birlanu

Ref: BIRLANU/SE/2026-27/34

August 12, 2026

To
BSE Limited
P.J. Towers, Dalal Street,
Mumbai – 400 001
Scrip Code: 509675
Through: BSE Listing Centre

To
National Stock Exchange of India Limited
5th Floor, Exchange Plaza, Bandra (E),
Mumbai – 400 051
Scrip Symbol: BIRLANU
Through: NEAPS

Sub: Transcript of Investors' Conference Call on Q1&FY27 Financial Results
Ref: Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations")

Dear Sir/Madam,

In continuation to our letters dated August 3, 2026 and August 7, 2026, please find attached transcript of the Analyst/Investors' Conference Call held on August 7, 2026 on the unaudited standalone and consolidated financial results of the Company for the quarter ended June 30, 2026.

The copy of the said transcript is also available on the website of the Company at www.birlanu.com.

Kindly take the same on record.

Yours faithfully,
For BirlaNu Limited
(formerly HIL Limited)
NIDHI BISARIA
Digitally signed by NIDHI BISARIA
Date: 2026.08.12 10:28:45 +05'30'
Nidhi Bisaria
Company Secretary & Compliance Officer
Membership No. F5634

Encl. as stated

BirlaNu Limited
Q1 FY27 Earnings Conference Call Transcript
August 07, 2026

Moderator: Ladies and gentlemen, good day, and welcome to BirlaNu Limited Earnings 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 touch-tone phone.

I now hand the conference over to Mr. Mit Shah from CDR India. Thank you, and over to you, Mr. Shah.

Mit Shah: Thank you, Danish. Good afternoon, everyone, and welcome to BirlaNu Limited's Q1 FY27 Earnings Conference Call for investors and analysts.

Today, we have with us Mr. Akshat Seth, Managing Director and CEO of the company, and Mr. Ajay Kapadia, Chief Financial Officer. We will first have Mr. Akshat Seth making his opening comments, and he will be followed by Mr. Ajay Kapadia, who will take you through the financial perspectives that lie ahead.

Before we begin, I would like to point out that certain statements made in today's call could be forward-looking in nature, and details in this regard are available in the earnings presentation, which has been shared with you earlier.

I would like to invite Mr. Seth to present his views on the performance and strategic imperatives. Thank you, and over to you, Sir.

Akshat Seth: Thank you, and good afternoon, everyone. It is a pleasure to welcome you all to BirlaNu's Quarter 1 FY27 Earnings Call.

Amidst one of the most volatile external environment headlined by the Middle East conflict and its impact on global supply chains and pricing, I am happy to say BirlaNu has delivered a strong quarter, delivering on both growth and profitability.

This performance was enabled by the efforts over the last couple of years to strengthen our product portfolio, sharpen our execution engine to drive operational efficiency and to build brand salience. Quarter 1 performance, as it was for quarter 4 last year, is a visible impact of these strategic initiatives, and we will only intensify the pace of this transformation in coming quarters.

The India business has been off to a great start in FY27. We grew our revenue base by about 11% to Rs. 833 crores, while EBITDA grew by 71% to reach Rs. 98 crores. As you can see, margins have improved by about 410 basis points over last year. This is headlined by the Pipe segment, where our margins expanded by 660 basis points, nearly 7%, and Roofs by nearly 4%. With double-digit margins and growth, this quarter demonstrates our stated objective of value-building growth.

The key highlight of this performance includes

In the Roofs segment, we broke all previous records, crossing the Rs. 500 crores mark for the quarter. In fact, we did Rs. 517 crores to be precise, which represents a growth of 17% over last year. We reinforced our leadership position and increased our market share by about 1%. From a cost perspective, despite inflation, disciplined cost management and operating leverage translated into a margin expansion of nearly 4%.

The Walls business continued its strong momentum with revenue growth of over 14%, led by robust demand across both panels and blocks. Focused market development initiatives and stronger sales execution across customer segments supported improved realizations, which together with disciplined cost management drove margin expansion by nearly 3%, 270 basis points to be precise.

The Pipes business navigated an exceptionally challenging market environment during the quarter with sharp swings in resin prices. You recall, in March, there was a price rise of nearly 60%. This was followed by a decline of about 30% in April, which resulted in sharp decline in demand, particularly in the month of April.

Despite these headwinds, the business demonstrated strong execution, delivering one of the strongest margin improvements within the portfolio with EBITDA margins expanding by over 660 basis points, while sales rebounded strongly through May and June on the back of disciplined pricing, focused market execution and cost management.

Construction Chemicals was the business that was most adversely impacted by the Middle East conflict. Our key raw material prices increased by over 50%, while disruptions across customer industries, for instance, tile industry was badly impacted and project execution led to a temporary slowdown in demand across several application segments.

Despite these headwinds, we delivered 11% revenue growth, supported by focused sales acceleration initiatives and a significant expansion in our portfolio. This strengthened our presence across high-growth application segments and broadened our customer reach.

Moving on to Parador, where despite the Middle East crisis and the demand slump that was introduced or induced by that crisis in our core European markets, we did well to sustain revenue at last year's levels. The order book is healthy. It is up over 10% over last year, and the pipeline indicates a strong recovery in H2.

Profitability was impacted due to cost pressures and less than projected revenue trajectory. We are confident of an improved margin profile for the rest of the year with a slew of value enhancement initiatives in place, including a focused cost-out program being led by BCG. You recall, last year, we had done a similar program with BCG for the India business, and now we are doing the same thing for Parador.

This short-term turbulence aside, Parador is making rapid strides in its strategic build of new markets, especially U.S. and India. New customers, especially in the commercial channel and deepening its core, the DIY and retail in Europe.

At a consolidated level, the revenue for quarter 1 grew by just short of 12% to Rs. 1,174 crores, and the EBITDA improved significantly to INR 80 crores, which is about 35% higher compared to previous year.

Before I close, I also want to share the progress on some of our strategic initiatives.

Our strategic capacity expansion program will add a new chapter with the approval of a new Boards plant near Hyderabad to supplement the greenfield plant being constructed in Nellore. This reflects our confidence in the long-term growth opportunity within the premium board's category.

Our innovation engine delivered a slew of next-generation products in waterproofing and repair and rehabilitation segments of our fast-growing construction chemicals business.

To further our sustainability agenda, we recently commissioned additional solar capacity at 2 of our manufacturing facilities while simultaneously advancing the next phase of renewable energy investments across our operations.

We have also commenced implementation of our enterprise-wide AI road map, combining targeted business use cases with capability building across the organization.

Looking ahead, while the year has begun on a very strong note, we remain mindful of the evolving external environment. Geopolitical uncertainties continue to persist. Raw material, freight and currency market remain volatile and in addition, labour costs are showing an upward trend. We, therefore, remain disciplined in our approach and will continue to respond with agility as market conditions evolve.

At the same time, we exit quarter 1 with the confidence that we will continue this momentum for the rest of the year. With a stronger portfolio, improving operating leverage and a relentless focus on execution, BirlaNu is well positioned to deliver sustainable, profitable growth while continuing to create long-term value for all our stakeholders.

With that, I conclude my opening remarks and let me hand over to Ajay to take you through the detailed financial and operational performance for the quarter. Ajay, over to you, and thank you.

Ajay Kapadia: Thank you, Akshat, and good afternoon, everyone.

I will now walk you through the business and financial performance for the first quarter of FY27.

While the quarter was marked by continued volatility across key input markets and inflationary pressure across certain cost categories, we delivered a meaningful improvement in earnings and margins, reflecting our relentless focus on cost optimization and execution excellence.

Let me begin with the headline numbers.

On a standalone basis, revenue increased by 10% year-on-year to Rs. 824 crores, while EBITDA rose by nearly 70% to Rs. 97 crores. EBITDA margins expanded by over 420 basis points, supported by stronger realizations, manufacturing efficiencies, cost discipline and sharpened execution.

On a consolidated basis, revenue grew by 11.6% to Rs. 1,174 crores, while EBITDA increased by 35% to Rs. 80 crores.

Turning to the businesses.

I will start with Roofs business, which has delivered another excellent quarter with revenue growth of 70% and market share gain of about 100 basis points. EBITDA margin improved by 390 basis points to 18.2%, supported by stronger realization, improved volume sales and favourable operating leverage.

The Walls business reported 14% revenue growth with healthy volume expansions across categories, improved realizations, higher capacity utilization and the benefits from the cost optimization initiatives implemented over the past year, contributed to EBITDA margin expansion of 270 basis points to 10.2%.

The Pipes business experienced an unusually volatile quarter due to abnormal movements in PVC resin prices, which materially impacted channel offtake, particularly in the month of April. Consequently, revenue declined by 11%, while volumes were lower by 27%. Net sales realization improved during the quarter, primarily due to lower share of agri pipes in the sales mix.

Despite these headwinds, EBITDA margins expanded by 660 basis points, driven by an improved product mix, procurement efficiencies and disciplined pricing actions. With government interventions facilitating stabilization in PVC resin price, we expect demand conditions to improve and anticipate moderate growth during the seasonally weak quarter 2.

Construction Chemicals recorded 11% revenue growth despite significant inflation in key raw material prices. The business continued to expand its distribution footprint and customer reach, strengthening the foundation for sustained growth.

Moving to Parador, Revenue remained broadly stable on a year-on-year basis in euro terms. EBITDA stood at a loss of Rs. 13 crores compared with a profit of Rs. 5 crores in the corresponding quarter last year. The decline in profitability primarily reflects elevated raw material costs, onetime SAP migration expense and certain plant maintenance and refurbishment activities that were advanced to the first quarter from subsequent quarters. These timing-related costs are expected to normalize in the second half of the year, supporting an improvement in profitability.

Beyond our operating performance, we also advanced several strategic and financial initiatives during the quarter. During the quarter, the Board has approved the establishment of a greenfield designer board manufacturing facilities in Hyderabad with an estimated capital outlay of Rs. 167 crores. This investment expands our manufacturing footprint in the premium board segment and further strengthen our position in a margin accretive product category.

Turning to the balance sheet. Cash generation and capital efficiency remained key areas of focus. Through targeted initiatives across receivable, inventories and sourcing, we reduced approximately Rs. 100 crores of working capital on a year-on-year basis, resulting in improved operating cash flows. I am also pleased to share that gross borrowings reduced by nearly Rs. 100 crores during the quarter from Rs. 852 crores as of March '26 to Rs. 758 crores as of June '26.

We remain committed to maintaining a prudent capital structure while funding our approved greenfield and capacity expansion projects. As these projects are commissioned and begin contributing to earnings and cash flows, we expect borrowings to reduce progressively over the time.

Overall, the quarter reflects the progress we have made in strengthening our operational and financial performance. We remain committed to building on this momentum through sustained operational improvements, prudent financial management and long-term value creation.

With that, I conclude my remarks and hand the call back to the moderator to open the floor for questions. Thank you.

Moderator: Thank you so much, Sir. Ladies and gentlemen, we will now begin with the question-and-answer session. First question comes from the line of Surender Singh with My Equity Sherpa. Please go ahead.

Surender Singh: Yes, thanks a lot. So, Akshat and our CFO, I was going through the latest annual report. And I see that regarding our borrowings, we talk about some covenants, which we could not honor in 2026, which in turn, we took waivers from banks. So, could you talk about it, what it was and what we did around it?

Ajay Kapadia: Primarily debt equity covenants, which we could not meet, and that is the reason we have taken waiver from the bank.

Surender Singh: Okay. So, in 2025, we did with 2 banks and now I am seeing, I think, 6 bank names are given. So, what is our thinking on borrowings overall, like how it will progress?

Ajay Kapadia: So as of March '26, our borrowings were Rs. 852 crores. As on date, we are at Rs. 758 crores. We have reduced our borrowings by close to Rs. 100 crores during the quarter.

Surender Singh: Okay. And going forward, how you think about it, like it will remain like this, or we may take some more or there is a plan to further reduce it?

Ajay Kapadia: In near to short period, it will remain at the elevated level since we have announced a couple of greenfield projects. One we announced last year Nellore, Boards plant and in yesterday's Board meeting, we have announced Hyderabad Board plant but however, there is a timing difference. Nellore Board plants will start giving us profit and cash from end of the last quarter of this year - starting of first quarter of next year. So that will help us to repay the borrowings and that will help us to fund for the new capex.

Surender Singh: Okay. That helps. And Akshat, I would like to know your views on Parador in particular. I know that numbers are yet to come on P&L and all because of various headwinds. But being in your seat and seeing the system very closely, how do you envision it in next 2, 3 years? You think that that will be a good outcome if it unfolds with time?

Akshat Seth: See, I think I do not know if you have been part of some previous calls, we have also laid out what are the blocks that we have been pursuing for growth in the Parador business. At the moment, where we sit on last year's revenue base, and I am not reacting to short-term month-on-month or quarter-on-quarter, some turbulence that might be there. But overall, there is now emerging line of sight for adding about at least 20 million to 30 million over the next couple of years on the revenue side to that base.

Now that is coming through the investments we have made in building the commercial channel in U.S., in markets like India and U.K., Middle East. And this is now basis pipeline and the advanced places where we have put in quotations and we have been specified. So, there is line of sight on that. And so that is one.

Second, the expansion of our DIY channels across Europe, and that has been a strong reason why despite degrowth in the market, this quarter, we have maintained our revenue because we have been, again, increased our share on those DIY channels and growing beyond just the Germany theatre. So, that will also play out.

And finally, there were some markets that we had in Europe, places like Italy and some markets in Eastern Europe, where again, order flow has started coming in. So those 3 put together give us that line of sight of that revenue increase.

Now at that level, what it does is just given our breakeven and our P&L leverage starts flowing in, and there is also a decent level of profitability that starts coming in. So that is what we are putting fight for. And at the same time, there is work happening in further optimizing the cost structure. I mentioned in my opening remarks that we have engaged with BCG for a similar program as we did in India, which is to essentially bring cost out of the system.

Our expectation is, at a conservative level that should deliver at least 300 to 400 basis point uplift on the EBITDA side. So, there is line of sight on revenue. There is work happening, further work happening on the cost side and I think the healthier outlook that you are looking for is on the horizon.

Surender Singh: Yes, that helps, Akshat. This is my first conference call with this company, and I admire your thought process. I have gone through all your previous communications. So, I ended up learning a lot about this business and in general, like what is your thinking about this business. So, thank you for that and I think I am all set. Thanks a lot. Wish you all the best.

Akshat Seth: Thank you so much, Surender.

Moderator: Thank you. Next question comes from the line of Shlok Akolia with Xylem. Please go ahead.

Shlok Akolia: Yes, my question was also around Parador. So just wanted to understand like more about how do we expect the BCG initiatives to come in? Like what is the timeline for that?

Akshat Seth: So, the timelines, we have already completed the diagnostic phase. The design phase is underway and the implementation, is about the 4-month exercise. So, the first results and impact will start becoming visible by the end of this quarter, and then they will keep rolling for maybe another 3 months.

So Q4 of this year should have visible impact on the P&L. But many of those will start building gradually over the next 3 to 4 months. So, the October to December, there will be a buildup, and the full impact should be visible around the Q4 mark.

Moderator: Thank you. Next question comes from the line of Aditya from Securities Investment Management. Please go ahead.

Aditya: Thanks for the opportunity. First question was on the Boards and Panels segment. If you can just talk about what is happening in this industry because if I look at your commentary and the kind of capex we are doing, it seems that this seems to be a strong growth segment for us. So, if you can just talk a little bit about what is happening in this segment, what is driving growth in this segment and what kind of utilization we are working currently?

Akshat Seth: And your question is on the Board segment, which is today roughly anywhere between Rs. 1,500 crores to Rs. 2,000 crores industry segment but growing at close to 10% to 14% growth rate year-on-year. The segment is also attractive because it sort of affords a higher margin profile. So, most players in the industry are operating in the high teens as far as operating margins are concerned and probably even more.

It is a segment which also is interesting because it affords differentiation on the products and playing in the premium segment. So, there are basic boards and then there are value-added products like high-density boards, designer boards, which afford a greater level of differentiation. We believe we have a right to win in that segment because so far, we have been capacity constrained. We have been operating at nearly 80% to 90% of our capacity. So, we are chock-a-block.

We have a right to win because on cementitious product, it follows a similar product composition as in the fibre cement industry. So, there is a lot of resident knowledge about the product and our ability to differentiate and innovate on the product plus we also have the market access to the customers because we are serving the same customers for our other wall products, whether it is block or panel.

And that is why we feel very confident about our prospects and hence, the 2 capacity additions that have been announced, one earlier, which is in Andhra Pradesh, we are expecting to commission that plant by Q4 of this financial year. And then the new project that we are pursuing where we got the Board's approval yesterday, that will be in Telangana. So that is where we are sort of adding capacity, plus there are smaller brownfield capacity additions that will happen at our existing plants.

So, from our perspective, it is a segment with the new capacity additions that we have announced over the next couple of years. By the time these capacities come in, and we are able to ramp it up, it will inject close to a revenue upside of about INR 300 crores to INR 350 crores and hopefully an EBITDA uplift north of INR 75 crores to INR 85 crores. Aditya, does that answer your question? Sir, your line is not clear.

Moderator: Our next question comes from the line of Sai Ganesh with Square 64 Capital Advisors. Please go ahead.

Sai Ganesh: Yes, a couple of questions from the Roofing side. You have reported a 17% PBT margin in Roofing for Q1 FY27, while our peers are in line with our margins. But before we used to do 20% to 25% plus, PBT margin, if you look at FY22, FY23. At that time our peers used to do 16%, 17% margins. But now our peers have started reporting 17% margins, but we are still stuck in that 17% range. Wanted your thoughts on that?

Akshat Seth: I am not 100% sure of which peers you are talking about, but I would request you to also just try and do a deeper analysis of the peer results because a lot of our peers have in the last 3 or 4 years, added boards in their portfolio and the numbers that get reported are a consolidation of boards and Roofing, whereas the Roofing numbers you are talking for us are pure-play Roofing numbers, and we have not sort of consolidated those with our boards number.

Sai Ganesh: I am understanding. Boards are happening more than 16%, 17%. PBT margin is what we are talking about.

Akshat Seth: Yes, slightly different understanding at our end. So, I will request that you do have a look at that. Boards for most players are delivering attractive margins, which is what I covered in the previous one as well. But I am happy to say, from a Roofing perspective, overall, while there has been a strong improvement in the EBITDA margin compared to last year.

I think the base you are talking about is 3 to 4 years old, different industry dynamic and different input prices at that point in time. So, it is a slightly different one. But happy to say that, overall, it is been a good quarter from a margin point of view, and there is been a significant improvement.

Sai Ganesh: Okay. And is there any inventory gain such as one-off, there is no one-off, right, in our Roofing margin?

Akshat Seth: No, there are no one-offs. There are no inventory gains or revaluations that have been done. So, these are pure operating numbers.

Moderator: Thank you. Our next question comes from the line of Saurabh Ginodia with SMIFS Limited. Please go ahead.

Saurabh Ginodia: Hi Akshat and thank you for the opportunity. We have done exceptionally well on the Roofing side; 17% growth has come after a gap of so many quarters. So just wanted to understand what has been the growth drivers, and how were the secondary sales on the Roofings?

Akshat Seth: So, on secondary sales, overall, all of this is secondary because this is a period where there are significant offtakes and this is not a product that has huge stocking. So, stocking for us happens only in the Q4 period or end of Q3. This is a season where there is a strong secondary momentum. So, I would call all this as secondary for this period.

What has contributed overall, there is been buoyancy, I think the rural demand was strong. There was price support available, so overall in 17%, the volume growth is nearly 10%. What also helped was our closest competition has a substitute product, the steel sheets were at an elevated price point. So, there was increased demand for the fibre cement roofs. So those were some factors that played out well, and overall, there was buoyancy in the industry.

Saurabh Ginodia: Understood. And Ajay mentioned that we have done quite well on the working capital side and there has been a reduction of about INR 100 crores. So just can you talk about what efforts have been made and how much of it is sustainable?

Ajay Kapadia: So, Saurabh, we have worked on two areas: one is the inventory side. We used to carry a large stock of fibre. We have substantially reduced our fibre stock in last 6 to 8 months. The other side on receivable side, we have tightened our controls on giving the credits, and that has resulted into close to 30% reduction in our receivable numbers.

Saurabh Ginodia: So, one can safely say that both the things are sustainable going forward?

Ajay Kapadia: Sustainable, yes.

Moderator: Thank you. Our next question comes from the line of Aditya with Securities Investment Management. Please go ahead.

Aditya: Thanks for the follow-up. Continuing with the Boards and Panels, if you could just help us understand, is this a replacement product, like we are replacing plywood or gypsum? And if yes, so what is generally the advantages of this product as compared to its substitutes?

Akshat Seth: So, it has a broad range of substitutes between panels and boards, they have applications in creating walls. So, these are drywall applications. They help in creating room, room partitions, et cetera. Boards additionally have the application of using as cladding, whether for internal or for external applications. There are a range of products in that category.

So yes, gypsum boards, etcetera, are one, traditional walls are the other substitute. The advantage is faster fabrication in an application. So, the time involved for construction goes down. It is a cost-effective product and third, the thermal and sound insulation properties are great. There are also fire-retardant properties that the product offers. So that is a broad overview.

Aditya: Yes. So, I was asking, is it majorly used in commercial applications, or it is also used in residential?

Akshat Seth: Larger adoption in commercial, but it is used equally in residential as well. So, the adoption is increasing in the residential segment as well, but the penetration level is higher in the commercial applications.

Aditya: Understood. And in this Rs. 1,500 crores to Rs. 2,000 crores market, is it majorly dominated by organized players only or the unorganized share is also quite large?

Akshat Seth: No. So, it is not an easy product to manufacture. The capex intensity is also fairly high. It is largely dominated by organized players. So, there are only 5 to 7 players of note in the industry. There is also a good 15%, 20% share of imports currently into the country.

Aditya: Got it. And you mentioned that the margins in the segment are close to mid-teens for the industry as a general. But when I look at your EBIT margins, which you have given segmental, our margins are in the mid-single digit. So why is there such a sharp contrast between us and the industry?

Akshat Seth: So, our play currently, I was talking only about the Board segment. Our wall segment today is a combination of boards, panels and blocks. Our blended margins reported this quarter are about 10% to 11%. Standalone Board plants tend to operate and especially the new ones tend to operate in the 15% to 20% range.

Aditya: Understood, Walls currently is making very low margins.

Akshat Seth: Walls currently is now finally in a double-digit zone, and there has again been a 2% to 3% improvement over last year. This has been one of the strategic pursuits we have been making that the rightful zone for our Walls segment from a profitability point of view.

Our current portfolio is in the zone of about 12% to 14%. I am happy that we have broken into the double-digit zone and there is further headroom for improvement there. So, I think we are now 80% where we should be, given the portfolio we carry today, and I am not counting the impact of the new capacities that will further pull this margin up.

Aditya: Got it. Got it. And now coming to Parador. I think you mentioned in the opening remarks, there were some one-off costs this quarter. If you could just firstly quantify the same.

Akshat Seth: Yes. So broadly, 2 buckets. There were some IT upgradation projects and enhancements that were planned earlier, which were executed in this quarter. So that is onetime in nature, essentially to do with our SAP systems and a couple of other things. Then there were some repair and maintenance spends, which were front ended, at the start of the year.

Those will get normalized over the rest of the year. So, they were essentially given that we take shutdowns in quarter 2, they were front-loaded into quarter 1 for booking the orders. So those are the 2 major ones.

Aditya: Understood. And if you could quantify the amount?

Akshat Seth: Together, these 2 will account for about EUR 1 million.

Aditya: Got it. Got it. And now, since you took over, in Parador, we were looking to change the revenue mix, so diversify from Germany, get into more commercial applications. So, if you could just help us understand how have we progressed in the last 2, 3 years since you took over in Parador? And in the next 1 or 2 years, how do you see this mix growing from currently?

Akshat Seth: So commercial from being, in true sense being less than 5% and these new markets contributing again to less than 5%. In response to an earlier question, I had mentioned that there is line of sight of adding a good 20 million, 30 million on last year's revenue base. That would push the share of these 2 components to about 20% in the portfolio. So, that is the outlook for the next couple of years on that front.

Aditya: Understood. And now appointment of this BCG. So last 2, 3 years, we had worked on our cost, reducing the breakeven levels. We had also, I think, removed certain employees last quarter. So, if you can just help us understand what more is BCG expected to do in Parador?

Akshat Seth: So yes, there has been a lot of cost out work over the last couple of years on that. And thank you for summarizing the topics on which that has been done. You are right. See, the external advisers like BCG also help in bringing in additional layer of analytics and market benchmarking, which allow us to go deeper on these cost topics. They are essentially working on 4 areas. There is a topic on pricing. There is a topic on procurement. There is a topic on SG&A and finally, the last one is on operations.

So, just the analytic horsepower that they can bring and the benchmarking that they can bring, having worked with a wider set of players in the industry and across geographies, typically end up being useful in these programs. So, think of it as what we did was Horizon 1 savings and now we are pursuing Horizon 2 savings.

Aditya: Understood. Understood. And lastly on the Polymer business, is Clean Coats now being recorded in Polymer only?

Akshat Seth: In standalone, no. But in consolidated, yes.

Ajay Kapadia: In fact, we have changed the segment name from Polymer to Pipes and Construction chemicals.

Aditya: So, this improvement in profitability, how much of it is because Clean Coats is now being recorded in Polymer because I believe it was a high-margin segment?

Ajay Kapadia: It is a high-margin segment, and that is why the performance at a standalone level has recorded an improvement. I will distinguish, the positive impact you talk about is independent of the impact of Clean Coats. So Clean Coats addition only makes it better. But even if we exclude that, there has been an improvement in the margin profile.

Moderator: Thank you. Our next question comes from the line of Vineet Joshi an Individual Investor. Please go ahead.

Vineet Joshi: So, my question is that, are we considering moving Parador manufacturing to low-cost manufacturing location like India, especially in the wake of India-EU trade deal? Will it really help us to reduce our cost structure?

Second question is around the debt-to-equity ratio. Are we looking at having some sort of a rights issue to make sure that the debt-to-equity ratio is more reasonable, which we alluded to earlier in this call? And third point is regarding what is our right to win in the PVC pipe segment with already established players like Supreme and Astral and Prince, so many others which are already in the market, dominating the sector?

Akshat Seth: Do you want to take the debt to equity?

Ajay Kapadia: Yes. So, debt to equity, our debt-to-equity ratio as on 30th June is 0.68x, which is well within our manageable range. As far as decision on right issue or other part is normally Board is taking those decisions. So, I will not comment on that side.

Akshat Seth: Yes. So, it is a great question. At the moment, most of our manufacturing is out of our plants in Germany and Austria. Over the last 12, 14 months as we are diversifying our markets and global footprint, the need to diversify our supply base and building local for local is an important consideration.

In doing that, cost is one criteria, and I am not talking cost of just the material, but cost to serve is the important criteria as we look at these new global markets. So those options are being evaluated, whether it is India or somewhere else, I think as these get crystallized, we will share it with you.

What it also does, apart from a cost perspective, is to give supply chain flexibility and derisk the supply chain in many cases. So, it is an important strategic initiative that we are pursuing. Having said that, the most important criteria in these decision-making is the quality. There is a certain premium positioning Parador has and there is a certain quality promise that Parador brings in these supply choices and options that we evaluate, that is an important go-no-go criteria. Vineet, does that does that answer your question on Parador?

Vineet Joshi: Yes, thanks. Also, I wanted to ask about the right to win for PVC pipes?

Akshat Seth: Yes. So, PVC pipe market overall, you would have observed over the last 3-odd years, has been on a roller coaster. And there are 3 or 4 things which remain fundamental to winning in this. One, of course, is the brand pull and the equity of trust that you can make with this product.

And there, we feel with the BirlaNu brand, there is a strong equity that we have in the market. Remember, this is a product that people rely on because it is behind the walls and it is in their house for the next several decades and not just a consumable product, which is use and throw.

Second is the quality of product. Third, in order to win with the channel, you need to have the product range. So, range and SKUs are important. Fourth, from an execution perspective, channel access and deeper penetration in the sales channels and in the markets that we choose is again an important criteria.

So those are the 3 or 4 areas where we feel, especially in our preferred markets in select geographies, we feel we have built the strength. We also have the product range, and we carry the brand to be able to scale up in that segment.

Vineet Joshi: One more thing, how does the consolidation BirlaNu brand help in this case? For example, earlier we had standalone businesses, now we have clubbed all of them under BirlaNu brand. So, does that help the cause for the PVC pipe segment?

Akshat Seth: I think the feedback from the market, from the channel and from our customers seem to indicate that there is a greater resonance of the brand across categories and our ability to sell the entire portfolio rather than just one isolated product has increased. And like with most branding decisions, it is the correlation is hard to establish.

But I think the positive trajectory of the financial performance is also an indicator that there is some volume uplift we are getting because of those rebranding decisions. So that is a strong indicator, coupled with what we hear as feedback from the market point towards the fact that there is greater resonance of our basket of products and not just one product that people associate with.

Vineet Joshi: Thank you and all the best.

Moderator: Thank you. Our next question comes from the line of Akhilesh B., an individual investor. Please go ahead.

Akhilesh B.: Hi, thank you for the opportunity. So, Akshat, I have been following the company for the last 2, 3 years, and it seems like we are finally turning a corner here. And I want to congratulate you and your team for the work you have done there. I just wondered if you have growing confidence in the outlook now to let us know what are the possible targets for FY27 on revenue and margin for the whole company?

And on the longer-term target, which we had to double the revenue base to maybe INR 8,000 crores to INR 9,000 crores in the next 2 to 3 years, will it be possible within the existing verticals of the company? And what kind of capital allocation might that require in terms of growing capacity or else acquiring company?

Akshat Seth: First of all, Akhilesh, thank you so much for your kind words. As a team, we are excited at where we are. And in terms of outlook, I will only say at least the last 2 quarters, we have been beating targets. So, any target I share with you is a hazardous one. I will only say that we hope to continue the momentum of the last 2 quarters and continue to go beyond our internal targets as far as performance is concerned.

The larger vision of doubling ourselves, yes, I think we are constantly sort of pursuing that. Some of the announcements that have been done recently, including in yesterday's Board meeting about setting up new capacities and investments in that area are a step in that direction. I think what we know at this moment is, over the next couple of years, there is close to INR 500 crores of capex that have been allocated to known named programs and projects.

As these opportunities, whether greenfield or inorganic, they crystallize, we keep coming back to you and sharing that information. But we are also confident that at the moment, capital availability is not a constraint, and we are in the market for interesting opportunities, which allow us to reach the milestone you spelled out on an accelerated path.

Akhilesh B.: Yes. And would you say that this is the year where Parador will break even on a full year basis because all the good work you have done on the other verticals, as you know, get diluted by the impact Parador has had over the last few years? So, there is a lot of untapped potential in your company, but, I mean, do you think that this is the year finally that Parador will stop working against us?

Akshat Seth: We are confident of that. Also, it is not a question of dilution or un-dilution. We are a multi-product company and the beauty of that is that there will always be some part of the portfolio, which is outperforming, and it allows us to hedge through cycles geographically or across the products that we play in.

So yes, given the core markets of Parador over the last couple of years, the market conditions were tough. I am glad that in those tough conditions, we took tough calls to diversify and invest in newer markets, which are more resilient and which continue to offer a great promise. And yes, this year, the outlook is strong. We are looking at growth overall from a revenue perspective, and we are looking at more than breaking even this year.

Akhilesh B.: That is great to hear. Looking forward to your numbers going ahead. Thank you.

Moderator: Thank you. Next question comes from the line of Manav an Individual Investor. Please go ahead.

Manav: I have a single question regarding the Pipes segment. We are as of now in losses, so I think despite the PVC prices have risen April, May. What is the landmark here going forward?

Akshat Seth: Manav, the PVC prices in April went down close to 30%.

Manav: Correct, I mean the short term, yes, now.

Akshat Seth: Correct. So, if you recall quarter 4, we had posted good positive profitability numbers the previous quarter. This quarter there was again sharp decline in prices, which led to decline in volumes and I think that is been a trend reported by all industry players. So, the numbers you see this quarter are somewhat impacted by the volume decline that has happened.

But we believe this is a transient phenomenon and as we enter into Q2, there are strong indications that hopefully the worst is behind us as far as the price levels are concerned. There are some measures that the government has also put in place, which help in firming up the prices. So those are good indicators and the current momentum seems to suggest that the story of April should be well behind us.

Manav: Thank you for the input. I believe the same.

Akshat Seth: Thank you so much, Manav.

Moderator: Thank you. Our next question comes from the line of Sai Ganesh with Square 64 Capital Advisors. Please go ahead.

Sai Ganesh: Yes, thank you for the follow up. I wanted to know basically what is the asset turn for our Boards and Panels, Telangana plant which you announced yesterday?

Ajay Kapadia: So, asset turn will be 0.9x. We are targeting to generate INR 140 crores revenue. This INR 166 crores also includes the land cost, so other than land, it will be around INR 145 crores to INR 150 crores in investment.

Sai Ganesh: Wanted to know about the status of our Phase 1 project which you announced last year, I think so?

Akshat Seth: So that project is on in full swing, we are on track as far as timelines are concerned and as I mentioned, Q4 we should look to commission the plant.

Sai Ganesh: And one more thing I wanted to know, as I am aware. We have a capex program of INR 127 crores for Nellore Boards & Panels and INR 40 crores for OPVC, total capex of INR 167 crores you have announced last year. Out of that, how much has been done and how much is the balance capex, wanted to know about that, as of 30th June?

Ajay Kapadia: So last year we have announced INR 127 crores of Nellore and INR 40 crores for PVC. So OPVC capex is already completed in the last month. And Nellore project, we are right now in the phase of civil construction work is going on. Probably from next month onwards, the installation plant and machinery will start coming in and installation work will start.

Akshat Seth: I would say we would be close to 90% in terms of order commitments, maybe 90% to 100% from an order placement perspective.

Sai Ganesh: And can you share the highlights of revenue and EBITDA contribution from Clean Coats in Q1 FY27?

Ajay Kapadia: So Clean Coats, we did revenue of INR 9 crores during the quarter.

Akshat Seth: Thank you, Sai Ganesh.

Sai Ganesh: Yes, thank you.

Moderator: As there are no further questions from the participant, I now hand the conference over to the management for the closing remarks. Thank you, and over to you, team.

Akshat Seth: Thank you once again for joining us today. We sincerely appreciate your time and insightful questions, and your continued interest in BirlaNu. If you have any follow-up questions, please feel free to reach out to our Investor Relations team. Thank you and have a great weekend.

Moderator: Thank you so much, Sir. Ladies and gentlemen, on behalf of BirlaNu Limited, that concludes today's conference. Thank you for joining us, and you may now disconnect your line.
