



27th May, 2026

<p>Listing Department National Stock Exchange of India Limited Exchange Plaza, 5th Floor, Plot No. C/1, G-Block Bandra Kurla Complex, Bandra (East), Mumbai - 400051</p> <p>Symbol: CENTENKA</p>	<p>Listing Department BSE Limited 25th Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400001</p> <p>Scrip Code: 500280</p>
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Dear Sir/ Madam,

Sub: Transcript of Q4-FY26/FY26 Earnings Conference Call of Century Enka Limited ('the Company')

Ref: Regulation 30 of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 ('Listing Regulations')

Pursuant to Regulation 30 of the Listing Regulations, please find attached herewith the transcript of Q4-FY26/FY26 Earnings Conference Call conducted on Friday, 22nd May 2026. The same is also available on the website of the Company i.e., www.centuryenka.com.

This is for your kind information and records.

Thanking You,

Yours faithfully,
For **Century Enka Limited**

Rahul Dubey
VP Legal and Company Secretary
Membership No: FCS 8145

Encl: as above

Century Enka Limited
Q4 FY '26 Earnings Conference Call
May 22, 2026

Moderator: Ladies and gentlemen, good day and welcome to the Century Enka Limited Q4 and FY '26 Earnings Conference Call hosted by Valorem Advisors.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star, then zero on your touchstone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Purvangi Jain from Valorem Advisors. Thank you and over to you ma'am.

Purvangi Jain: Thank you. Good afternoon, everyone, and a very warm welcome to you all. My name is Purvangi Jain from Valorem Advisors. We represent the investor relations of Century Enka Limited.

On behalf of the company, I would like to thank you all for participating in today's earnings call for the 4th Quarter and the Financial Year ended 2026.

Before we begin, let me mention a quick cautionary statement. Some of the statements made in today's earnings call may be forward-looking in nature. Such forward-looking statements are subject to risk and uncertainties which could cause actual results to differ from those anticipated. Such statements are based on management's belief as well as assumptions made by and information currently available to the management. Audiences are cautioned not to place any undue reliance on these forward-looking statements in making any investment decision. The purpose of today's earnings call is purely to educate and bring awareness about the company's fundamental business and financial period under review.

Now let me introduce you to the management participating with us in today's earnings call and hand it over to them for their opening remarks. We have with us Mr. Suresh Sodani, Managing Director, and Mr. Yogesh Shah, Chief Financial Officer.

Without any delay, I request Mr. Suresh Sodani to start with his opening remarks. Thank you and over to you, sir.

Suresh Sodani:

Thank you, Purvangi. Good afternoon, everyone, and welcome to our Earnings Conference Call for 4th Quarter and Financial Year ended 2026. I would like to thank our host Valorem Advisors for hosting this call.

Now, let me first brief you on the operational highlights for the quarter under review. We are pleased to report a strong financial quarter marked by healthy growth across revenue and profits, supported by higher sales volume and effective pass-through of raw material cost increases, which together contributed to improved operating margins during the quarter.

In our Tire Cord business, demand remained robust during the quarter, supported by healthy traction across the tractor and two-wheeler segments, along with continued demand from truck and bus category. The reduction in GST rates on tires and automobiles also supported demand momentum across the industry.

As I mentioned, the sharp increase in raw material prices following the Iran war was effectively passed through by transparent discussions with our customers. Importantly, despite the Iran war, we did not witness any production cuts supported by strong relationships with our regular suppliers. Due to continuously changing geopolitical situations, elevated crude oil prices and persistent inflation, we continue to remain cautiously optimistic about demand growth in coming quarters.

Meanwhile, PTCF approval process moved to the next stage, with commercial sales expected from FY '27. In the filament yarn segment, sales volume remained robust during the quarter, accompanied by a healthy reduction in finished goods inventory.

The sharp rise in raw material prices following the Iran conflict enabled us to implement price increases across all product lines. Consumption of older, lower-priced raw materials, along with favorable stock valuation, further strengthened our margins. New Mother Yarn project and value-added products continue to support margin improvement.

While Chinese import at very low prices persists in commodity products, we are encouraged that the DGTR has issued a favorable anti-dumping ruling. We now await final notification from the Finance Ministry.

On the raw material front, caprolactum prices rose sharply in March following the Iran conflict. However, renewable energy of our Bharuch plant has helped in controlling power costs with additional capacity expected to be commissioned in FY '27, further reducing the cost. We continue to maintain a strong focus on efficiency improvement.

I now request our CFO, Mr. Yogesh Shah, to brief you on financial performance.

Yogesh Shah:

Thank you and good afternoon, everyone. Let me now brief you on the financial results for the 4th Quarter and the Financial Year 2026.

For the quarter under review, operating revenue stood at Rs. 484 crores, registering a growth of 9% year-on-year and a strong sequential growth of 17% quarter-on-quarter. EBITDA for the quarter stood at Rs. 55 crores, reflecting a sharp increase of 530% year-on-year and a robust growth of 36% quarter-on-quarter.

EBITDA margin improved significantly to 11.46%, representing an expansion of 948 basis points year-on-year and 153 basis points quarter-on-quarter. Profit after tax for the quarter stood at around Rs. 39 crores, registering a substantial growth of 479% year-on-year and 66% quarter-on-quarter.

PAT margin improved meaningfully to 8.15%, reflecting an expansion of 662 basis points year-on-year, 239 basis points quarter-on-quarter. Total volume for the quarter grew strongly by 14% year-on-year to 20,711 metric ton. Within this, reinforcement sales increased significantly by 21% to Rs. 245 crores, while filament yarn sales reported a growth of 3% to Rs. 229 crores.

For the Financial Year 2026, operating revenue stood at Rs. 1,705 crores, reflecting a decline of 15% year-on-year. EBITDA for the year stood at Rs. 148 crores, registering a healthy growth of 29% year-on-year, with EBITDA margin improving significantly to 8.67%, reflecting an expansion of 294 basis points.

Net profit for the year stood at Rs. 101 crores, recording a strong growth of 52% year-on-year, while PAT margin improved to 5.91%, representing an expansion of 259 basis points. Total volume for the year stood at 73,692 metric tons, reflecting a degrowth of 6% year-on-year. Within this, reinforcement sales stood at Rs. 816 crores, registering a decline of 15% year-on-year, while filament yarn sales were reported at Rs. 828 crores, reflecting a decrease of 14% year-on-year.

With this, we open the floor for questions and answers.

Moderator:

Thank you very much. We will now begin with the question-and-answer session. We will take the first question from the line of Krishna Modi from Finterest Capital. Please go ahead.

Krishna Modi:

Firstly, sir, congratulations on a good set of numbers. So, my question was regarding the PTCS scale-up and the renewable energy expansion, which are both due in FY '27. So, I wanted to understand what is the total CAPEX budget for FY '27 and FY '28?

Suresh Sodani:

So, I understand you are asking for the CAPEX budget, is it right?

Krishna Modi:

Yes, for the CAPEX budget of both the renewable energy expansion as well as the PTCS scale-up that we are planning.

Suresh Sodani: So, for renewable energy, we participate through a third-party group captive arrangement. We contribute only to 26% of the equity of the project. That amount is very small. It would be less than under Rs. 10 crores in total, depending on the total breakup between capital equity and the debt for the project. So, that is the model that we had used earlier and that would continue for the expansion for the second hybrid project also.

As far as other projects are concerned, we are expecting a total CAPEX outlay of over Rs. 100 crores, primarily going into value-added products, expansion of Mother Yarn project capacity, and also for various reduction of our power consumption as well as reduction of waste for improvement of our operating margins and efficiency.

We are also spending a significant amount in improving our fire-related risk, post our fire risk at Bharuch, because these are old plants. So, based on the external fire audits, we have taken up a good amount of budget to do some reconfiguration of our machineries to reduce the risk of fire, particularly in the old layout plants.

Krishna Modi: So, with respect to that, currently what is our capital deployed in this project?

Suresh Sodani: So, in the Phase-1, we had spent about Rs. 8.5 crores as our equity contribution to the hybrid project, which on total was about 16 MW in installed capacity, about 15 MW, and we on an average get about 6-7 MW per year depending on the weather and other conditions. And this will be in the similar lines for the Phase-2 as well – ordering of the equipments and acquisition of land and other project-related activities. So, we expected it to start in H2, most likely in Quarter 3.

Krishna Modi: And is there any better margin expectations that we are guiding for H2 then?

Suresh Sodani: We do not give any forward-looking statements in terms of margins or business results, but yes, this will definitely reduce our power rates. But including the demand and geopolitical situation, anyway, it has become more a quarter-on-quarter kind of planning, because the entire situation has become extremely volatile because of more external factors, which are mostly out of our control.

Krishna Modi: This was it from my end.

Moderator: We will take the next question from the line of Jiten Parmar from Auram Capital. Please go ahead.

Jiten Parmar: So, my first question is, can you break that up, the EBITDA margins, how much of it is due to inventory gains and how much of it is due to volumes, so if you can quantify that a bit.

Suresh Sodani: We will not be able to give that break-up because of competitive reasons, but the reason for mentioning that is that our focus is always on reducing inventory in a highly volatile situation, particularly in NFY segment where the prices correct more on the spot prices of raw materials.

So, the purpose of highlighting that is that since we are in a situation where the prices significantly went up in March, we have taken conscious calls and efforts to reduce the inventory.

Jiten Parmar: So, you mentioned this Rs. 100 crore CAPEX. Now, that is for FY '27 or what is the period for this CAPEX?

Suresh Sodani: FY '27. We intend to spend that in over FY '27.

Jiten Parmar: And we have significant balance basically in investments, about more than Rs. 400 crores. Now, if the CAPEX is only Rs. 100 crores, has the Board thought about doing something with that cash, basically maybe buyback or you enhance dividend. Dividend I saw is only less than 25% of the earnings. So, have you thought of other ways of basically enhancing shareholder value?

Suresh Sodani: So, I mean, the discussions at the Board are mainly at growth and we intend to utilize this cash for growth of the business in current and possibly also into the new segments. It could be within textiles or otherwise also. It is being evaluated as such. So, as and when any project of large CAPEX is evaluated and gets passed at the Board level, then we will revert to that.

But the discussion is more towards adding, one is to make the business model more sustainable by reducing our costs and making investments which are long term both in terms of our, for example, purchase of power or reducing our own power consumption, improving our safety, but also looking at new product lines which are either in line with our technical textiles or current reinforcement portfolios.

So, I mean, this point has come up multiple times regarding the buyback and it has been duly conveyed both at, after the investor call as well as during the AGM and Board in its own, I mean, will take a decision based on the merits and other matters. But the discussion is on growth and how to make the company sustainable even under adverse external circumstances.

Jiten Parmar: So, my final question is, so it is good to note that company is thinking on growth. That is always good for shareholders too. Now, so we have a CAPEX outlay for Rs. 100 crores for FY '27. Have we thought beyond that? I mean, is there any plans which have kind of around the drawing table or crystallize, for let's say, FY '28 and onwards?

Suresh Sodani: Yes, so these are all being evaluated. As I said, we can share only what is approved by the Board and that is being evaluated, it is being discussed. And we see opportunities in certain segments where we can grow and also change the profile of the company from the current segment.

So, it is being evaluated, being discussed. But once it is completely cleared by the Board, we will definitely share it with, through the stock exchange as well as in the investor calls.

Jiten Parmar: Perfect, thank you. That would be all. If you have any other questions, I will come back in queue.

Moderator: We will take the next question from the line of Vipulkumar Shah from Sumangal Investments. Please go ahead.

Vipulkumar Shah: So, sir, result of this quarter was mainly due to our old inventory of raw material of Caprolactam and this quarter results are likely to be adversely affected due to rise in Caprolactam prices. So, what is your comment on that, sir?

Suresh Sodani: So, actually, if you look at the volume, sales volume compared to even Quarter 3 where our performance has improved, the Quarter 4 volume, sales volume are significantly higher. So, sales volume is one of the main drivers of the better performance in this quarter which has been aided by some consumption of old priced raw materials.

But without the volume growth, we would not have been able to encash even this possibilities of encashing the low cost and the higher prices in our sales prices. So, I think it is mainly due to the higher volumes and duly aided by some low cost consumption of raw materials.

Vipulkumar Shah: No, but those low cost raw material consumption must have exhausted and now you must have started using higher price inventories.

Suresh Sodani: Yes, that will happen.

Vipulkumar Shah: So, margin will be under pressure in this quarter. I am not asking for numbers. I am asking for directional view, sir.

Suresh Sodani: See, I mean, we have been normally talking of an operating margin of about 6% to 8%. But given our focus on reducing cost and also reducing our power rates through hybrid power and renewable power, we now feel that depending on the external scenarios and demand, our operating margin could be in the range of 7% to 10%.

We cannot give a specific number for any quarter, but we feel that we have improved our chances of improving the operating margins from what we used to convey in our earlier earnings call.

Vipulkumar Shah: So, you mean to say delta for operating margin has moved higher if all other things remain constant, sir?

Suresh Sodani: Yes, it should help us. In fact, in a more normalized scenario, it should help the company to generate better margins.

Vipulkumar Shah: And what type of power cost reduction we should expect once all these renewable energy projects are coming on stream?

Suresh Sodani: I can give you an estimate of our current, for the FY '26, our renewable content on the total power consumption was about 36%. Post our commissioning of additional renewable power, it should go up to about 48%. So, that gain would start reflecting.

I cannot give it in terms of value, but I think that would give a good estimate that it will increase by almost 12%. I mean, the percentage of it is much higher, but 12% of the total power consumption.

Moderator: We will take the next question from the line of Maitri Shah from Sapphire Capital. Please go ahead.

Maitri Shah: Sorry for the basic questions. I am new to the company. So, currently we are working in the nylon yarn and the NTCF vertical. Is that correct?

Suresh Sodani: Yes, and also we have made an entry into the polyester segment through polyester tire cord fabric, which is under approval. And we also sell polyester industrial yarn to certain segments using the polyester industrial yarn.

Maitri Shah: And when do you expect the facility of PTF to be operational in FY '27? And also if you could guide me through the CAPEX of this facility and the capacity that we are adding in this facility.

Suresh Sodani: This is already operational. So, we are currently manufacturing and selling polyester industrial yarn. But the main purpose of putting up this facility was to manufacture polyester tire cord fabric.

And since it is a new product and also goes into passenger car tires, it goes through a rigorous and long approval process by the tire companies. So, we have moved ahead on that process and we made progress during the last quarter. We are hopeful that the commercial sales would start in FY '27, most likely second half of FY '27.

We have spent close to Rs. 100 crores on this project. And this was commissioned about 2.5 years back, where the process of getting the products and other things has already started. And FY '27 is when we expect that the commercial sales should start.

Maitri Shah: That is good. And with the capacity, how do you see the scale-up kind of happening? So, these approval processes are different for the OEMs or are we just getting a bit of a color on how we are getting the orders on this side?

Suresh Sodani: So, capacity is about 4 KT per annum. And currently, we utilize almost 75% to 80% based on the demand from the industrial yarn segment. This also, industrial yarn segment was impacted by the QCO order.

There was a quality control order on polyester, which was removed during the year. So, that has some impact on the volumes. But, as I said, the main purpose is to manufacture the polyester fabric and evaluate opportunities of other technical textiles that we can get into, which use polyester as a raw material.

Maitri Shah: And this facility, these products will be more higher in value and with better margins coming in. And you also alluded to your adding more capacity on the Mother Yarn and more value-added products.

So, going forward, any sort of targets you have on the revenue growth side and also how you see the margins kind of scaling up, like a medium-term target, 2 to 3 years down the line?

Suresh Sodani: Since we do not give any forward-looking statements, I cannot comment on the top-line growth. But as I mentioned in the earlier question, we expect a margin range, depending on other variables of demand, external conditions and other things, to be in the range of 7% to 10% operating margin.

Maitri Shah: And what sort of volumes, if you could mention, you are targeting for FY '27?

Suresh Sodani: We would ideally want to have repeat our Q4 plus volumes, but this is all dependent on so many external factors. But the focus is to keep on utilizing maximum capacities, and that also improves our margin because it helps in better spreading of our fixed costs.

Maitri Shah: And these capacities are fungible, so your value-added products and the non-value-added products can be kind of utilized at the same capacity, or do we have a specific capacity for just the value-added products? And if you could help me out with the utilization over there.

Suresh Sodani: No. Actually, when we say value-added products, actually this is adding value to our commodity products, which face significant competition, mainly from China imports.

So, actually, I mean, obviously, they are fungible that we do not get additional revenue, additional contribution over the additional cost that we spend on converting the commodity products. So, we have an option not to make the value-added products, and we can continue to sell the commodity products.

But our experience is that normally these value-added products have less volatility, less competition from imports, and these are more specific to the customer requirement. So, normally, I mean, almost most of the time, our margins on value-added products is better.

So, we expect and we would continue to invest and convert almost entirely the commodity products that we sell in the market and get into more value-added products and also distinct products which give a distinct benefit to the customer.

So, ultimately, if the customer is able to realize value for his fabric or finished products, that translates up to better margin and better volumes for these products. So, that is working very closely with the customer.

We operated at about 80% for the year in terms of capacity utilization. In the Quarter 4, it was about 85%.

Maitri Shah: And, could you help me out with what percentage of sales currently is coming from your value-added products and how much the margin differential you have over the commodity products when you kind of sell the value-added products?

Suresh Sodani: Since we report all, I mean, in a single segment, I will not be able to give volumes, but on an average, about 20% additional margin we realize after the additional cost that we do in converting these into value-added products.

Moderator: We will take the next follow-up question from the line of Vipulkumar Shah from Sumangal Investments. Please go ahead.

Vipulkumar Shah: Where are we in this journey for polyester tire cord certification?

Suresh Sodani: Approval certificate? Are you asking approval or?

Vipulkumar Shah: Yes, approval.

Suresh Sodani: So, there are four stages before the commercial approval. We have moved to the Stage 2. And what the tire companies do is that once they give a clearance to the base product, then they take products and make tires out of it. Those tires are tested over a period and multiple tests go on. So, that process has already started.

So, the next would be to take it to a larger volume of supply before the commercial supply, convert it into more tires, and again the tires would be tested through multiple tests that the tire companies do. And thereafter, it will move to a commercial phase.

Vipulkumar Shah: So, out of 92,000 tons capacity, what is the capacity for this polyester tire cord, sir? And do polyester tire cord have higher margins as compared to our commodity products?

Suresh Sodani: So, as I mentioned, our current capacity is about 4 KT, 4,000 tons per annum.

Vipulkumar Shah: Only 4,000?

Suresh Sodani: Yes, we just entered into this segment about 2.5 years back, 3 years back, you can say. Because we were only into nylon, and the usage of polyester and nylon are different. Nylon basically goes into tractor, two and three wheelers, and partially into truck and bus segment whereas polyester mainly goes into the passenger car tires.

And passenger car tire segments, that is the reason that it is also taking a larger time because the safety protocols and the approval process are even more stringent compared to other tires. And margins are expected to be similar.

But the purpose of getting into it is because the passenger cars, you have seen that vehicle sales, four wheelers, personal vehicles are growing. And with a growing middle class, we expect that the demand for passenger cars and passenger-related products like passenger tires would grow, and which would translate into higher growth for the reinforcements for the passenger cars.

Vipulkumar Shah: And sir, out of the CAPEX of Rs. 100 crores for FY '27, what portion would be allocated towards renewable power, and what should be used for capacity expansion, and what would be the capacity after this Rs. 100 crore CAPEX?

Suresh Sodani: So, capacity would go up by about 2 to 2.5 KT, you can say, for the project that would get commissioned. Others are mostly adding value, so the capacity will not go up, but the value addition will go up.

And then there are investments in reducing our consumption, power consumption, power rate, safety. So, all that would not add to the capacity, but would add to operational gains as well as efficiency improvements and reducing our cost of production.

Vipulkumar Shah: So, the ballpark figure which you gave, 7% to 10% margin is after all these initiatives are taken into consideration, right?

Suresh Sodani: Yes, so they will not come from day one. So, part of them would get translated into Q3 and Q4. And based on success of other things, we are expecting that by the end of this year, we should be able to, I mean, end of FY '27, our margins should improve based on the initiatives that we are taking on reducing our costs.

Vipulkumar Shah: And so the last question, when we are sitting on so much cash, why we are not going ahead with a major expansion? Is the market not large enough to absorb the expanded capacity? So, what is the rationale behind it?

Suresh Sodani: No, see these are more technical products. And as I said, we made an investment in polyester tire cord and it has taken 3 years to get into a stage where we expect commercial sales.

So, we have to evaluate projects which, first of all, have growth potential in India, second, are effectively able to compete against imports from China. And third, have growth potential for looking at the India growth story.

So, we are evaluating projects and once it goes through a process of internal evaluation and approval of the Board, we could come up with either during the year or maybe later part, I mean, somewhere later on with some larger projects, but these are still at an evaluation stage.

Vipulkumar Shah: So, last question, out of our volume of 73,692 tons, what should be the commodity volume and what should be the value-added products?

Suresh Sodani: When we say commodity products, basically they are in the nylon filament yarn segment. And that would constitute a very small, I mean, about maybe 20% to 25%, let me just, one second, 20%, so around maybe 15% to 20%.

Vipulkumar Shah: Rest all is value-added products, right, sir?

Suresh Sodani: See, when we say the tire cord fabric, that's already value-added. It is a highly technical product. So, when we say commodity product where the competition intensity is high, that we classify as a commodity product. Where the competition intensity is low and margins are better, we treat them as a value-added product.

So, that is the kind of internal definition we follow. And that is when I am saying this 15% to 20%, that is the volume which is vulnerable to imports as well as lower margins.

Moderator: We will take the next question from the line of Amit Kumar from Determined. Please go ahead.

Amit Kumar: So, just one bookkeeping question to begin with. This polyester industrial yarn that you sell, which bucket does this revenue get booked in? Part of the yarn segment or the reinforcement segment?

Suresh Sodani: Yes, it goes under the yarn. Yarns are all yarns. We don't differentiate now since we are making both nylon and polyester. All kinds of yarn go in the yarn sales value that we reflect. And reinforcement means where it goes as a reinforcement in the fabric.

Amit Kumar: See, the only reason which I am asking is that while your reinforcement segment has seen a pretty sharp jump in revenue, but your yarn segment has been fairly flattish on a Y-o-Y basis revenue I am saying. And obviously in raw material prices there would have also sort of gone up. So, this price hike that we have seen is principally in the reinforcement segment and not so much in the yarn segment.

Suresh Sodani: No, no. It has been in both the segments. Sometimes what happens is the order position that is on books, because this happened in more towards the middle of March and it is not a, I mean, it continues in. I mean, in some cases the reflection would come early.

And in other cases, so I think it is more to do with the timing of what is on the books, at what orders have been booked and because whatever we have booked at rates before we increase the prices, that we have to honor and we have honored, always we do that. And so that part would more reflect, only partially it would have reflected in one segment and in more quantities in the other segment.

Amit Kumar: So would it be, just to sort of clarify, it would be fair to say that prices would have sort of continued to increase going into 1Q as well. Actually both, raw material as well as finished product prices. The new business would be on higher side.

Suresh Sodani: It is still very volatile. Yes, so it is still very volatile. Yes, it was. It significantly jumped by end of March because there was complete lack of clarity on availability of material. I think that became a kind of a panic thing, whether the raw materials would be available at the entire value chain.

So, everybody had a panic whether for us also it was there, whether we could continue with our production or there would be a disruption. Similarly it happened to our customers and similarly to the raw materials for our suppliers. So, the entire value chain was under a kind of uncertainty when we closed this month.

Amit Kumar: Sir, I understand that. What I am basically trying to understand is the present situation. So, obviously, now you are basically saying that the availability of material is not an issue anymore, that question is settled. Raw material is basically flowing through to you. And I presume to other companies as well, hopefully.

But there is still a pricing question that raw material prices have gone up quite a lot. For some time you had low price inventory, but now I presume you would not have. So, the question is that, you know, have the end product prices also sort of reflected the higher raw material prices in April, May?

Suresh Sodani: Yes. As I had mentioned, we have been able to pass through the increases. I mean, very rarely where we thought that either the segment or the customer is not able to pass, we have said that we are not able to produce for them because that kind of sudden increases cannot be absorbed in our books.

So the pass-through to a large extent, which started in March, has continued based on the pricing of raw materials which prevailed in the, up to, I mean, April and May.

Moderator: We will take the next question from the line of Chandresh Malpani from Niveshaay. Please go ahead.

Chandresh Malpani: Sir, first question is on the PTCF market size. If you can help us understand the size of the market in metric ton.

Suresh Sodani: So, I mean, there is no absolutely, I would say, authentic number. But in our estimate, the market size is close to 25 KT. And most of it, almost 80% to 85%, 80% of it is imported.

Chandresh Malpani: And, sir, second question is on the volume growth for the quarter. Because you have mentioned in your remarks as well that due to GST rate cuts, there was a good demand for the replacement side. So, maybe this quarter would have shown some volume growth on that side. And how are you seeing this trend of GST rate cut? I guess this could moderate, right?

Suresh Sodani: Actually, GST cut came in middle of Q3. And we immediately saw, if you see, the Q3 numbers also improved compared to Q2, mainly because of the growth and good traction, mainly from the tire demand, tire side.

So, that fully played out in Q4. And even before the Iran war and even in March, since we did not have to cut production, the traction and demand, post GST cut continued. And as I mentioned, the mainly, the growth driver, the outliers were tractor segment and the two and three wheeler.

And tractor segment was on back of a very good monsoon in last year which gave, if you have seen the tractor sales numbers, they were at all time high in FY '26, in terms of both OEMs and, I mean, even exports. So, that I think was a key driver.

Even the two-wheeler sales crossed the pre-COVID level retail sales volume. So, now going forward, we expect that it could be slightly, the growth may not be to the same extent. But one of the key variables or something which we are keeping track of is how does the monsoon and the crops come out in terms of its impact on Indian GDP.

Because that will be a key for this demand to continue in these two segments. Because both of them, whether it was two wheelers or tractor, was again driven from the rural demand. And rural growth is the key to continue on that.

Other factors being, since our segment, one of the large consumption also goes in the truck and bus. If the overall volume growth continues in terms of capacity expansion of other industries and the truck demand continues to be good, it could have some compensation for lower demand in the other segments.

Chandresh Malpani: And sir, last question is on the, you know, when you mentioned about the nylon filament yarn anti-dumping duty part. So, you also mentioned that your segment is not quite affected because we are in value-added side.

But let's say the duty comes in. So, how much favorable, you know, that thing would be for us on the realizations maybe? And secondly, if you can, you know, also highlight what could be the quantum of imports that would go down?

Suresh Sodani: Currently, on an aggregate basis, about between 20% to 25% of domestic demand is being made from imports. And the imports are mainly from China. The anti-dumping duty, once it comes, and we are hopeful that Finance Ministry would notify it, it would have an impact on the sentiments and the pricing of the entire, all the products in NFY.

So, since, as I mentioned earlier, we actually convert our own base product or the commodity products to value-added products. So, when the base product goes up, the value-added product prices also go up. And that would have a favorable impact on our financials. I mean, financials for the domestic industry overall.

And I am not able to quantify that because, first of all, it is not still to be notified. And we don't know how China or any other country would react to that post, if at all, I mean, if it gets implemented and notified, what kind of imports reduce or what kind of price changes happen post the notification of anti-dumping duty.

Chandresh Malpani: But let's say the FOB value as of, like, before the duty scenario and current domestic, what would be the differential in percentage, if you can put it out?

Suresh Sodani: So, what has come out as a notification talks of between about 70 cents to, I mean, depending on the product and the country, it is varying from about 20 cents to 80 cents. So, it will have a multiple, I mean, so, it is fair to assume that it is about between 10% to 30% of current FOB value and that could be the impact on the prices.

Moderator: We will take the next follow-up question from the line of Jiten Parmar from Aurum Capital. Please go ahead.

Jiten Parmar: So, my question is, what is exports as a percentage of our revenue? And subsequent to this, how much of our raw material is imported?

The reason I am asking this question is, basically, that there has been a devaluation of the rupee against the yuan by 20% and for the dollar by 10% in the last one year. So, I want to gauge whether we are a beneficiary or we are negatively impacted.

Suresh Sodani: I mean, it is difficult to give that whether we are beneficiary or otherwise because both the raw materials and the finished goods prices correct to the exchange rates. It is only sometimes the

timing difference. So, both are because whether it is nylon tire cord fabric or it is nylon yarn, the imports of either the finished goods or the raw material has an impact on the finished good pricing.

So, it is difficult to say whether it is positive or not, but weakening of rupee against dollar and slight strengthening of yuan against dollar actually should be favorable because it makes the Chinese imports into India, particularly the finished goods, more costlier.

We also import the majority of our raw materials from China, I mean also from other countries, but China is one of the major suppliers of the raw materials. We also get our raw materials from one of the domestic suppliers, but again it is pegged with the exchange rate. So, that anyway gets captured in the cost of both raw materials and the finished goods.

Jiten Parmar: So, if you can answer, how much is the percentage of exports out of the total revenue?

Suresh Sodani: That is about 4% to 5% is our exports, but we are focusing on increasing our exports particularly of the value-added filament yarn.

Jiten Parmar: One thing I want to talk about from the risk perspective, one of the risks I see is basically radialization. How does that affect us? Because that would affect basically our NTCF demand. Can you throw some color on it basically?

Suresh Sodani: So, radialization has moved to a close. I mean, as per reports from ATMA is about 60% has moved to 60% of the total demand in truck and bus segment. Radialization impacts only the truck and bus segment.

It does not impact the tractor or the two-wheeler segment, because there it is still nylon is the reinforcement. And it has not been increasing at the rate it used to be about maybe 4 years back. 4 to 5 years back, it was 55. it moved sharply to 58 about 2 to 3 years back. And now it has, the pay increase, the radialization percentage increase is now not that sharp. So, we are not seeing a significant rise in the percentage of radialization of truck and bus segment.

Second, since the tractor and the two-wheeler segments are growing, what we have seen in the previous year when the volumes were also high and so that is expected to cover up if any, radialization reduces the demand for the nylon as a reinforcement.

What radialization has done is that the overall growth of nylon as a reinforcement in the tire segment is not growing significantly. We expect only marginal growth of maximum 1% to 2%. But we also do not expect a significant fall now, since it is now reaching a level where normally it is more stabilized.

Jiten Parmar: That is all from my end.

Moderator: We will take the next follow-up question from the line of Vipulkumar Shah from Sumangal Investments. Please go ahead.

Vipulkumar Shah: Just one clarification, sir. You said 15% to 20% of our volume is commodity, but when I see your Slide number 6, your yarn segment and reinforcement segment, revenue are almost matching. So, in yarn segment also we have two types of products. One is value-added and one is commodity.

Suresh Sodani: I said it is only in the yarn segment. We do not consider our reinforcement as commodity, because these are technical products. The entry barrier is very high in getting into these products.

Vipulkumar Shah: No, no. So, your yarn segment, this sales is 8,280 million and reinforcement is 8,162 million. So, it is almost matching 50-50, whereas you said that commodity part of the business is 15% to 20%. So, what I am missing here, sir?

Suresh Sodani: No, no. 15% to 20% of the total is the commodity business, which is only housed in the yarn segment.

Vipulkumar Shah: So, in the yarn segment also we have two types of products. One is commodity and one is specialty.

Suresh Sodani: Correct.

Vipulkumar Shah: Thanks for the clarification.

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

Yogesh Shah: Thank you everyone for joining our earning call. I hope we were able to give the answer to your query. And I hope those were to your satisfaction. If you have any further questions or would like to know more about the company, please reach out to our Investor Relations Manager at Valorem Advisors. Thank you.

Moderator: Thank you, members of the management. On behalf of Valorem Advisors, we conclude this conference. Thank you for joining us and you may now disconnect your lines. Thank you.