

14th May 2026

To, The Manager - Listing Department, The National Stock Exchange of India Ltd Exchange Plaza, 5th floor, Plot no. C/1, "G" Block, Bandra-Kurla Complex, Mumbai-400051 Symbol: APCOTEXIND	To, Manager - Department of Corporate Services BSE Limited Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 001 Security Code: 523694
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Dear Sir/ Madam,

Sub: Transcript of Earnings Conference Call held on 7th May 2026

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in furtherance of our letter dated 7th May 2026, informing the exchanges regarding Audio recording of the earnings conference call in respect of the Financial Results of the Company for the quarter and year ended 31st March 2026, we wish to inform you that the transcript of the earnings conference call held on 7th May 2026, is hereby enclosed.

The said transcript has also been made available on the Company's website and can be accessed at:

<https://apcotex.com/investor-quarterly-report>

Kindly take the same on record.

Thanking you,

For Apcotex Industries Limited

Drigesh Mittal
Head – Company Secretary & Legal

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Apcotex Industries Limited
Q4 FY '26 Earnings Conference Call
May 07, 2026

Moderator: Ladies and gentlemen, good day and welcome to the Q4 FY '26 Earnings Conference Call of Apcotex Industries Limited.

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 “*” and then “0” on your touchtone phone. Please note that this conference is being recorded.

At this time, I would like to hand 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 warm welcome to you all. My name is Purvangi Jain from Valorem Advisors. We represent the Investor Relations of Apcotex Industries Limited.

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

Before we begin, a quick cautionary statement. Some of the statements made in today's 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 decisions. The purpose of today's earnings conference call is purely to educate and bring awareness about the company's fundamental business and financial quarter under review.

Now, I would like to 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. Abhiraj Choksey - Vice Chairman and Managing Director and Mr. Vivek Thakur - Chief Financial Officer.

Without any delay, I would now like to hand over the call to Mr. Vivek Thakur for his opening remarks. Thank you and over to you, sir.

Vivek Thakur: Good afternoon, everyone. It is a pleasure to welcome you all to the Earnings Conference Call for the 4th Quarter and Financial Year-ended 2026. I hope you had an opportunity to review

the Financial Results and Earnings Presentation which have been circulated and uploaded on our website and the stock exchange.

Let me provide you with a brief overview of the financial and operational highlights for the 4th Quarter and Financial Year-ended 2026:

For Q4 FY '26, the operating revenue stood at INR 398 crores, registering a growth of 14% year-on-year. This was supported by higher volumes and continued pricing discipline. While total volumes for the quarter grew by 10% year-on-year, this reflects steady demand across key segments.

Operating EBITDA stood at INR 55 crores, up 42% year-on-year with EBITDA margins which have improved to 13.76, which is driven by higher volumes, better realizations and enhanced operational efficiency.

Profit after tax for the quarter stood at INR 35 crores, which reflects a strong growth of 107% growth year-on-year. PAT margins improved to 8.73%.

This performance was supported by a disciplined execution across key operational parameters along with a continued focus on cost optimization and efficiency improvements. We also continue to execute our ongoing CapEx projects with rigor and discipline aimed at supporting strategic growth and capacity expansion.

During the quarter, the ongoing West Asia crisis led to heightened volatility in raw material prices and some moderation in export demand across select markets. In response, we proactively secured key raw materials to ensure uninterrupted customer supplies. This strategy has helped us maintain operational stability during the period.

While we witnessed some modest impact on export sales, the company continues to remain resilient with limited direct exposure. Demand is stable across key core markets and the proactive risk mitigation measures help us along with a strong balance sheet position help us navigate this volatility.

For FY '26, the company delivered a strong performance, achieving record high sales volumes, up 14% year-on-year and highest ever export volumes also grew, growing at 14% year-on-year. This reflects the robust demand across both domestic as well as international markets.

While operating revenue stood at INR 1,442 crores, which is a growth of 4% year-on-year, operating EBITDA reached a new peak at INR 177 crores, up 42% year-on-year. EBITDA margins expanded to 12.31% for the year supported by strong volume growth, improved margins and higher capacity utilization. Profit after tax for the year stood at INR 101 crores, reflecting a growth of 88% year-on-year. PAT margins are at 7.03%.

Company has maintained a strong liquidity position during the year and remained net cash positive with cash and investments exceeding borrowings by approximately INR 70 crores. Our net debt-to-equity also improved to 0.08.

Lastly, the Board has announced a final dividend of Rs. 5.50 per equity share, which is subject to shareholders' approval. This takes the total dividend for FY '26 to Rs. 8 per equity share, including the interim dividend which was declared earlier.

Before I conclude, I would like to briefly highlight certain provisions and accounting adjustments recognized during the quarter. Employee benefit expenses include certain provisions of approximately INR 14 crores which relate to long-term incentive plan, pending litigations based on external legal advice and higher gratuity and leave encashment obligations arising from policy changes.

Additionally, an impairment assessment of turbine and related accessories at our Valia facility, it resulted in recognition of impairment loss of about INR 4 crores which has been charged under other expenses.

Further following an internal technical assessment, we revised the useful life of certain plant and machinery resulting into additional depreciation of about INR 2 crore during the quarter. These accounting adjustments better reflect the economic life of these assets. Some of these items are one-off and may not recur.

With this, now I open the floor for question-and-answer session. Thank you.

Moderator: Thank you very much. We will now begin with the question-and-answer session. Our first question comes from the line of Aditya Khetan from SMIFS Institutional Equities. Please go ahead.

Aditya Khetan: Just a couple of questions and congrats on a good set of quarters. Sir, during the quarter, I did not understand this employee benefit expense. You had also mentioned in your footnotes that this some INR 13 crore of additional cost has been taken towards some pending litigations on legal advice towards gratuity leave. We have not seen this sort of increase when we look at the history over the last five, six years. This additional number, what is it exactly? If you can quantify, what is it based on?

Abhiraj Choksey: Sure, yes. And what is your second question? You said you had two questions.

Aditya Khetan: The second question I would like to know, so this quarter again, like this policy changes in depreciation, like suddenly why we are changing some policies on depreciation, like in a quarter where we are able to get good benefits, but still this sort of some provision, some one-offs and other expenses also of some INR 4 crores. If you can also quantify what is the turbine-related

losses exactly and also why there is a policy change in depreciation, particularly only in this quarter?

Abhiraj Choksey:

Sure. So, I will answer both questions. I think these are everything to do with certain provisions that were made and I realize that they are higher and other people may have questions on the same. So, maybe I will spend a little bit of time on this and hoping that everyone else also would have, whoever has similar questions, those are also answered.

So, first to answer your question on the employee benefits expense, there are three or four provisions that were taken by our, of course, the management, auditor, audit committee, board, it has gone through the whole process. It was the end of the year, so they were all provisions that were taken where we thought it was prudent to take them.

For one was a new policy on long-term incentives for certain senior management employees that we have just introduced in the last quarter. It is to be paid out over a period of five years, so that provision has been made. That will be paid out in the 5th year in 2030.

So, that provision has been made this year and that will be made every quarter from now on. Obviously, this year since it has happened at the end of the year, the entire year's provision has come into this quarter. Going forward, the provision will be every quarter will be less. So, that is on long-term sort of incentive, that is one reason.

The second reason is there are some pending litigations that were against the company and again, this was discussed with the auditor, audit committee. It was transparently discussed with the board as well and we thought it was prudent to make a provision at this stage. Unfortunately, I cannot talk a lot about it since the matter is in the courts and I think in the next two, three years or whenever it is, some clarity will emerge. At that point, we will see, but at this point, again, we thought it was conservative, it was a conservative call, but a prudent call to take that provision.

The third thing was some changes in gratuity policy that happened this year. It is neutral to the company. It is just that actuarial valuation changed due to certain gratuity policies that we have undertaken. Obviously, the new wage code that has come about sort of triggered this discussion, so we made some changes in our gratuity policy as well and as a result of which we have had to make a provision of that as well. Again, it is the numbers and the notes for all those three and all those three together had that impact on employee benefits, that line item.

The second question on the depreciation, actually, this is a co-gen power plant that we had invested in a few years ago. Now, in the last few quarters, we have not been using the turbine because coal prices have been up, or the power available from the grid is significantly cheaper than generating our own power. When we had made the investment at that time, coal prices were lower, so it made sense and the grid power prices were higher. So, as a result of which,

again, we found it prudent to kind of impair this turbine, which at some point we may even sell it.

Right now, we have just kept it as a backup, but we may choose to sort of liquidate that as well. And so, as a result of that, all the co-gen power plant assets, which were sort of, you know, the depreciation was taken over 40 years, has been reduced to 15 years. So, that has resulted in the change in depreciation.

So, it is linked to the two. So, we felt that it was the end of the year sort of and we wanted to sort of clean up whatever pending issues there were. And so, these were mostly one-off nature and we do not expect them to be recurring.

Aditya Khetan: I have one more question if I can squeeze in.

Moderator: Sorry to interrupt, Mr. Khetan.

Abhiraj Choksey: Let him ask. Let him ask one more follow-up, please, Sagar, and then we can move on.

Aditya Khetan: Sir, I wanted to know, is it possible to quantify inventory gains during the quarter? And on Nitrile latex, sir, any update? Like, where are we standing today in terms of utilizations? And what is the oversupply situation today? And what are we expecting, like, to ramp up or to get some operating leverage for 27 and 28?

Abhiraj Choksey: So, inventory gains, yes, there has been some inventory gains. I do not think it has been significant. Perhaps, there has been, Jan-Feb were kind of, in March, there was some run-up, I guess. But honestly, March 1st is when the whole war situation started. So, I would say there was not a significant inventory gain, but some inventory gains.

I think largely, there has been margin expansion in Nitrile latex. That has definitely been one of the reasons for a good quarter. The war situation, we were actually better placed than some of our competitors in March, in the month of March.

So, that helped for sure in Nitrile latex gains, as far as Nitrile latex margins, but as far as long-term is concerned, it still remains an oversupply. We are running at almost full 100% capacity utilization now for Nitrile latex. And at least going forward, we expect to run at full 100% capacity utilization.

So, from a capacity utilization standpoint, no issue. But from a margin standpoint, short-term margins are certainly improved right now because of the war situation, and some of our competitors have not been able to consistently supply material to our customers. So, that helped.

So, long-term, as I have been mentioning, it is improving slowly, and we expect it to continue to improve. There might be some short-term gains due to this war situation in terms of margins for Apcotex.

Abhiraj Choksey: Thank you, Aditya.

Moderator: Your next question comes from Ankit Minocha from Adezi Ventures Family Office. Please go ahead.

Ankit Minocha: So, congratulations on the good set of numbers. I mean, just looking at our, I think, EBITDA for Q4, I believe it is like amongst the highest numbers in the last few quarters. So, would it be safe to assume this as like the new base for, say, the upcoming four quarters ahead for Q1 to Q4, or do you see some kind of margin progression and increase or decrease of that?

Abhiraj Choksey: Yes, as you know, we generally don't give any guidance for future quarters. Our business is fairly volatile quarter-on-quarter. There are some quarters, and we have had seven, eight difficult quarters in terms of margins also.

This quarter, obviously, EBITDA margins have been much better. Difficult to say, given the current war situation. But look, I would say strategically, as we are at a higher capacity utilization levels, we expect margins to be better than the average of last year, at least for this coming year.

Quarter-on-quarter is really difficult to say, because there are so many uncertainties in the business first. And if you see the last one year, there has been so many things from tariffs to this war, to lots of raw material issues in general. So, difficult to say quarter on quarter.

Ankit Minocha: That is helpful. And secondly, just wanted to understand your latest read on the ADD that was kind of sitting. So, any read, if it is coming in or not, or if you have already built in that benefit or lack of benefit into your FY '27 planning?

Abhiraj Choksey: Yes, I mean, we never built it into the planning anyway. It was something that we wanted some support from the government. Unfortunately, the Finance Ministry, as I mentioned in the last con call as well, the Finance Ministry did not notify the anti-dumping duties that were recommended by the DGTR, which is part of the Commerce Ministry.

There are some other legal cases on the same issue, not Apcotex, but they are ongoing. So, we are waiting and watching on what happens there. In one or two cases, a High Court has actually given an order to provisionally levy anti-dumping duty, but it has not happened yet.

So, I am not sure how it is going to play out. If it makes sense, we will see if you want to go legal. But however, we have not built that into our plans. We continue to expand and we

continue the expansion project for NBR, which will almost double our NBR capacity by next year.

But obviously, yes, we wanted some support from the government for a period of 5 years since we were coming up with a significantly large NBR plant.

Moderator: The next question comes from the line of Sajal Kapoor from Antifragile Thinking. Please go ahead.

Sajal Kapoor: Just two questions. Can the existing asset support further growth or has utilization already entered the constraint zone because the new CapEx is further away? And so, going into Fiscal '27, I mean, how do you see at an overall aggregate basis the capacity that is still available?

Abhiraj Choksey: No, you are right. It is, so, for us, capacities, we have four or five different plants in our two locations, five different plants in our two locations. So, I would say in one or two plants, we still have some capacity available.

But for NBR, for example, we were at 100% capacity utilization for a few quarters and will continue to be so for the next 4 quarters until new capacity comes up in Q1 of the following year, following financial year.

For synthetic latex, we are building new capacity again, which will come up in the following financial year. There we have some leeway and we can grow. In Nitrile latex for Q4, we were at almost full capacity utilization. So, that will continue to be at full capacity utilization, but there we hope margin expansion will be there over the next four quarters.

So, every business has – we are running at fairly high capacity utilization. Yes, that's true. So, there is some leeway for growth. Fortunately for us, when I look back, of course, in 2020 hindsight, we were anticipating to reach full capacity utilization in some of our products by Q2 or Q3 of this Financial Year '26-'27. But fortunately, Q4 was very strong for us. So, yes, that is where we are today.

Sajal Kapoor: That is helpful. And what part of the current margin expansion you think is structural operational improvement versus temporary raw material spread kind of a tailwind? Because there is a lot of chaos and disorder happening globally, as you have acknowledged over previous earnings calls as well. So, given that the world is still very fragile and random, I mean, how much of this improvement we should take as a structural and how much is just pure luck or cyclical?

Abhiraj Choksey: I think, look, if you see, Jan and Feb were fairly stable months, right? The tariffs were gone. There were no major wars. So, I think Jan and Feb for us were very good months. Sure, in the month of March, we were better placed than some of our competitors. We took some really

good decisions in the past that paid off. So, there might be some amount of, as you would say, cyclicity or temporary benefits that would have come. Hard to quantify, but in this quarter, I think not a very large amount in Q4.

Sajal Kapoor: That is helpful. That is helpful. That is all from my side.

Moderator: The next question comes from the line of Mehul Panjwani from 40 Cents. Please go ahead.

Mehul Panjwani: What are the current utilization levels across Nitrile latex rubber capacity?

Abhiraj Choksey: I would say, we are in, for Q4, I am talking about Q4, not for the whole financial year, but for Q4, we were between 90% and 100% across all our plants, all our factories.

Mehul Panjwani: And, sir, are we planning any CapEx, which is going to bring up some more capacity in FY '27?

Abhiraj Choksey: FY '27, no. Most of this capacity will come on stream in FY '28. So, in FY '27, we will have growth for the whole year. And, yes, there are some de-bottlenecking projects which will help a little bit. But, yes, you are right. There is no major capacity expansion plan or project that will come on stream in FY '27.

Mehul Panjwani: And, sir, which quarter of FY '28 will see more additional capacity?

Abhiraj Choksey: I think by Q1 of FY '28.

Mehul Panjwani: And, sir, with the kind of current geopolitical scenario, are we having any – I mean, now that most of it is out of it, but still there is some kind of conflict going on. So, I believe that we had inventory of raw materials earlier on. So, how are we placed for the upcoming two quarters?

Abhiraj Choksey: A great question. Look, I think the way we look at it, there are two kinds of raw materials or three kinds, rather. One is that are available in India. Those obviously were better placed. But even for those raw materials that are available in India, their upstream supply chain sometimes is an issue when they are importing, especially from the Middle East.

Then second set of raw materials that we were importing from the Middle East, from Saudi, Kuwait, that were affected immediately, right, as soon as the war started within the first week, as soon as the Strait of Hormuz. So that remains an issue and it remains a challenge.

Fortunately, we have been able to run our plant without one, even one day of shutdown because we were able to take some bold calls in early March. We covered, Vivek mentioned in his opening remarks that we took a risk, covered a lot of the materials so that we could keep the plants running in March and April as soon as the materials stopped from the Middle East.

The third set of materials is that comes from other parts of the world, which continues, right. Obviously, their prices have gone up, but availability so far is not a problem. The problem is even though there is a ceasefire today, the Strait of Hormuz is still closed.

With the Strait of Hormuz being closed, there are a lot – not only oil, but a lot of petrochemicals that the world is dependent on the Middle East region for those petrochemicals. So those, we don't know what the long-term impact of that is. As of now, it seems that we have managed it quite well, but honestly, it is kind of day-to-day, you know. I wouldn't say day-to-day, but week-to-week, you know, situation. So far, we feel fairly confident that we are covered up to the end of June.

Mehul Panjwani: Right, right, right. I appreciate your transparent response on this one.

Moderator: Your next question comes from the line of Ankit Kanodia from Zen Nivesh. Please go ahead.

Ankit Kanodia: So, this FY '26, we have generated 200 plus crores of cash flow from operating activity. And I see around 50 crores of that is because of working capital adjustments. So how do we see it? Directionally from here, should we consider this? How much of this should we structure and how much of this can be one time? Or if you can just throw more color, that would be very helpful, sir.

Abhiraj Choksey: Nothing is one time or very little is one time because it is, I mean, the whole year, in fact, was a challenging year in some sense. Only in March, you can argue there were some perhaps short-term benefits. But the remaining 11 months were sort of regular 11 months with challenges. So, we expect it to only improve cash generation, on an annual basis.

Ankit Kanodia: So, I think, basically, when I look at the working capital situation over here, it is a positive number in this compared to the general sense of always working capital being negative. So that was my main question.

Abhiraj Choksey: So you are right. So that way, because working capital, raw material prices were fairly muted for about 9 or 10 months of the year. That definitely helped with sort of cash generation, so to speak.

Now, obviously, in the current context, it is exactly the opposite where the prices are the highest in many, many years. So, some of it now will be sucked back into working capital. From that point of view, yes. But I meant from a profitability point of view, we only expect it to improve. So, overall, working capital requirements may go up and down based on raw material pricing and volatility. But overall, I think, structurally from a profit point of view, we expect things to only improve from last year.

Ankit Kanodia: And my second question was related to ApcoBuild. So we had a good run on ApcoBuild for three, four years. And I think this year, probably we have not grown that much. If you can throw more color as to how do we see that and what are your views over the next two, three years directionally, in general, I am not asking for any guidance. And how is the competition shaping up in this year? Yes, that's it.

Abhiraj Choksey: Actually, in ApcoBuild, we have had, and we finished the year quite strong. So, we have had double digit growth. There were some internal issues for us in terms of manpower at the beginning of the year. But that's been now corrected. We have re-looked at our distribution channel.

So, I think we have a fairly good team in place. We have a new leader who's taken over last year. So, we feel fairly confident that we will continue to grow at double digits, given, as I said, we are in a niche space in a few geographies, a few products. We are trying to improve and grow in that. And as and when there is any additional information that is material in nature, we will let you know.

Moderator: The next question comes from the line of Saurabh Shroff from QRC. Please go ahead.

Saurabh Shroff: Abhiraj, first question on Nitrile Latex is how is sort of profitability shaped up in that quarter? And now is that contributing to overall profitability?

Abhiraj Choksey: Yes, the short answer is yes, of course. We have had, just to recap the history that when we commissioned the plant in April '23 or March '23, obviously, it was at the down cycle. It was the lowest and in all of 23-24 and 24-25, the margins were the lowest they have ever been, even pre-COVID. Then things started improving in 25-26. And every quarter, we have seen a gradual improvement in margins.

In Q4, there was a significant improvement, but as I mentioned to one of the callers earlier, especially the month of March could have been a little bit of a blip because we were better placed than some of our competitors. So, we got excellent margins. So some of it may again come down in the coming few quarters. But as of now, Nitrile Latex structurally remains still a challenging business, but temporarily, it's been very good for us in terms of margins.

Saurabh Shroff: That is great to hear. And secondly, on the new CapEx that we are doing, which is obviously 12 months away, so maybe slightly medium term question on that, that given the geopolitical challenges, etc., the world that we are living in, maybe we assume that this is status quo or that things are not going to be normal, let's say for a while. Any sort of medium term plan on how we are placed? Do we need to do something to de-risk ourselves? Are there suppliers we can engage with? Just want to understand the big picture on the two, three main raw materials that we use, how the team is thinking about that.

Abhiraj Choksey: No, you are right. I mean, look, as I mentioned to one of the previous callers, it is very difficult because I will just give you an example of one raw material called styrene that we were importing largely from the Middle East, Kuwait and Saudi Arabia. Obviously, given the State of Hormuz being closed, those avenues are closed right now. So, large chunk is coming from China now.

So, so far, so good. We have been able to get it. And I think we are covered till the end of June. It is so hard to predict what will happen in the future. I wish I could. But we feel fairly confident the way things have been. Initially in the month of March, obviously, there was a lot of panic. But I think supply chains in the world are quite resilient. And thanks to the Chinese overcapacity. In most manufacturing, we have been able to ride through that.

Some other raw materials like butadiene are available in India. So, as long as they don't have an issue with their upstream supplies, we don't expect any issue there. And most of the others also, as of now, the issue in getting material doesn't seem to be an issue. And we are hoping that in the next few weeks, if the war ends and the Strait of Hormuz opens and things normalize, then of course, then everything is back to normal soon, hopefully.

Saurabh Shroff: Understood. Congratulations and a great show on the cash flow in this tough times. I mean, it is an outstanding work by the team to pay down the amount of debt that we have paid down and the balance sheet is as strong as ever. That is a great job done.

Abhiraj Choksey: Yes, I mean, that is the idea. That was the idea. Like, we want to keep a strong balance sheet, even in the most difficult time. And as you rightly said, the team deserves all the credit. We worked day and night in the month of March and April to ensure that our customers don't suffer, our plants keep running and our customers' plants keep running. So, that has been the endeavor. And I am glad it's worked out.

Another thing I will mention, though, is that, and some of this doesn't get reported, but managing risks, and I will give you a small example is, both our plants run on multiple energy streams. So, for example, our Taloja or Valia plant, we can use gas, we can use coal.

And so, in this context, when in the month of March and April, as you knew, there was a shortage of gas. And we were able to manage without even a single day of production loss, whereas I know many other companies, especially in Gujarat, had to cut down production by 50% and more. So, our team has worked really hard to manage this.

Saurabh Shroff: That is indeed heartening to hear. Thank you very much and all the best for the next few years.

Moderator: Your next question comes from the line of Farokh Pandole from Avestha Fund Management. Please go ahead.

Farokh Pandole: Hi, Abhiraj. Congratulations on the excellent numbers. Just some of my questions have been answered. My first question was on Nitrile latex. You know, when we had initially commissioned the project, we had spoken of a sort of step-up increase in capacity at a very low cost. Is that still applicable? And could it be possible that in the next 6-9 months, we could get some capacity there, all going well with growth and margins and etc.? Is that a possibility or will that too, if it has to happen, get pushed into the following year?

Abhiraj Choksey: So, the question is, yes, absolutely. The plan is ready. We are ready to sort of go ahead and do that. We were waiting just to see how margin improvement happens. Honestly, the margin improvements, as I mentioned to a previous caller, have been better than expected in Jan and Feb were good. March was excellent. April was also excellent. But that may be partly because of this war situation. So, we are waiting to see how things land once things normalize.

Otherwise, we are ready to go ahead with it and it is almost already to the question of bringing in equipment and just as long as, the lead time is just the equipment lead time, ordering and delivery of equipment. So, that we expect will be eight to nine months in the current context. I think we will probably take a call on that in the next three to six months. But again, if that capacity comes on stream, it will be in the next financial year, not this financial year.

Farokh Pandole: And then I just had a question on some of these numbers that you mentioned in your sort of initial comments. Firstly, where are we with regards to net cash? You know, we have all our investments in cash, et cetera, and then we have got some debt. So, where are we on a net cash basis? And relating to the earlier comments, apart from the litigation-based provision which you have taken, what else from all the numerous provisions that you have mentioned are non-recurring?

Abhiraj Choksey: The litigation is also non-recurring.

Farokh Pandole: Right. So, apart from that, what else is non-recurring?

Abhiraj Choksey: The long-term incentive will be recurring, but the difference will be that I think for the long-term incentive, Vivek, are you on the call, if I think that INR 2.7 crores is for the whole year and going forward it will be done every quarter, right?

Vivek Thakur: Yes, correct.

Abhiraj Choksey: Yes. So, that will be recurring. And the other thing was on the gratuity policy changes, that was also a one-time thing. That will be non-recurring. The impairment of the asset, that one asset turbine, is non-recurring, of course. It is a one-time thing. And the depreciation we have taken for the year, I guess that will be kind of recurring because we have reduced the useful life from 40 years to 15 for a few assets that were linked to the turbine. I would say the majority is non-

recurring. There will be some amount, there will be INR 3 crores, INR 4 crores that may be recurring.

Farokh Pandole: Correct. And the INR 260 lakhs, which was the incentive, that will still be, obviously it won't be INR 260 lakhs, it will be INR 260 lakhs per annum. That is the rate at which the expensing will happen.

Abhiraj Choksey: There is an accounting thing about sort of time value, so that may differ every year, but yes, per annum. Correct. It is per annum. So, from now onwards we will be providing it for every quarter.

Farokh Pandole: Sure. Providing for it every quarter, but the amount will be on, relating to this amount up or down on a per annum basis, the total amount.

Abhiraj Choksey: Yes, exactly. Yes, every quarter.

Farokh Pandole: And the cash position or the net debt position?

Abhiraj Choksey: Vivek, do you have that number for as on March 31st? And it's only improved since then, as on March 31st?

Vivek Thakur: As of March 31st, we have a total debt of about INR 90 crores. And our investments and cash bank balances are INR 160-odd crores.

Abhiraj Choksey: It includes working capital loans as well, right?

Vivek Thakur: It includes all the loans. Entire debt is INR 92 crores.

Abhiraj Choksey: Term loan and working capital, yes.

Farokh Pandole: So, we are positive by about INR 70 crores or INR 80 crores.

Abhiraj Choksey: That's correct.

Farokh Pandole: Great. All the best. And once again, congratulations. Thanks a lot.

Moderator: The next question comes from the line of Rudraksh Raheja from IPART Financial Consulting. Please go ahead.

Abhiraj Choksey: Sorry, I didn't hear the name. Can you repeat, Sagar?

Moderator: It is the line of Mr. Rudraksh Raheja.

Rudraksh Raheja: I wanted to ask, on a basket basis, how much percentage increase have we seen on the raw material side?

Abhiraj Choksey: Sorry, can you repeat the question? I didn't...

Rudraksh Raheja: How much increase have we witnessed on the raw material side prices?

Abhiraj Choksey: In which? Are you talking about Q4 or?

Rudraksh Raheja: Yes. Q4. Yes.

Abhiraj Choksey: I mean, I don't have the...

Rudraksh Raheja: Just as a broad number, like, on an average how much increase?

Abhiraj Choksey: Average increase in raw material prices in Q4 compared to Q3. Vivek, could you have that number?

Vivek Thakur: I don't have the blend, but I think it was in line with the increase in crude prices. We have seen the crude prices have gone up by about 70% in a couple of months. So that is about, round about the increase we are also looking at in raw material prices.

Abhiraj Choksey: I think what Vivek is saying, if you were to compare the raw material prices on Jan 1st and March 31st, obviously it was a huge jump. But the blended average of Jan, Feb and March, and there are so many raw materials that we have, I mean, honestly, you can just look at the cost of materials, COGS, and you will see the blended, right? So that is the increase.

Rudraksh Raheja: Understood, sir. And since we have been able to maintain or, I would say, we have improved our margins, we have been able to pass on increase on the finished good side as well. So, my question is, do you see like more resistance from customer side if we further have to increase prices going forward?

Abhiraj Choksey: Short answer is yes, absolutely. I think that is a big worry because in the long run, I don't know these kinds of high energy prices and high petrochemical prices, I don't know the, or nobody knows, I don't think anyone can predict what the demand destruction will be.

In some industries, their price inelastic to some extent, so there maybe it won't be, but in some industries, it is, you know, I know some of our customers who, for example, supply to the automotive companies are really facing the brunt because they are not getting the price increases from automotive companies and all the raw materials have gone up, not just our products, but all other products as well. And they are faced, you know, they are being squeezed really hard.

So, I don't know how they will react. Some of them have even decided to run the plant at losses for one or two months, but I don't know if they can, if that is sustainable. Obviously, that is not sustainable.

So, it is very difficult to say, but I would say in the long term, I think with inflation due to this issue, I think it is definitely a big cause of concern and it should be for all industries, not just ours.

Rudraksh Raheja:

Sir, one more question from my side. In what situation, sir, would you expect that margins would deteriorate from here? Sharp further increase in crude prices or a sharp fall in crude prices?

Abhiraj Choksey:

I think, look, a fall will definitely hurt us because we are covering for material. The call we have taken is that we are going to cover raw materials and ensure plants are running and we are not going to take a call on where crude prices and petrochemical prices go. Once you have decided that, obviously, as I mentioned to one of the previous callers, that we are covered till June.

Now, suddenly, if prices were to fall and we are stuck with high cost raw materials, there could be a quarter or a few months, a few months or a quarter where we would have to live with lower margins and that is fine. And that's the nature of our business, that there are some quarters that could be really good and some quarters that we would have to keep it going and protect our market share. You know, we will have to take that call.

So, I would say, at least, you know, obviously, a sharp drop in prices will definitely affect margins in the short term. Increase in prices, I am not sure. I think we will be able to pass it along, but if we can't, then it could also impact, you know.

Rudraksh Raheja:

Makes sense. Makes sense, sir. And, sir, just last question.

Moderator:

Sorry to interrupt, Mr. Raheja. May we request you to...

Abhiraj Choksey:

Let Mr. Raheja ask one last question.

Rudraksh Raheja:

Yes, sir, hypothetically, had we operated on a 100% capacity utilization in this quarter across all plants, what would be our revenue levels in that scenario, assuming current prices?

Abhiraj Choksey:

You know, we are a very high capacity utilization anyway. So, assuming current prices, you could assume a little bit more. I don't think we have too much room to grow, but maybe 5%-10% more. No, I don't have the answer. I am just guessing. I should not be guessing, but I am just guessing a little bit more.

Rudraksh Raheja:

Perfect, sir. Perfect.

Moderator: Your next question comes from Darshan Gala, an individual investor. Please go ahead.

Darshan Gala: Hi. Actually, most of my questions have already been asked and answered, so I have no questions.

Abhiraj Choksey: Thank you, Darshan.

Moderator: Your next question comes from the line of Aditya Khetan from SMIFS Institutional Equities. Please go ahead.

Aditya Khetan: Thank you, sir, for the follow-up. So, just a couple of questions. Sir, on Nitrile latex, is it possible to quantify for this Fiscal FY '26, what would be the top-line contribution and similar EBITDA contribution?

And secondly, sir, on to this, suppose for this quarter, like we have done a 15% EBITDA margins. So, base business margins versus the Nitrile latex margins, how are these two margins today as on date? And also, sir, you had also said to an earlier participant that demand improved or the margin improvement into the Nitrile latex, that seems to be more of a temporary in nature.

Structurally, though, it has not been improved, actually. So, what are the levers you see whether this business can improve or it will continue to remain in oversupply mode and things will continue to, like, go back when the crude prices fall and all things will go back to normal?

Abhiraj Choksey: So, I will answer your last question first. I think you misunderstood. Structurally, also, there was an improvement, right? Over the course of the year, every quarter, there has been a structural improvement in margins.

Sometimes, there were a few quarters you had 0% EBITDA margins that had improved in Q3, Q4. Of course, in the month of March, there was some benefit that our company had, especially in Nitrile latex, but that only for that one month in the whole of the last year where you could say it is not structural. So, at some point, of course, we feel as the capacity utilization in the world increases for Nitrile gloves and Nitrile latex, margins will go back to pre-COVID levels.

They were still not pre-COVID levels in February, but at some point in the next few quarters, they will continue to improve and get to those levels is our contention. It has already taken three years, so we have been very patient. Sure, there are some short-term gains and sometimes, as I mentioned, the previous caller, short-term losses as well that we may have to sort of live with, but I do not have a crystal ball.

I mean, you would appreciate in the current scenario, who can predict what is going to happen the rest of the quarter, let alone the rest of the year. So, I do not have any number for you in terms of giving guidance for Nitrile latex margins and all of that in the next one year. I hope that answers your question.

Aditya Khetan: For FY '26, if you can just go to the direction, if you can say, compared to the base business, the margins would be lower.

Abhiraj Choksey: Structurally, it has been lower. Yes, that is a question I did not answer. So, compared to the base business margins, they have been lower, but catching up.

Again, I do not exactly know what will happen for the rest of the year, but I expect structurally it will keep catching up and eventually, it should reach the base business. I do not know when that will happen, but that is what will happen.

Aditya Khetan: And sir, the contribution of Nitrile latex in the top line for FY '26 and on EBITDA also.

Abhiraj Choksey: You mean in terms of revenue?

Aditya Khetan: Yes, revenue and EBITDA both.

Abhiraj Choksey: I do not have the EBITDA number. Overall percentage revenue of Nitrile latex will be probably, I am guessing, 15% to 20%. Vivek, do you have a number approximately of how much we expect Nitrile latex revenue to be as a percentage of the top line? I know none of our product lines are more than 20% of our total top line, so it will be probably 15% to 20% is what I expect. Vivek, do you have a number?

Vivek Thakur: Yes, sir. Around those levels.

Abhiraj Choksey: Yes.

Moderator: Your next follow-up question comes from Sajal Kapoor from Antifragile Thinking. Please go ahead.

Sajal Kapoor: Thanks for the follow-up. I just wanted to understand your overall R&D approach and thought process around innovation. I mean, how can we structurally transform this business over the medium to long term to make it more sort of value-driven rather than volume-driven? And any initiative that you are currently very positive about as far as the R&D innovation approach is concerned?

Abhiraj Choksey: Absolutely. Great question, Sajal. So, two, three things we are doing. Number one is, see, we are in eight different business industry verticals, largely. Paper, carpet, construction, textile, rubber, footwear, tire and gloves. These are largely eight different industry segments. In each of these industry segments, we have multiple grades of products.

Some grades are what people would call commoditized where sort of me too products. And then there are some grades within each segment that are fairly specialized, where we are

certainly for two or three customers, we are making this grade that nobody else in the world makes, for example. Specifically, I can give you some examples.

Technical textiles, there are a couple of grades. There is a few grades in oil and gas, specific application of oil and gas, which broadly falls under construction segment, but it is actually a specific oil and gas segment. Within paper as well, we have for certain specialty papers.

So, that is how we look at it. There will be parts of the business which will be what we call commoditized. But even I feel that you can't call it a commodity product because a commodity is something like cement.

None of our products are like cement, right? None of our products are like steel. It is not as commoditized, but sure, there are multiple competitors or two, three competitors and there are, we don't have that much differentiation as far as product is concerned. So, therefore, those are commoditized.

So, for each of those segments, we look at where can we move up the specialty value chain and do something for our customers wherever there is a demand. Another new thing is, you know, for batteries, we are developing something for battery binders, which is very specific for a few customers. So, those kinds of things will happen.

Second thing we are doing is we are building a new R&D center this year for which we have got approval from the board and we are going to spend somewhere between INR 20 crores to INR 25 crores, building a new R&D center, where not only in our current industry segments, but even in different types of polymers, we will be doing new research, new molecules. And as and when that is commercialized, we will, of course, come back.

Nitrile latex is a good example of something that came from our R&D. These other examples that I gave you for technical textiles and oil and gas, all came from our R&D. There are many other examples, for example, in the NBR space as well.

So, sorry, I feel passionate about it, so it is a long answer. And so, yes, we are developing a new R&D center and we plan to spend, as I said, INR 20 crores, INR 25 crores on infrastructure. And then also, in our kind of business, it is very hard to get this kind of talent.

So, also, we have to actually get some raw talent and groom them and retain them to ensure that they add value and they can add value to our customers, not only in India, but globally. So, that is a few things that we are doing.

In addition to that, we are looking at, obviously, brand new areas that have low competitive intensity that are future, you know, something that would be required more in the future. And

obviously, we have that polymer capability and expertise and where we can develop that. I hope that answers your question. Those are the few things we are doing in R&D.

Sajal Kapoor: Definitely. Such long, comprehensive answers are so very helpful. Thank you so much. Very comforting.

Moderator: The next follow-up question comes from the line of Mehul Panjwani from 40 Cents. Please go ahead.

Mehul Panjwani: Sir, how do we see our export business? Is it sustainable, what we are seeing in FY '26, or are we trying to go up better than this year?

Abhiraj Choksey: Great question. It's been a challenge, especially in the Middle East, obviously, last two months. That remains a concern while the war is going on.

Look, we built a large chunk of our export business is exports to UAE, Kuwait, Saudi, Egypt, Turkey, those whole areas. So, while Egypt and Turkey are not affected by the war, but freight rates have gone up. Our cost of certain raw materials that we were getting from the Middle East are now coming from China.

So, that's gone up. So, we are quite – that is one of the concerns for us in the coming year is how – one is, if those customers themselves are kind of running at lower – what would you say?

Mehul Panjwani: Demand.

Abhiraj Choksey: Lower demand, lower capacity. So, that is a concern. And the customers in Egypt and Turkey that are running are getting competitive products now because our costs have gone up significantly, maybe, compared to some of our Chinese competitors.

For the first time, we are seeing in Turkey and Egypt, for example, Chinese latex coming in there. So, that is something we are sort of watching closely. But again, that structurally we feel that will completely reverse again.

So, while there are some structural benefits that we have got from the war, there's also been some structural – I am sorry, temporary benefits, not structures. Temporary benefits we have got, there have been temporary disadvantages as well from this war. This is a big one.

We think that will correct very quickly once the war ends and things normalize in the Strait of Hormuz. So, there are some positives and some negatives because of this war as well.

Mehul Panjwani: Sorry, one follow-up on this. How much does Middle East contribute to our top line?

Abhiraj Choksey: Probably around, I mean, when I say Middle East, I am looking at Egypt, Turkey, UAE, Saudi Arabia, all these countries, all put together. And as I said, the business is good, but the margins have been affected. So, about probably, Vivek, 7%-8% of the total top line?

Vivek Thakur: 12%.

Abhiraj Choksey: 12%, there we go. Okay. So, 12%. So, it is definitely a significant number. We are trying to make that up from other geographies and including India. And so far in the month of March and April, we have been able to do a good job. We will see what happens in the future.

Mehul Panjwani: So, sir, if the Middle East situation was absolutely normal, then would we increase our exports from this region, I mean, all the countries which you mentioned?

Abhiraj Choksey: Of course.

Mehul Panjwani: I mean, would we, because, you know, do we have any incentive to do, like, higher margins from this region, or?

Abhiraj Choksey: No, no, that is not, this is a strategic region that we have developed over a few years, and we'd obviously like to make sure we keep the market share and make sure, hope the customers also are healthy and do well. Some of it is out of our control, but whatever is in our control, we will try and do our best.

Mehul Panjwani: Right. And, sir, are we exporting anything to the...

Moderator: Sorry to interrupt, Mr. Panjwani.

Abhiraj Choksey: Okay, he can finish the last question and then he can...

Mehul Panjwani: Yes, just this is a related one. So, how much is the percentage from Europe and U.S.?

Abhiraj Choksey: No, Europe and U.S. is very less. I would say less than 3%-4%, 2%-3% maybe.

Moderator: Your next question comes from Hiten Boricha from Sequent Investments. Please go ahead.

Hiten Boricha: Sir, I have one clarification question. So, you mentioned we are looking for 5% to 10% growth. That is a volume number or the revenue number?

Abhiraj Choksey: No, I didn't mention 5% to 10% growth, no. I meant, compared to, I mean, we expect the growth to be more for the whole financial year compared to last year, but compared to Q4, which was a very strong quarter in terms of volume. So, yes, I mean, value-wise, very difficult to say because we don't know what the prices are going to be. So, yes, volume-wise is what I meant.

Hiten Boricha: So, let me rephrase, sir. So, almost all our capacities are running at full utilization. So, are we looking for some kind of double-digit, high-double-digit volume growth this year?

Abhiraj Choksey: So, in Q4, I am talking about Q4, we were running at 90% to 100%. Q1, Q2, Q3, we were not, right? We were at lower capacity utilizations.

Hiten Boricha: Yes. So, what kind of volume growth we are looking for this year, sir? I mean, for FY '27?

Abhiraj Choksey: I think, as I said, the whole world is a little very uncertain right now, but if the demand is there and we do have capacity to grow by another in double-digits, low double-digits in volume for the whole year.

Hiten Boricha: And the realization growth will be over and above that double-digit, right?

Abhiraj Choksey: It will depend. If the raw material prices crash, then it may not be, right? So, it just depends. If you see this year, FY '26 compared to FY '25, as Vivek mentioned earlier, we have the 14% growth in volume, but only a 4% growth in revenue. Now, it is just April, right? We have just one month in the year. So, it is very hard to predict what will happen to revenue. I can talk about volume.

Moderator: The next question comes from Om Prakash Dhoot, an individual investor. Please go ahead.

Om Prakash Dhoot: Once again, you set up a net profit century. Congratulations for that. The effort is of the whole team, but the captain's role is the main one. So, for that, Abhirajji, congratulations to you, Vivek ji, and Drigesh ji. And the dividend you have given, it is very important for shareholders. So, the dividend of Rs. 5.50, thank you very much for that too. And your team is very helpful.

Today, I was downloading the file from BSE, so I could not reach the site. So, I called Drigeshji. He helped me, that is why I am able to attend this call. So, your team effort is very good, very cooperative. Thank you very much. Keep moving forward like this. Keep moving the company forward. Thanks.

Abhiraj Choksey: Thank you, Om Prakashji. You are absolutely right that it is all about the team. Without the team, the captain is nothing. That is the only disagreement that I have with you. But thank you very much for your kind words.

Any other question, Sagar, or should we end the call?

Moderator: We will take the last question from the line of Aditya from Securities Investment Management. Please go ahead.

Aditya: Just one question. On NBR, how is that product performing for us? Because with freight costs increasing, have the imports come down, which is helping us?

Abhiraj Choksey: I think in the short term, yes. But I think we are also seeing a pushback because the prices have also been the highest in many years, probably the highest I have ever seen. So, I think overall, yes, imports are down. But then demand is also quite challenging in the current context. But things are, margin-wise, better for the last couple of months. Overall also things are okay. NBR is okay. Doing well. Steady. We don't have capacity, so we are running at full capacity. And our main endeavor is to ensure that we run at full capacity every month from now on.

Moderator: Thank you. Ladies and gentlemen, we will take that as our last question for today. I would now like to hand the conference over to the management for closing comments.

Vivek Thakur: Thank you, Sagar. We thank all the participants and investors for attending the conference and for the continued trust and engagement. We also look forward to your continued participation in the next quarter's Earning Call. Thank you and have a good day.

Moderator: Thank you. Ladies and gentlemen, on behalf of Apcotex Industries Limited, that concludes this conference. Thank you, everyone, for joining us, and you may now disconnect your lines.