Registered Office / Urse Plant
Finolex Industries Limited
Gat No. 399, Village Urse, Tal.-Maval,
Dist. Pune 410 506, Maharashtra, India
CIN L40108PN1981PLC024153

Tel +91 2114 237251 / 237253
Toll Free 1800 200 3466
Fax +91 2114 237252
Email investors@finolexind.com
Web finolexpipes.com

November 6, 2026

To,
The Manager – Listing Department
National Stock Exchange of India Limited
5, Exchange Plaza,
Bandra-Kurla Complex,
Bandra (East), Mumbai 400051

Symbol: FINPIPE

To,
The Manager – Listing Department
BSE Limited
Floor 25, P.J.Towers,
Dalal Street,
Mumbai 400 001

Scrip Code: 500940

Sub.: Transcript of the Earnings Call

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

Dear Sir / Madam,

This is further to our intimation dated October 28, 2026, and in terms of the subject referred regulation, we hereby submit the transcript of the Earnings Call held on Monday, November 2, 2026, post declaration of the Unaudited (Standalone & Consolidated) Financial Results of the Company for the Quarter and Half Year ended September 30, 2026.

The transcript of the said Earnings Call is available on the website of the Company at https://www.finolexpipes.com/investors/financials/

This is for your kind information and records.

Thanking you,

For **Finolex Industries Limited**

DAKSHINAMURTHY VISHWANATHAN IYER
Digitally signed by DAKSHINAMURTHY VISHWANATHAN IYER
Date: 2026.11.06 17:06:02 +05'30'

Dakshinamurthy Iyer
Company Secretary & Compliance Officer
M. No.: A13004

Encl.: As above

Corporate Office
Finolex Industries Limited
IndiQube 'The Kode' - 11th Floor,
S. No. 134, Hissa No. 1/38,
Baner Pashan Link Road,
Pune - 411045,
Maharashtra, India

Tel +91 20 27408200
Fax +91 20 27489000
Email care@finolexpipes.com
Web finolexpipes.com

MANAGEMENT SYSTEM CERTIFICATION
ISO 9001 :2015
ISO 14001 :2015
ISO 45001 :2018
Ratnagiri Plant

QUALITY SYSTEM CERTIFICATION
ISO 9001 :2015
Pipes Division

“Finolex Industries Limited

Q2 FY2026-27 Earnings Conference Call”

November 02, 2026

MANAGEMENT: **MR. UDIPT AGARWAL – MANAGING DIRECTOR – FINOLEX INDUSTRIES LIMITED**
MR. CHANDAN VERMA – CHIEF FINANCIAL OFFICER – FINOLEX INDUSTRIES LIMITED

MODERATOR: **MR. ARUN BAID – ICICI SECURITIES LIMITED**

Moderator: Ladies and gentlemen, good day and welcome to the Finolex Industries Limited Q2 FY2026-'27 Conference Call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. I now hand the conference over to Mr. Arun Baid from ICICI Securities. Thank you, and over to you.

Arun Baid: Good afternoon, ladies and gentlemen. On behalf of ICICI Securities, I welcome you all to the Q2 FY27 Post Results Concall of Finolex Industries. From the management side, we have Mr. Udipt Agarwal, Managing Director; and Mr. Chandan Verma, CFO. Now I hand over the call to Udipt for the opening remarks, and then the floor will open for Q&A. Over to you, Udipt.

Udipt Agarwal: Thank you, Arun. Good afternoon, ladies and gentlemen. Welcome to Finolex Industries Earnings Call for the second quarter and the half year ended 30th September 2026. We are pleased to have you with us today. May I remind everyone that this call may contain certain forward-looking statements based on management's current expectations, and the actual results may differ.

All figures that we discuss on the call are on a stand-alone basis unless we explicitly mention otherwise. Coming to the quarter 2 FY27 performance, the results are available with you. As you might have seen that during the quarter, we had a strong volume recovery with profitability remaining more or less flat due to higher material costs.

During the quarter, sales volume grew 28% over year-on-year basis to 83,407 metric tons as channel destocking eased and the PVC prices also kind of stabilized during the quarter. Revenue from the operations grew 27%, which is in line with the volume, and it stood at INR1,094 crores, mainly driven by the volume growth.

PBT, as we said, the profitability remained flattish. PBT during the quarter was at INR153 crores as against INR158 crores of quarter 2 FY26. Coming to the half year performance of the current year. For the first half, the strong second quarter has largely made up for the weak first quarter, but not to the full extent, and we see that the volume during the first half is 4% lower on a year-on-year basis.

During the first half of FY27, our volume was 151,106 metric tons as against 157,465 metric tons of the previous year, but this is primarily due to the quarter 1 lower numbers, which we had. The revenue from operations grew during the first half 4% year-on-year to INR1,978 crores.

And this all is primarily due to the quarter 2 volume growth and also slightly better realizations during the quarter 2. For the full year, our profit before tax, PBT rose 6% year-on-year to INR300 crores as compared to INR284 crores in the previous year first half. On the liquidity front, that

continues to remain strong, and we have a net free cash flow of about INR2,584 crores as on 30th of September 2026.

I want to take you through also some of the recent developments, which are taking place in respect to the PVC and the PVC pipes market. One of the several reasons that we saw that the price stabilization at a slightly better level was the introduction of the minimum import price for suspension-grade PVC resin.

However, the geopolitical developments, as we all are aware, particularly geopolitical developments in West Asia, they continue to remain uncertain. And with respect to the raw material supply and also with respect to the PVC supply. But we continue to, as always, monitor them very closely.

But it's not only us, it is the industry-wise topic. On the business environment side, I think we all saw quite a lot of disruption in quarter 1, driven by the volatility in the prices to a much more stable in quarter 2. As far as the PVC pricing is concerned, although there has been an increase, but the volatility was less, okay

And we see that the quarter 2 volume recovery is happening across the organized industry that was largely driven by restocking by the channel. Traditionally, if you look at it, quarter 2 is normally a softer quarter for us for PVC pipes as agriculture demand moderates due to the monsoon months, okay

However, our volume growth this quarter reflects a recovery from the price-led destocking, which happened in the quarter 1. If I try to look into the future a little bit, the recovery as we expected last quarter has begun to show in volume in our current months. What is also is that the second half of this year looks like January to May, which is the pre-monsoon window, which is seasonally our strongest period in terms of our volumes.

So, and we enter into the second half of the year with a more normalized channel inventories and a steadier pricing environment, okay. We remain in the midst of all this situation, we remain cautiously optimistic, and our endeavor will remain focused on our maintaining sustainable margin together with the volume growth over time. Thank you for your continued trust and support. We now open the floor for question and answers. And with me also here is Mr. Chandan Verma, our CFO, to try and answer all the questions.

Chandan Verma: Hi. Good afternoon to all the participants for the Q2 Earnings call of the Finolex Industries Limited. We invite all the questions from the participants.

Moderator: Thank you. We will now begin the question and answer session. We've the first question from the line of Sneha from Talreja's. Please go ahead.

Sneha: Hi, sir. Good evening and thanks a lot for the opportunity Just a couple of questions from my end. While your volume growth you said was led by also restocking, what would be the reason for margin suppression, while I understand that you also said that this was not an agri quarter

like we're slightly missing. So it could not be product mix is what I guess. But why margins are under pressure despite your raw material prices increasing and may be some amount of inventory gain. Could you give some color on that?

Udipt Agarwal: So, Sneha, as you rightly pointed out, though we have registered a volume growth of 28%, we have seen a slight pressure on the margin side. Now how it happens on the Q1. When you see at the entry of the Q1, when you see the raw material prices have started to go out, go up at the higher direction.

At that point in time, we are having procured certain inventory at the lower price. That got utilized during the Q1, but over the period in time, when we procured our inventory during Q1 and which has got effective consumed during Q2, that has resulted into the pressure on the margin side. So basically, it's a time lag which happened, as you know, price gets impact immediately, realization gets impact immediately, but there's a lag in the raw material price. So that is the effect we are seeing during Q2.

Sneha: And just an extension on the same question, what is the kind of a lag impact that we are seeing in terms of passing on the raw material prices, be it PVC or CPVC?

Udipt Agarwal: So as you know, Sneha, the sales price immediately gets affected in the market immediately basis. However, as the margin remained always volatile in terms of our point in booking the raw material prices and when it gets consumed. So our industry works in a direction where realization will be gets impacted immediately. However, the raw material depends upon at what price, at what point in time we have booked into.

Sneha: Sure. Understood. And could you just give me our PVC, EDC and VCM prices for the quarter?

Udipt Agarwal: Yes. On an average basis, the PVC has been $771 and PVC/EDC delta remained $455 on the international market.

Moderator: We have the next question from the line of Shravan Shah from Dolat Capital.

Shravan Shah: A couple of things, sir. So first, in the 1H, we have a 4% volume degrowth that we have explained that the Q1 loss got kind of set up by the 2Q volume and that to a channel destocking. So given this and the last year Q4 also a significant volume kind of 12,000-odd tonnes. So in this scenario, how do we see the volume for the full year?

Udipt Agarwal: See, this year -- I mean, last year was a different scenario. This year, it is a little bit different scenario. But yes, traditionally, the quarter 4 is a very strong quarter. And as I said in the opening remarks, also, as we move into the year, we also see this January to May period of a relatively high demand for us. So we'll see how it plays out.

There are too many uncertainties right now in the marketplace on a geopolitical front, what is happening there and you know how the crude prices have been moving up and down so much.

So we'll see. But as I said, our endeavor is always a profitable growth, and we will continue to drive in that direction.

Shravan Shah: But is it fair given -- or maybe you can help us with how the October till now or now we are already in November, so October, how we have seen. So is it fair to say we can still see a kind of a degrowth maybe whatever, 1% or 2% for full year FY '27. That's a fair estimate?

Udipt Agarwal: I would say October was a relatively good month as compared to the previous years. okay? And so if I look at it from today's perspective, if I take into account the October performance also then year-on-year, I'm slightly on the greener side on a percentage basis, volume growth, yes. And so that is the positive thing. But at the same time, we would not like to raise expectations, yes. So let's see how this quarter goes, but October was a good month for sure.

Shravan Shah: Okay. And now in terms of the margin so for 1H, we are at 11.7%. And previously, we were kind of looking at sub 15% level. So how and because why I'm asking is because in terms of the realization also, if you look at from Q4 onwards, 1Q, 2Q, it is kind of a flattish marginal growth versus the kind of the PVC prices, which has increased. So how do we see the 3Q in terms of the at the price level and then on coming to the margin level for the second half and then ultimately the full year, how one can look at the margin?

Udipt Agarwal: So as far as the PVC pricing is concerned, you know the minimum import price is till mid of January or third week of January. So as far as the full quarter, quarter 3 is concerned, we don't see massive price erosion. In the PVC prices, if we look at the domestic demand supply, that's also slightly constrained. So at this moment, as we stand today, I don't see any reason that there should be a huge downside on the PVC prices, okay? And probably Chandan can comment a little bit more on the margin situation because there is a better clarity on this.

Chandan Verma: Shravan, just to reiterate our earlier commitment where we have seen roughly around INR14, INR15 per kg of EBITDA margin for the year as a whole, we have estimated. And we are continuing to remain our target remains same, and we are on track. So on a full year basis, we are expecting EBITDA margin roughly around INR15 per kg on an average.

Shravan Shah: Okay. INR15 per kg, but in terms of the percentage, if we have to look because that also depends on?

Udipt Agarwal: It depends on the prices of the resin and the cost also. So more or less 14% to 15% around kind of EBITDA margin year as a whole, we are expecting. Six months ended roughly around we are having 12.5% something kind of thing. But year as a whole, 12.5% to 13% and 14% somewhere around, we'll be ending up.

Shravan Shah: Okay. And then just a data point in terms of the CPVC share, fitting share and agri share for Q2?

Udipt Agarwal: So Q2, 8% generally remain the CPVC volume share in our overall volume. And fitting share roughly goes around 7% around.

Shravan Shah: Okay. And agri share?

Chandan Verma: Agri. So agri, non-agri, we are at 60-40 around. Agri and non-agri, 60-40 for the Q2.

Shravan Shah: Okay. So fitting sir has came off from 11% in Q1 to 7% in Q2?

Chandan Verma: Overall.

Udipt Agarwal: Overall. Basis, I'm talking about on a six...

Shravan Shah: Yes, yes. Okay. I'm specifically asking for the Q2. So all the numbers that you said right now, that is for 1H or Q2?

Udipt Agarwal: So 60-40 agri to non-agri is the Q2, and 8% CPVC volume is for the Q2.

Shravan Shah: Okay. And the fitting.

Udipt Agarwal: Total pipe and fitting this year for the Q2 is 12% on overall local volume.

Chandan Verma: 12%.

Shravan Shah: Okay. Lastly, sir, on the same in terms of the cash, I understand the same for last many, many quarters, we keep on saying the same thing in terms of this close to INR2,584 crores, how we will be -- because we are not even doing a much capex also this 1H also, we have done just INR36 crores, INR37-odd crores?

So if you can reiterate when we will be going for a capex or expansion plans or in terms of the -- I understand it is a Board decision, but still the huge cash is there. So something will be there in terms of rewarding to the shareholders or our stand will remain the same. The Board will decide and that for maybe next couple of quarters will remain the same answer?

Udipt Agarwal: Yes, Shravan. So definitely, the overall decision will come from the Board. But having said that, in terms of your question regarding the capex, so this year also, we have roughly planned for a capex of INR150-odd crores. This includes more or less routine capex. And as we have been talking about, this will be for the further debottlenecking in the process. So that we are on. So INR150 crores plus odd capex spending is pipelined during the current FY27.

Moderator: Thank you. We have the next question from the line of Nirav from GeeCee.

Nirav: Sir, I have one question with regards to outlook. Sir, what we are seeing is that there is acute shortage of water and El Nino effect seems to be picking up. And our business is heavily dependent on agri. So in light of this scenario, do you see a scenario wherein demand getting impacted because a lot of talukas by multiple state governments are being given relief by state governments. So situation on ground seems to be really very, very tough. In light of this scenario, how do you see the demand panning out in H2 and especially for the agri-related portfolio?

Udipt Agarwal: No. Thanks. I mean, your observation and your information is there. I mean we all see this. We also see that the full impact of El Nino also has not been -- has come in as yet. It is expected that sometime in November onwards, we'll see the impact and the water availability and the situation which you talked about, particularly in some states is a little difficult.

So it has two effects, yes. It has two effects. One is that the -- on the demand side, wherein you say that you move water from -- to the place where it is available to the place where it is needed. So there would be an increased demand of the pipe. But at the same time, there is also a little constraint on the farmer income, okay?

However, if we look at some of the other agri input indicators. For example, if we look at the tractor, new tractor bookings, which is up like 14%, 15% in major agri areas. If you look at the 2-wheeler bookings, the rural 2-wheeler bookings, that's also a little bit on the higher side as compared to the previous years.

So that also gives a little bit of positive indicator to us that, yes, while there is a constraint in the market with respect to monsoon, a El Nino effect, but should not have such a big impact from a cash availability point of view. And that's why I was saying in the earlier -- responding to the earlier question also, not giving you a very firm indicator because all these volatility although on the raw material side, but also on the demand supply. There's a little bit of uncertainty how everything will pan out. So yes, the situation is like this. We keep and watch on this.

Moderator: We have the next question from the line of Ritesh Shah from Investec India.

Ritesh Shah: Sir, would it be possible for you to highlight what is our piping and fitting capacity right now? And where do we see this number, say, end of this year and end of next year?

Udipt Agarwal: So we are -- Ritesh, our total capacity stands out to be 520,000. This includes pipe and fitting.

Ritesh Shah: Sir, fitting would be how much out of this 5.2?

Udipt Agarwal: Fitting would be roughly around 95,000, roughly.

Ritesh Shah: And how much is outsourced besides this?

Udipt Agarwal: Out of the total fitting requirement, only a smaller portion comes out from our in-house capacity. Rest comes from our third-party sources. So roughly 40,000 is the total generally we produce in a year. So out of in-house roughly comes out to be in-house and you won't separate from the subcon and in-house or what?

Ritesh Shah: Yes, sir, I just want to bifurcate it. So 5.2 is piping, how much is fitting? You indicated 95, 95 is captive?

Udipt Agarwal: 520 include pipe and fitting both, number one. It include fitting as well. So out of that fitting capacity roughly comes out to be 40 kt in-house and outsourcing roughly comes out to be 60,000 or something, around 60,000.

Ritesh Shah: Okay. This helps. And sir, how should we look at this number over the next two years? How will this increase?

Udipt Agarwal: Yes. At this moment, see, we are having a sufficient headroom to complete because we have -- currently, we are at the 67%, 68% utilization level, right? So we have a sufficient headroom for the current year and next year both. So we are comfortably -- we are good with the current capacity.

Ritesh Shah: Right. And sir, you indicated INR150 crores of capex for FY '27. What exactly is the end use?

Udipt Agarwal: So, Ritesh, see, as you know, we always keep talking in our earlier call also. So there are a lot of debottlenecking exercises going on in the company, where the low-capacity extruder will keep moving and it will get replaced with the higher capacity extruder. So this additional capacity, if anything will come out to be -- it will definitely come out after the next year towards the end of the next year. And rest of the -- out of INR150 crores, rest of the is the routine capex that we are -- maintenance capex is there.

Ritesh Shah: Sure. Sir, my second question is on balance sheet. Is there any monetization which is still remaining with respect to land or is it all done?

Udipt Agarwal: No, no. So monetization in terms of, we have the land -- Ratnagiri, we have the land parcel, we have the land parcel in Masar, we have the land parcel in Urse. So monetization, whatever required to be done, which was the idle plant in Q4, that is done in two years back. At this moment, we don't have any plan to get into this monetization of the existing land capacity.

Ritesh Shah: Perfect. And sir, last question, you indicated margins at 14% to 15%. This is -- I would presume it's for the full year. Is that assumption right?

Udipt Agarwal: Yes, full year.

Ritesh Shah: Yes. Sir, then what is it that will drive the margins in the second half? Like are we taking a call on the product mix? Or PVC pricing, inventory gains, how should we better appreciate this?

Udipt Agarwal: Yes. So, Ritesh, actually, you'll see this year also, our mix of agri and non-agri has gone up, right? So currently, the current quarter, we are at the 60-40 level of agri and non-agri. As the ratio of non-agri will go in our overall portfolio and product mix, the realization and the per kg margin and overall margin will go up. So that is how we are looking into the scenario at this moment.

Ritesh Shah: Perfect. And sir, just last question. Are we witnessing any tailwinds with respect to Nal Se Jal? The reason I ask is government has already disbursed INR7,700 crores. It's not a big number, but it's a decent enough number. So are we directly or indirectly benefiting out of it? Or do we see any tricker that we will see benefits possibly, say, three months, six months out?

Udipt Agarwal: See, if you look at the total outlay which government had and out of which what has been released is a smaller sum, okay? So it also depends on how the states are doing. So -- and you

know that we do not have any direct business. We do all our business through channel partners, okay? So it is difficult for us to say what is the direct impact of this on our business. But certainly, if there is more funds which are released by the state and the central governments, that will have an overall impact on the demand.

Moderator: As there are no further questions from the participants, I now hand the conference over to the management for closing comments. All right. We have one question from Mr. Ritesh Shah from Investec.

Ritesh Shah: Sir, how should we look at the cash on books by when will we decide on what to do of the cash?

Udipt Agarwal: Thanks for the question. As we've been saying in our previous calls also, I mean, this is a decision which is a Board decision and Board will decide when and in what form and shape we want to deal with the cash available. Right now, there is no such decision. This -- whatever we have continues to remain invested into different instruments. And that's our position as of now. No timeline has yet decided. The Board will decide that. Hope that answers your question.

Moderator: Thank you. We have a next question from the line of Rishab Bothra from Systematix Group. Please go ahead.

Rishab Bothra: Good afternoon, sir. I wanted to check our utilization levels in both the pipes and fitting business and the resins business?

Udipt Agarwal: If you look at it overall, I would say the pipes -- the overall utilization is about closer to 70%. 68%, I think, to be very precise, during the quarter. Resin would be slightly different because you know that we got two lines for resin production, one is on EDC and one is on VCM.

So VCM line traditionally remains non-operational due to our non-availability of raw material during monsoon, which is not a situation this year only, but this is the structural, it happens year-on-year. It is structural in nature. So otherwise, our utilization for the resin has been full. But it is primarily more on the pipes and fitting side that we have a different utilization depending on the plant location and this. But overall, about 68%, as I mentioned.

Rishab Bothra: Got it. And any thoughts on expanding the network in regions where we think the opportunity lies, but we are slower in those regions so that our utilization of the plant?

Udipt Agarwal: There's a constant effort in this direction to increase market penetration and to have a better representation in underrepresented areas or underserved areas from a Finolex brand perspective. So that's a constant effort.

Rishab Bothra: But that's not capsulating in the higher utilization. I mean that needs to be -- if that is the case we're into.

Udipt Agarwal: I would also like to say that year-on-year also, there is a capacity addition, which is happening, which Chandan was just alluding to a little earlier that year-on-year, we keep doing the debottlenecking of this. And that's why we are in a situation like this. And here also, you have

to look at the capacity slightly differently because there is a nameplate capacity and you produce pipes and fittings of different forms and shapes and sizes, right? So when you do changeover, there is also a capacity loss.

Rishab Bothra: And what is the investment utilization currently?

Udipt Agarwal: Operational aspects into the perspective.

Rishab Bothra: Got it. And what's the yield we are getting on the investment which we are currently holding?

Udipt Agarwal: Chandan, yields on the investments?

Chandan Verma: Roughly around 7.5% to 8% on a portfolio level.

Rishab Bothra: Got it. Has there been appreciation of the land value, which we were holding since we disposed of them? Can we have a picture on that front? And what is being used as there at this point of time? Is there any transaction which is happening on the related party front in other group entities of the group on the land?

Udipt Agarwal: Definitely, we do not get into any related party transaction other than the non directors and all. There is no separate substantial related party transaction, which can impact the operations of the company. No related party transactions.

Rishab Bothra: No, why I was asking so is since we are not monetizing that cash in the sense either through inorganic growth opportunities or reward to shareholders. I mean that cash has been lying on books since long. So what was the need at that point of time to part off with that lease whole land and not keep it with us for better monetization going ahead?

Udipt Agarwal: Definitely, sir, actually, this is a three years old event that you are trying to bring on the current quarter.

Rishab Bothra: No, no. I'm trying to link the land -- has not been utilized?

Udipt Agarwal: At this point in time, definitely the Board has given the direction to go ahead with the monetization. That's why the decision has been taken three years, four years back.

Rishab Bothra: But since then, sir, Board has not taken any decision on the funds, which is lying on the balance sheet and investors or analysts have been frequently asking and you have been -- I mean, the Board has been mentioning that we will take a call appropriate time some clarity should be given on the utilization of the fund. Either if there is no such need, why not reward this back to the shareholder? I mean the promoter will also get rewarded, minority will also get rewarded is the limited point which I'm trying to make?

Udipt Agarwal: No. Certainly, the Board has to take a call on this. And as you rightly said that the shareholders has to be rewarded. But if you look at our dividends also, we have been paying also very healthy dividend. So shareholders are also getting rewarded that way, but yes, point on your...

Rishab Bothra: I mean internally, there should be some deadline that within months or one year, we should freeze on something, either growth opportunity or reward to shareholders. Special reward, not the regular reward, special one.

Moderator: We have the next question from the line of Aasim from DAM Capital.

Aasim: So just one question. So of course, I just looking at your volume growth and revenue growth, both are around 27-odd percent Y-o-Y for Q2. Now this -- the growth -- both the growth numbers are mirroring each other despite the fact that PVC prices also would be up around 15% to 20%, at least on a Y-o-Y basis, if I look at it at a rupee level, yet the -- so the revenue growth should have been higher if volume growth is 27%, 28%. So what could explain that why are they 2 at the same level? Is there a mix thing that you want to call out or is there something else?

Udipt Agarwal: Aasim, so as you rightly pointed out, currently, in spite of the increase in the PVC prices, our revenue more or less becoming flat. Two reasons of it. First of all, you pointed out product mix definitely. This is one of the scenario where in our case, the agri share of agri growth is higher than the non-agri share during the current Q2, number one.

And there are a lot of schemes and discounts we run in the market. So definitely, the increase in the PVC prices always get compensated with the scheme and discount that we run in the market. So it's the impact of both the things. One is the product mix and channel schemes and marketing initiatives that we take.

Aasim: Would the incentives thing be a larger explanation for this? Because I would assume that at least the agri, non-agri mix, roughly 60-40 was the case even in Q2 FY26, if I'm not mistaken?

Udipt Agarwal: No.

Aasim: How much was it?

Udipt Agarwal: It was 56-44.

Aasim: Pretty much around the same level, right? So that's why I was thinking that is so what would have dragged the realization? Would it be the incentive thing where you would have focused more on volumes? Would that be a real reason?

Udipt Agarwal: No. So Aasim, one is that the overall volume you are seeing more or less in line with the last year corresponding quarter of the -- Q2 of the last year. However, as we have been seeing in absolute term and in terms of the product mix, the things always goes into the -- into different direction, as you see in terms of percentage term, number one. Number two, yes, there are some schemes, which to be competitiveness to gain the market competitiveness, we have to run a lot schemes, and that is there in the Q2 as well, which was there in line with the Q1 also. It was there in Q1 and Q2 as well.

Aasim: Would this also have had an impact at your EBITDA margin level or would that be mostly your high-cost inventory reason that you gave earlier? Because your margins are down 400 bits?

Udipt Agarwal: Yes. So largely on a full year basis -- a half year basis, our EBITDA margin in line with the last year for 6 months. So it's largely on account of raw material prices largely.

Aasim: Actually, I was just looking at the Q2, Q2 level, but okay, I get the point.

Moderator: We have the next question from the line of Ritesh Shah from Investec India.

Ritesh Shah: A quick one. Sir, DGTR has recommended CVD on PVC from China. How are you reading into this?

Udipt Agarwal: So this is -- DGTR has recommended, our Ministry of Finance is to comment on it, okay? But I think if -- we do not know what would be the final decision. But if it happens, it probably would replace the MIP.

Ritesh Shah: Sir, MIP as per you, how much is it, INR84, INR85 per kg?

Udipt Agarwal: No, MIP is at CIF price, which is $767 per metric ton. So any imports are not allowed. And the CVD, which you are talking about is only, I think, only on the China region -- and MIP is for all irrespective...

Ritesh Shah: Okay. But is there any probability of MIP being reinstated? Like is the industry case strong enough?

Udipt Agarwal: I don't know. Say the case is always strong enough at this moment, yes. But it is up to the government to decide whether they want to have two tariff barriers. One is MIP and the other is CVD, at least on countries.

Ritesh Shah: Sure. And sir, would it be possible for you to give spot pricing for EDC, ethylene and VCM?

Udipt Agarwal: It's prices have been doing a little bit up over the past few weeks. At this moment, it seems to be pretty much on the higher side, okay? So for example, EDC could be depending on the region and the availability could be anywhere between USD450 to USD500 probably. VCM would be like USD900 to USD950, ethylene more like USD1,200, USD1,150, USD1,200.

Depending on the availability, the day you book it, how you are able to get the shipments because of all this situation, geopolitical, the shipping rates have really changed dramatically over time. And so what is also very surprising is that as far as India is concerned, U.S. looks more competitive despite long distance.

Ritesh Shah: Right. And sir, will our average procurement cost, say, for Q3 be lower than spot? Like are we covered for the entire quarter?

Udipt Agarwal: I would say more or less, yes.

Ritesh Shah: Average procurement cost will be lower than spot?

Udipt Agarwal: No, we are covered for the quarter in terms of our raw material requirements.

Ritesh Shah: But it will be below the spot pricing, right?

Udipt Agarwal: Chandan, you have a better handle on the number?

Chandan Verma: Yes, this will be in line with our current inventory pricing, Ritesh.

Ritesh Shah: Sir, I'm asking the average procurement for the ships that we would have already unloaded, the pricing will be lower than what you indicated on spot basis for EDC and VCM, right?

Udipt Agarwal: That's what I'm saying. That will be in line with our existing inventory cost, not the lower one, more or less in line with the existing inventory price that we are having. So we have not seen much spike in the price at this moment. Whatever the price that we have booked during our last consignment, it is in line with that. Slightly increasing, definitely, yes, not slightly increasing, but more or less in line.

Ritesh Shah: Perfect. This is very helpful. Thank you so much, sir. Thank you.

Moderator: Thank you. We have the next question from the line of Pankaj from Kotak Neo. Please go ahead.

Pankaj: Sir, in terms of supply chain, raw material supply chain, so has changed due to this Middle East?

Udipt Agarwal: Pankaj, your voice is not very clear. Can you repeat the question, please?

Moderator: Pankaj, if you come closer to the microphone.

Pankaj: In terms of supply chain, from where are we sourcing? Has that changed due to this Middle East war? If you can help us with that?

Udipt Agarwal: Yes, of course. I mean, the situation in Middle East has impacted supply chain for all crude oil, petrochemicals and down streams. So we are also impacted. But the teams have done excellent work in re-establishing the supply chain from other parts so that our production is not impacted.

Pankaj: And what is our total domestic sourcing?

Udipt Agarwal: Sorry, total?

Pankaj: Domestic sourcing, sir.

Udipt Agarwal: Sorry, I didn't quite get the question.

Pankaj: No. So what is our domestic sourcing in terms of EDC or VCM?

Udipt Agarwal: EDC, VCM is 100% imported into India.

Pankaj: Okay. Thank you, sir.

Moderator: Thank you. We have the next question from the line of Aasim from DAM Capital. Please go ahead.

Aasim: Yes. I just missed on the PVC VCM spread for Q2. How much was the number?

Chandan Verma: PVC, EDC spread Q2, $455.

Aasim: VCM, sir, not EDC?

Chandan Verma: USD171.

Aasim: USD171 is the spread between PVC and VCM?

Udipt Agarwal: Based on ICIS international prices as the Southeast Asia.

Aasim: Okay. But that is the average for Q2, right, not the current?

Udipt Agarwal: Average for Q2, yes.

Aasim: Okay. Thanks. That's it from my side.

Moderator: Thank you. As we have no further questions, I would now like to hand the conference over to the management for closing comments.

Udipt Agarwal: Thank you all for participating in this and taking interest in the company's numbers. I look forward to your continued interest in our company and continue to invest. I look forward to also coming back to all of you with our quarter 3 results. Thank you very much for participation.

Chandan Verma: Thank you all for your continued interest in the Finolex Industries Limited. We'll be looking forward to meet you all [inaudible 43:45] next quarter as well. Thank you so much.

Moderator: Thank you. On behalf of ICICI Securities Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.