpal - Chief Financial Officer, Stylam Industries Ltd
You're right, I think all the questions exactly been answered twice or thrice in this 45-minute call. But anyhow, for Aica, there is nothing as of now. We are still discussing and talking to them if any opportunities are there with them. The second question, the plant I think we are expecting maybe 25%, 30% utilization of the new plant in this year, definitely 60% to 70% plus in FY28. Third question, answer is domestic. We are revamping it as we've already told, and you will see the numbers in Q3 and Q4 going forward.

Deepak Ajmera - Analyst, Elpro International Limited
Thank you. All the best.

Operator
Thank you. As that was the last question for today, I now hand the conference over to the management for closing comments.

Krishan Nagpal - Chief Financial Officer, Stylam Industries Ltd
Thank you so much. Thank you very much, everyone, and hope to see you again in the next conference.

Operator
[Operator Closing Remarks]