

SH/13/2026
28th January, 2026

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MUMBAI – 400051

BSE Limited.,
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MUMBAI 400023

Sub. : Transcript of the earnings conference call held on Wednesday, the 21st January, 2026.

Ref.: Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015


Sirs

Pursuant to Regulations 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, enclose is the transcript of the earnings conference call held for analysts and investors following the announcement of the Unaudited Financial Results for the Quarter and Nine Months ended 31st December, 2025 after the Board Meeting held on Wednesday, 21st January, 2026.

Please take the same on records

Thanking you,

Yours faithfully,
For The Supreme Industries Ltd.


(R.J. Saboo)
VP (Corporate Affairs) &
Company Secretary



Encl.: a/a.

The Supreme Industries Limited

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“Supreme Industries Limited Q3 FY’26 Earnings Conference Call”

January 21, 2026



MANAGEMENT: **MR. M.P. TAPARIA – MANAGING DIRECTOR, THE SUPREME INDUSTRIES LIMITED**
MR. P.C. SOMANI - CHIEF FINANCIAL OFFICER, THE SUPREME INDUSTRIES LIMITED
MR. R.J. SABOO - VICE PRESIDENT (CORPORATE AFFAIRS) & COMPANY SECRETARY, THE SUPREME INDUSTRIES LIMITED

MODERATOR: **MR. AASIM BHARDE - DAM CAPITAL ADVISORS LIMITED**

Moderator: Ladies and gentlemen, good day and welcome to Supreme Industries Q3FY'26 earnings conference call hosted by DAM Capital Advisors Ltd.

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 that this conference is being recorded.

I now hand the conference over to Mr. Aasim Bharde from DAM Capital Advisors Ltd. Thank you and over to you, sir.

Aasim Bharde: Thanks. Good evening, everyone. I would like to welcome you all on Supreme Industries Q3FY'26 Results Call.

We have the Senior Management of the Company with us on the call, led by Mr. M P Taparia, the Managing Director, to whom I hand over the call now. Thank you and over to you, sir.

M.P. Taparia: Thank you. Good afternoon. Thank you very much, Mr. Aasim. I am M.P. Taparia – Managing Director of Supreme Industries Ltd. I, along with my colleagues Shri P.C. Somani – CFO and Shri R.J. Saboo – Vice President (Corporate Affairs) and Company Secretary, welcome all the participants who are participating in the discussion of the unaudited standalone and consolidated Financial Results for Quarter and 9-Month Period ended 31st December 2025.

The Standalone results and the consolidated results are already with you. I will give brief on Company's Product Operating performance and other highlights.

1. The Company sold 522018 MT of Plastic goods and achieved net product turnover of Rs. 7582 Crores during the Nine months of the current year against sales of 474645 MT and net product turnover of Rs. 7336 crores in the corresponding Nine months of previous year achieving volume and product value growth of about 10 % and 3 %, respectively.
2. The Consolidated Operating Profit and Profit after Tax for the nine months of the current year amounted to Rs. 980 crores and Rs. 520 crores, as compared to Rs. 1103 crores and Rs. 667 crores respectively, for the corresponding period of the previous year, resulting in a decrease of 11 % and 22 % respectively.
3. The business scenario of all the Product Segments of the Company for the 3rd quarter ended 31st December 2025 as compared to the corresponding quarter of previous year has been as under:-
 - Plastic Piping System business grew by 16 % in volume and 10 % in value terms.
 - Packaging Product Segment business grew by 2 % in volume and degrew by 2% value terms.
 - Industrial Products Segment business remained flat in volume and grew by 1 % in value terms.
 - Consumer Product Segment business grew by 8 % in volume and 5 % in value terms.
4. The overall turnover of value-added products remained at Rs. 1118 crores during the 3rd quarter of the current year against Rs. 961 crores in the corresponding quarter of the previous year achieving growth of about 16%.

5. Business Outlook

World economy growth is affected by geopolitical tensions in several regions. This has resulted in extreme volatility in commodity prices. Combination of these factors have resulted in lower growth in world economy in the year 2025. The company believes this downward trend has now reversed. Polymer prices have started upward trend. The polymer producers have gone through quite tough time. It has resulted into closure of several petrochemical plants and/or running at quite low capacity. Combined outcome of these actions has put brake in erosion of the prices of polymers. Starting from the calendar year 2026, the Polymer prices have started upward movement.

The Company is operating in various segments of the business. The Company has grown 10% in overall volume and by 13% in Plastic Piping business in first nine months of the current year. The Company expects to grow overall in volume between 12% to 14% and 15% to 17% in Plastic Piping Business during the year over previous year.

Plastics Piping business growth is now coming back to normalcy as continuous downward price trend has been arrested. Driven by good monsoon, favourable economic conditions encompassing housing, agriculture and infrastructure in the last quarter of FY26 will put good demand growth in the year. The company is well equipped to meet increased demand of its piping product portfolio.

Newly launched PP silent pipe system in technical collaboration with M/s. Poloplast GmbH of Austria has been well received in the market. The Company is expanding its range of Electrofusion (EF) Fittings and bath ware products.

The Company continues to invest and enlarge the product basket in all its divisions and to remain focused on increasing the share of value-added products.

Capacity expansions at various locations for Plastic Piping business and Protective packaging products taken in hand are nearing completion and shall be available for full Fiscal year 26-27. As informed earlier, new greenfield plant/capacities shall be taken up for execution in next financial year. Three units acquired through Wavin Business acquisition are fully integrated and realigned and shall be available for their full potential from February onwards. Total Installed capacities of the Plastic Piping Business shall reach to 1 million MT per annum by FY 2026.

Project execution at site for Profile for window is nearing completion. Production trials have commenced. The Company expects to launch commercial production in the market from February 2026.

During the first nine months of the current year, Company has made capex outflow of Rs. 1031 Crs. including acquisition of Wavin Business. The Company expects total cash outflow during this year will be around Rs.1200 Crs. towards existing & new capital commitments including acquisition of Wavin Business. Entire Capex shall be funded from internal accruals.

All other product divisions are faring well and envisage moderate growth during the year. The protective packaging product division is specifically driving its growth plan by increasing its product range, expanding capacities and offerings for customized solutions.

The Company has fully executed LOI for supply of 2 lakhs nos. of 10 Kg. composite LPG cylinders to Bharat Petroleum Corporation limited (BPCL). Company has received further LOI for supply of 2 lakh nos. of composite cylinders to BPCL which shall be executed in current quarter. The Company continues to work to expand export geographies and participate national and international exhibitions in the field of energy and Gas.

This is a brief and overall summary for the quarter and nine months ended under reference. Thank you, for your patience. Now, I and my colleague, Mr. P.C. Somani & Mr. R J Saboo, are available to reply to your various queries raised by all of you.

- Moderator:** Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Shravan Shah from Dolat Capital. Please go ahead.
- Shravan Shah:** Thank you, sir. Sir, first on the volume front. So, this quarter Wavin volume was how much?
- M.P. Taparia:** Wavin was a part of it. After all, they are making the same product that we are making.
- Shravan Shah:** Okay.
- M.P. Taparia:** So, we cannot say how much volume is from Wavin. But we now have acquired Wavin's customers also. More than 180 customers have joined our Company. And they made the same product that we were making. Only some range, very small range were different. So, you can see the part of overall volume of 16% growth in the quarter was due to Wavin also.
- Shravan Shah:** Okay, got it. And sir now, given that now we are maintaining the piping volume growth of 15% to 17%, that means for the 4th Quarter of '26, the ask rate is 20% to 27%. Are we confident that this will be done? Given also, if you can throw light in terms of how the PVC prices have increased till now, and how do we see given the China that VAT will be applicable from the 1st April. So, before that, is there a possibility that further price of PVC can decline?
- M.P. Taparia:** You put these questions together. Basically, this quarter onwards, the demand for agriculture comes full way. Demand season starts from March. And this quarter will include the month of March. So, demand for agriculture segment comes in always big way after the harvesting of crops that happens end of February. And already sugarcane is being harvested. So, we are seeing the demand coming for agriculture sector. So, we are quite confident that the growth this quarter will be adequate to justify our guidance of 15% to 17%. We are quite confident. In 3rd Quarter we have grown by 16%.
- Shravan Shah:** We are, true.
- M.P. Taparia:** Prices now have started hardening. First thing I say, they stopped going down. The PVC world booking prices had gone down to \$580. And currently have moved up to \$640. And the rupee also has become weak. Earlier it was Rs. 89 and now it has grown to Rs. 92. And the local maker fixes the price based on import quality. So, as the PVC price has gone up and the rupee is depreciating further and China is putting some restriction on the export from 1st April 2026, we anticipate the price may go further up little bit.
- Shravan Shah:** Got it. Sir, now on the margin front. So, in the 9-month and even this quarter also our overall EBITDA margin is 12.1%. And even if we exclude the labour code extra 15 crores also. Then also 12.3%. But we were looking at previously 14.5% to 15%. So, now how one can look at the margin for 4th Quarter. And even let's say going forward for FY'26-'27 how one can look at the margin?

- M.P. Taparia:** '26-'27 we will talk in April. For the current year now, we have revised our guidelines. And we now believe that our margin will be between 13.5% to 14%.
- Shravan Shah:** But sir, that also means that in the 4th Quarter we are looking at minimum 15%-16% plus kind of a margin.
- M.P. Taparia:** It's a mathematical calculation sir; anybody can do it please.
- Shravan Shah:** Okay. And lastly sir, finance cost, other income and profit from associate all these three things, particularly other income and profit from associates has come down and finance cost has gone up. So, how one can look at on the quarterly run rate basis?
- P.C. Somani:** You see finance cost increases are temporary. For this funding the CAPEX plan totally for the current year, so some short-term borrowings have been taken, not compromising on the liquidity of the balances. That's why finance cost is a bit higher in this quarter. It was there in last quarter. Going forward we will again be having a good surplus in hand. Our CAPEX plan has already been funded. As mentioned Rs. 1,031 crores outflows has been made. And other income mainly consists of the surplus being generated from the liquid balances. Since we had a healthy operating balance of Rs. 950 crores, we invested in liquid schemes which has come down. So, that is a temporary phase. And ultimately, we want to put our money for business purposes. Investment is not the core activity.
- Shravan Shah:** True. So, in Q2 the other income was Rs.15.5 crores and now it came to close to Rs. 3.8 crores. So, from Q4 again can we see a Rs. 8-10 crores kind of a number. Or this kind of a number is a normalized one that one can look at?
- P.C. Somani:** You can start seeing from next year. It is not in this quarter. Because this quarter we have to wipe out the small borrowing that we have taken. So, the interest cost will come down. Finance cost will come down. And the finance cost is again combination of actual borrowing as well as IndAS accounting, IndAS accounting also.
- Shravan Shah:** And even for profit from associates for 9-month also significantly from Rs. 88 crores to Rs. 50 crores has come down.
- P.C. Somani:** Supreme petrochem business as we have seen yesterday are not to the expectation level what we expect. And that is the result of that one.
- Shravan Shah:** Okay. Thank you sir. And all the best.
- Moderator:** Thank you. Our next question comes from the line of Praveen Sahay from PL Capital. Please go ahead.

- Praveen Sahay:** Thank you for opportunity. Can you give the capacity number for all the three verticals. And as well as the kind of a CAPEX you have done, what kind of a capacity you are looking for FY'27 for all four verticals.
- P.C. Somani:** For FY'27 we will talk in April.
- Praveen Sahay:** So, right now if you can give the capacity?
- P.C. Somani:** As mentioned last time also plastic piping will be 1 million ton. And other three segments. Packaging, industrial...
- P.C. Somani:** So, total will be 12.2. So, there is not much addition into the other segment in any case.
- Praveen Sahay:** Okay. Got it, sir. Second question is related to the cylinder. So, you mentioned that the 2 lakh of cylinders already executed and the 2 lakh of LOI you have. How much of the revenue have generated and expected from the pipeline of LOI?
- P.C. Somani:** No. I think we have mentioned into the declaration to stock exchanges also this 2-lakh cylinder will generate revenue around Rs. 54 crores.
- Praveen Sahay:** 54 crores you had already generated with the execution of a 2-lakh cylinder of LOI?
- P.C. Somani:** Correct.
- Praveen Sahay:** And the similar amount you are expected to do again?
- P.C. Somani:** Correct.
- Praveen Sahay:** Thank you, sir. I will come in queue.
- Moderator:** Thank you. Our next question comes from the line of Utkarsh Nopany from Anand Rathi. Please go ahead.
- Utkarsh Nopany:** Hi. Good evening, sir. What I wanted to understand on the demand side, so in the opening remarks it was mentioned that the plastic pipe demand is now coming back to the normalcy. So, in this context I want to understand whether we meant that the channel has started refilling inventory or we are also seeing signs of demand improvement at consumer level in the January month compared to the previous December quarter.
- M.P. Taparia:** Now normal demand started going up and you are right. The destocking was taken to a very extreme level. So, now because there is not much chance of price going down also, the normal stocking has started and going to continue. Now this is the pre-demand period from January to June of plastic piping system and we are entering now to the pre-demand period.

- Utkarsh Nopany:** Sir, so like are we seeing signs of improvement in demand for plumbing and infra pipe in the January month compared to December quarter period, sir?
- M.P. Taparia:** We are finding improved demand.
- Utkarsh Nopany:** Okay. And sir like is the press release like it was mentioned that we are planning to put up a greenfield plant in FY'27. So, sir can you please provide some more details regarding the location and the timeline of those new plants?
- M.P. Taparia:** Two plants. One is near Gwalior that is Malanpur and other plant in Bihar near Patna.
- Utkarsh Nopany:** Okay. And sir those plants are expected to become operational in FY'27?
- M.P. Taparia:** They should be operational by FY'28.
- Utkarsh Nopany:** Okay. Thanks a lot, sir. These are my questions.
- Moderator:** Thank you. Our next question comes from the line of Sonali from Jefferies. Please go ahead.
- Sonali:** Thank you for the opportunity. Sir, I have only one question. So, PVC price has again from point-to-point from October-to-December it has gone down by about 7% QOQ. I am sure there would have been some element of inventory loss this quarter. So, is it possible for us to quantify that?
- M.P. Taparia:** Very difficult to. It is not only in PVC the polymer price has gone down, across the board. All the polymer PVC, polyethylene, polypropylene, CPVC all polymer prices have gone down. We believe in first 9-month Company might have taken a hit of between Rs. 100 crores to Rs. 120 crores in 9-month operation which resulted in our giving lower guidance of operating margin.
- Sonali:** Understood, sir. And just one more if I may? In the remarks that Mr. Somani said about the higher interest cost, we said that we had short-term borrowings for the funding. So, is this regarding the Wavin funding that we spoke about?
- M.P. Taparia:** No, for Wavin it is routine funding. It was very small amount Rs. 132 crores and now that is all being paid back.
- Sonali:** Understood. And the interest cost is likely to normalize from Q1FY'27. Is that right?
- M.P. Taparia:** Yes. There is no doubt about it.
- Sonali:** Understood. Thank you, sir and all the best.
- Moderator:** Thank you. Our next question comes from the line of Rahul Agarwal, Ikigai Asset. Please go ahead.

- Rahul Agarwal:** Hi sir. Good evening. Thank you for the opportunity. Sir just wanted to know your thoughts on the industry, for the entire PVC industry. If you look at the 9-months gone by, any comments could you offer on how the PVC industry would have grown and market share for Supreme because Supreme overall has grown 10% on volumes in 9-months. What could be the volume growth for the industry and are smaller players losing market share? What is happening?
- M.P. Taparia:** Industry growth you can get from raw material producer, please.
- Rahul Agarwal:** Sure sir.
- M.P. Taparia:** I can give you the growth of the Supreme Industries, please.
- Rahul Agarwal:** Yes sir. I understand that. Anything on the smaller player side? Is there consolidation in the industry?
- M.P. Taparia:** We know our sales have gone up in plastic pipe system.
- Rahul Agarwal:** Alright, sir. No problem. Thank you so much and best wishes for the year.
- Moderator:** Thank you. Our next question comes from the line of Keshav Lahoti from HDFC Securities. Please go ahead.
- Keshav Lahoti:** Hi. Thank you for the opportunity. Just a follow up. As to have I understood correctly, so your interest cost which has increased in this quarter to 12 crores possibly will reduce in Q4 and maybe from FY'27 onwards the quarterly run rate would be 4 crores-5 crores. Is this a fair assessment?
- P.C. Somani:** You are right.
- Keshav Lahoti:** Okay. And how will the other income move which has taken a...it is only 4 crores this quarter earlier which used to be 15 crores. How will this number be in Q4 and possibly maybe FY'27 some sort of guidance?
- P.C. Somani:** As I mentioned, this is not our core activity. It was deployment of surplus funds available in hand. Since we are using money for our businesses, so again depends the activity for the business how much it is about. It all depends upon the availability of liquid funds in hand.
- Keshav Lahoti:** Understood. What I am trying to get it, is it due to working capital? Possibly there was some stretching of working capital that has led to possibly more utilization of funding in business in this quarter?
- P.C. Somani:** Absolutely. For the current year, since the production capacities were being utilized optimally, the working capital has been increased particularly on the inventory side not on the receivables which will come down once the 4th Quarter is over.

- Keshav Lahoti:** Understood. Got it. Earlier you have you know sort of indicated your CPVC volume growth was 26% in H1. How has been the growth in this quarter?
- M.P. Taparia:** Total growth in 9-month is 30%.
- Keshav Lahoti:** 30% implying 40% kind of CPVC volume growth in Q3?
- M.P. Taparia:** In 9-months we have grown 30%.
- Keshav Lahoti:** Got it. One last question from my side sir. How is the channel inventory possibly, can you compare how is the channel inventory at September and how has it moved in December and how is it moving now in January when PVC prices are rising, have started to rise?
- M.P. Taparia:** We don't know. But we only know that when they place their order, they go on following very vigorously that please dispatch the goods very quickly. When they place their order, they follow very intensively, please displace very quickly.
- Keshav Lahoti:** Okay. Got it. That is helpful. Thank you so much.
- Moderator:** Thank you. Our next question comes from the line of Sneha Talreja from Nuvama. Please go ahead.
- Sneha Talreja:** Thank you for the opportunity team. I just wanted to get a sense in demand. How are we seeing on ground demand at this point of time and how do you see moving for various segments like PVC, CPVC in case you can give some numbers there?
- M.P. Taparia:** Demand for every product is reasonably good now. The economy is growing well and the product price has gone quite low and the demand for housing, agriculture, infrastructure, all are going quite well now.
- Sneha Talreja:** Yes, but if at all we have to put some volume numbers in place that how much would be industry demand volume growth, it would be 8 to 9 or probably 10 to 12, some sense there would be helpful?
- M.P. Taparia:** We told now that piping system will grow between 15% to 17%, which necessarily means our growth will be more than 16% in this quarter.
- Sneha Talreja:** Sir, I was speaking more from the industry perspective, industry group. This is your outperformance over industry, but how much can industry be growing at the moment?
- M.P. Taparia:** Check with raw material producer, please.
- Sneha Talreja:** Sure, sir. Thank you.

- Moderator:** Thank you. Our next question comes from the line of Meet from Motilal Oswal. Please go ahead.
- Meet:** Thank you, sir. Sir, I have one question regarding the capacity that you are setting up in FY'27. Can we get the understanding how much capacity are we setting up across the two locations for what we discussed?
- M.P. Taparia:** Actually, we are planning to add 100,000 tons overall as on today.
- Meet:** That will include what?
- M.P. Taparia:** Precise number will be told to you in the month of April.
- Meet:** Okay. And this will include all the PVC, CPVC and other value-added products as well?
- M.P. Taparia:** All product segment what we are dealing in, in plastic piping system. And other product also. All together as on today, this is a plan, but precise plan we will share with you in the month of April.
- Meet:** Understand. Okay. Also, sir, in terms of the industry. So, one thing that we are hearing about is that China has been lifted the export rebate that they were offering to their exporters. And from the understanding that we are seeing, the prices of PVC can increase going ahead. So, can you comment on that?
- M.P. Taparia:** Already, the international offers which are coming to India are already high. As I told earlier, it has gone down up to \$580 here in India. And now you cannot get any booking below \$650. So, prices from the bottom level has gone up by \$70 in last one and a half month. So, the trend has been reversed. Many producers because they were having too much loss, many capacities were running at low capacity and some plants were actually closed also. Demand supply balance is now started. People don't want to go and make it anymore if they are losing money.
- Meet:** Understood, sir. Thank you so much.
- Moderator:** Thank you. Our next question comes from the line of Tejas Pradhan from Citigroup. Please go ahead.
- Tejas Pradhan:** Hi, sir. Most of my questions were already answered, but just as a continuation of the last query. So, going forward, how much increase would you expect in domestic PVC prices? I know you mentioned \$70 increase has already happened. Do you think this is the quantum of increase or further increase is also possible?
- M.P. Taparia:** Dear friend, in such an uncertain atmosphere in the world, how can you forecast the price? We are incapable to forecast. We only know very well now that price erosion has been arrested. And price has started going up. Now, how much can go up? Very difficult to say. You can't forecast nowadays. In such an uncertainty, so many wars taking place, so many locations. So, much

uncertainty. We are going through first of all, VUCA, volatility, uncertainty, complexity. Such a business atmosphere. But we know that all the polymer producers, not only PVC, other polymer producers also, some people closed their plant permanently. Some people temporarily closed. Some people put their plant for maintenance shutdown. Some people are running at low capacity because they are all losing money. And you can't forecast about crude price. Today, crude is around 60 to 64. Suppose, crude price goes down to \$40, nobody knows what can happen to crude price. If that happens, then polymer price will go down for sure. If crude price can go down to \$40, which happened in 2008, who can forecast nowadays? Very difficult to forecast. In such a complex world economy, you can't forecast.

- Tejas Pradhan:** Sir, no problem.
- Moderator:** Thank you. Our next question comes from the line of Vipul Kumar Shah from Sumangal Investments. Please go ahead.
- Vipul Kumar Shah:** Hello. So, is it possible to share CPVC volume for this quarter and 9 months?
- M.P. Taparia:** In 9 months, we have grown by 30%.
- Vipul Kumar Shah:** You would not like to share the absolute volume?
- M.P. Taparia:** Very classified information.
- Vipul Kumar Shah:** Okay. Thank you, sir.
- Moderator:** Thank you. Our next question comes from the line of Ronak Ostwal from Arihant Capital Market Ltd. Please go ahead.
- Ronak Ostwal:** Thank you for taking my question. Can you tell us how the industrial product segment is doing? Because it was facing challenges, especially from the discretionary side. And also, on the rural side, how the demand activity is there right now?
- P.C. Somani:** Our industrial segment consists of three segments, three product divisions. Industrial component, material handling and cylinder. Material handling and cylinder are enjoying a moderate growth. We are getting good business of material handling products. And also in the composite cylinder. But the supply of component to automotive or to appliance sector, automotive sector is still doing better and encouraging. But the appliance sector is in turbulence time, you can say. Whether it is the appliances or washing machine or the refrigerator or air conditioner, cooler or something. So, that industry, the models to which we are supplying the component, if they are doing fair or better, we are also in better shape. Which is not the case in the current year. Industrial component to appliance sector is tough time and seeing a degrowth compared to previous year.

- Ronak Ostwal:** Okay. Thank you, sir. On the rural side, how the demand is there right now, especially on the price segment?
- M.P. Taparia:** Demand is quite okay. Rural side we are catering to our tarpaulin and our plastic pipe system. And demand is quite okay.
- Ronak Ostwal:** Thank you, sir.
- Moderator:** Thank you. Our next question comes from the line of Priyanka from Value Prolific. Please go ahead.
- Priyanka:** So, I guess the Supreme Industries is growing so rapidly and have an ambitious plan for future. I just wanted to get the understanding about the succession planning to ensure the stability that the Company will have in future also?
- M.P. Taparia:** They will do better than us.
- Priyanka:** Can you please elaborate on that?
- M.P. Taparia:** Our two grandsons are also now involved in the business. And we are confident that they will do better than us.
- Priyanka:** Okay. Thank you. Thank you for your time.
- Moderator:** Thank you. Our next question comes from the line of Udit Gajiwala from YES Securities. Please go ahead.
- Udit Gajiwala:** Hi, sir. Firstly, congratulations on great set of volume growth for the quarter. And I just wanted one follow up. In the start of the year, you were mentioning that you were looking at a 12,000 crores topline for 'FY26. Like we agree that you have maintained your volume growth guidance. Would you throw some light on this number if you have revised that downwards?
- P.C. Somani:** Even the topline, you see, polymer prices, they are coming down. So, instead of 12,000 crores, now we are maintaining 11,000 crores to 11,500 crores.
- M.P. Taparia:** Topline will definitely go down when the polymer price falls down between 12% to 20%. Topline is bound to go down.
- Udit Gajiwala:** Sir. I completely agree. I just wanted to derive some sense. That's helpful, sir. Thank you.
- Moderator:** Thank you. Our next question comes from the line of Shaleen Kumar from UBS India. Please go ahead.

- Shaleen Kumar:** I just want to understand, today's PVC price is still below last quarter average PVC price. And I hear you saying that demand is coming back, but your last quarter volume was also pretty solid. So, I just want to be sure, how are we certain of 200 basis point to 300 basis point margin improvement that we are looking in the 4th Quarter? So, what are the levers we have for that?
- M.P. Taparia:** I don't follow. What is the question?
- Shaleen Kumar:** Sir, we are looking at like the margin guidance for the next quarter.
- M.P. Taparia:** We expect a better volume that will reduce some manufacturing cost.
- P.C. Somani:** And the erosion partly due to the falling price is being arrested. It's being arrested now. So, there won't be any inventory losses.
- Shaleen Kumar:** Okay. So, is it possible to quantify what kind of inventory losses we had in 3rd Quarter?
- P.C. Somani:** So, for the overall 9-months, I think the figures have been given between 100 crores to 120 crores. You see the prices are so falling continuously, it's really difficult to quantify on a month-to-month, quarter-to-quarter basis. That's why we have estimated for a period of 9-months, what is the impact.
- Shaleen Kumar:** Fair enough, sir. If you put them equally, that basically explains probably 100 basis points to 150 basis points margin compression.
- P.C. Somani:** For nine months, it is. Yes. Right.
- Shaleen Kumar:** So, that's something which we believe that we can gain back if the price remains stable.
- P.C. Somani:** Correct. The 4th Quarter, we don't envisage any margin loss on the account of the inventory losses. And going forward, you don't know. Predicting any price movement is very difficult.
- M.P. Taparia:** We believe that there is no price erosion now. Because this is the seasons time now.
- Shaleen Kumar:** But is the price enough for you to improve the margin from here?
- P.C. Somani:** Prices are always passed upon. So, there is no issue in the margin. But once whatever inventory you are carrying, if the value is getting eroded, then you are selling at a lower price, lower margin.
- Shaleen Kumar:** Fair enough, sir. Alright. That's it for my side. Thank you so much.
- Moderator:** Thank you. Our next question comes from the line of Arun Baid from ICICI Securities. Please go ahead.

- Arun Baid:** Hi, sir. My question was, we have a capacity of 1 billion tons of pipe by the end of this financial year. So, when do you expect it to be utilized fully? By which year?
- M.P. Taparia:** Normally, if we utilize 70%, we should be happy. So, we should expect that we should be able to sell 70% capacity next year.
- Arun Baid:** And the second thing is, with regard to assuming there are no more PVC price cuts, which is not expected. So, will we bring it back to a historical range of 15%-16% margins, assuming there are no more price fluctuations, PVC on the downward trend at least?
- M.P. Taparia:** 15%-16% margin, I don't recall.
- P.C. Somani:** 14% and up to 15% is the normal margin, normal scenario.
- Arun Baid:** So, operating average will play out, because our volumes will go up. So, still you are expecting around 15%?
- M.P. Taparia:** We will decide and we will talk to you in the month of April for next year, please.
- Arun Baid:** No, sir. I am not talking next year. I am just saying assuming PVC doesn't correct from here anymore and you have the volume growth which we expect to come through, will we be doing 15%-16% margin in that case?
- P.C. Somani:** Yes, for the quarter, yes. Because of the higher volume, our manufacturing cost, our administrative cost gets spread around the larger volume. And that's how for the year we are targeting 13.5% to 14% margin.
- Arun Baid:** So, actually my question was for a longer term, not for the quarter.
- P.C. Somani:** That's why I am saying for longer term perspective in the normal scenario, it is 14.5% to 15% is the operating margin we expect. Now depending on the new product launch, depending on the product mix, definitely we are trying to improve it further. Whether it's a quarter percent, half percent, it all depends upon the plan of the new product launches and success.
- M.P. Taparia:** We are happy to say that every quarter we are increasing the share of value-added product.
- Arun Baid:** Yes, sir. Exactly, sir. That's why I was trying to say that things are looking better. Thank you.
- M.P. Taparia:** Okay, thank you.
- Moderator:** Thank you. Our next question comes from the line of Sanil Jain from Ambit Capital. Please go ahead.

- Sanil Jain:** Hi, sir. Thanks for the opportunity. So, I have two questions. So, I just wanted to know what is the current capacity of PP silent pipes and what is the pricing on that?
- M.P. Taparia:** Capacity is 3,000 tons per annum. Okay. And pricing depends on the various factors. There are hundreds of products in the system. So, every product has a different price. Price is a very elaborate word actually. But it is a premium product.
- Sanil Jain:** Understood. And second, on the OPVC segment, what is the expected capacity planned and what is the CAPEX outlay for the same?
- M.P. Taparia:** Currently we have got already capacity to produce around 8,000 tons annually.
- Sanil Jain:** Okay.
- M.P. Taparia:** Currently, and it is not utilized fully. Buying from government department, central government is very slow for water supply. But we believe that demand will start picking up now. We are getting many inquiries now onward. So, we hope that we will be able to sell a good portion of the capacity next year.
- Sanil Jain:** But we are not looking to like add capacity on it?
- M.P. Taparia:** Once this capacity is sold out, then we definitely will add.
- Sanil Jain:** Okay. Understood. Thanks. That is all from my side.
- Moderator:** Thank you. Our next question comes from the line of Yogesh Mittal, an Individual Investor. Please go ahead.
- Yogesh Mittal:** Sir, thank you for the opportunity. Sir, so I just wanted to know if it is possible to throw some light on PVC pipes versus the metal pipes like the GI pipes and cast-iron pipes. How does the interplay happen for the demand when the prices changes in between them? And how is the demand in terms of like what is the market? What is the general market trend in terms GI pipe versus the PVC pipe?
- M.P. Taparia:** The application where PVC pipe is used, metal is no substitute. PVC pipe has no substitute like metal. Metal is very expensive, too much weight, too short life. PVC good pipe has got very good life.
- Yogesh Mittal:** Right, sir.
- M.P. Taparia:** Earlier cast iron pipes are being replaced by PVC and at most of the places they are replaced. Cast iron pipes you don't see much in use now in India.
- Yogesh Mittal:** Right, sir. So, thank you for your answer, sir. Thank you.

- Moderator:** Thank you. Our next question comes from the line of Shailly Jain from Dolat Capital. Please go ahead.
- Shailly Jain:** Hello, sir. Thank you for the opportunity. Sir, most of the questions are being answered. I just wanted to have an idea about what is the gross debt and cash number for us in 9 months ,at the end of 9-months?
- P.C. Somani:** As of 31st December?
- Shailly Jain:** Yes.
- P.C. Somani:** The net debt is 132 crores.
- Shailly Jain:** And gross debt?
- P.C. Somani:** No, this is the total debt. What I am saying is, net debt is the net of the surplus balance available.
- Shailly Jain:** Net of, yes.
- P.C. Somani:** 132 crores.
- Shailly Jain:** Okay. And, sir, it would be great if you could just provide us with the data inventory and payable number., working capital?
- P.C. Somani:** Inventory, you can say it is 1,900 crores. Receivables about 568 crores and payable about 1,100 crores, whole put together, all liabilities.
- Shailly Jain:** Okay. Understood, sir. Sir, as we have indicated that our finance costs will go down, so how are we looking at our debt in FY'27?
- P.C. Somani:** No. We want to remain debt-free. That is our commitment.
- M.P. Taparia:** We will be debt-free 1st April itself on 31st March only.
- Shailly Jain:** Okay, this year?
- M.P. Taparia:** We will have a good amount of cash surplus in our books on 31st March 2026.
- Shailly Jain:** Okay. And, sir, what would be our CAPEX number for FY'27?
- M.P. Taparia:** April we will discuss.
- Shailly Jain:** Okay. Sure, sir. Thank you so much.

- Moderator:** Thank you. Our next question comes from the line of Varun Jalsaria from 360 ONE Capital. Please go ahead.
- Varun Jalsaria:** Hi, sir. Thank you for the opportunity. Sir, just wanted to have some sense on the packaging product division. Like, how is it progressing? What is the demand like for that segment? Packaging segment?
- P.C. Somani:** Protective packaging is growing by 10% in volume. And margins are quite good, double digits.
- Varun Jalsaria:** So, this is for the full year, you are saying?
- P.C. Somani:** For the quarter also, for the full year also.
- Varun Jalsaria:** Okay. So, the demand is good there. I mean, that is not a problem, right?
- P.C. Somani:** Demand is good. We are offering many customized solutions. Fabricated products.
- Varun Jalsaria:** And secondly, sir, on the PVC window business, could you give us an idea, like, how is it progressing? Any, in terms of value, volume and that's part of the piping division, right? If I am not wrong.
- M.P. Taparia:** As of today, it's a separate division, we are supplying in the next Month. And, we will be selling windows only, no profile. We anticipate we may be able to produce around 250,000 windows every year. It will take some time to sell the capacity. And when the capacity is sold, we have plans to go on expanding.
- Varun Jalsaria:** Sir, what will be the revenue potential from this business?
- M.P. Taparia:** In excess of 300 crores, full capacity.
- Varun Jalsaria:** And currently, how much are we doing?
- M.P. Taparia:** We will start sales from next month only.
- Varun Jalsaria:** Okay. So, as of now, it's not contributing any revenue?
- M.P. Taparia:** Nothing.
- Varun Jalsaria:** And, so, the non-pipe segment, only packaging, you're expecting a growth. And for industrial, you don't expect any growth for this quarter, or maybe for next year as well?
- M.P. Taparia:** We expect growth in material handling. We expect growth in furniture. We expect growth in productive packaging. Every segment, we are expecting growth, except industrial component business.

Varun Jalsaria: Okay, sir. Thank you, sir. And any capacity expansion that we are taking in packaging, that was planned for this year?

M.P. Taparia: We are planning, next year.

Varun Jalsaria: Okay, sir. Thank you.

Moderator: Thank you. I would now like to hand the conference over to management for closing comments.

M.P. Taparia: We are thankful to all the analysts who raised the question. We were impressed by the very analytical question raised by them. We thank all of them for the time taken to ask several questions to clarify. Myself and my colleagues thank all of them. Thank you.

Moderator: On behalf of DAM Capital Advisors Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you very much.