SHREE TNB POLYMERS LIMITED

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Date :23rd Novemeber,2026

To,
The Manager
Corporate Relationship Department
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001

BSE Scrip Code - 544978

Subject: Transcript of the Investor Conference Call on the Unaudited Financial Results for six months ended September 30, 2026.

Dear Sir/ Madam,

Pursuant to Regulation 30 read with Para A of Part A of Schedule III and other applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, ('SEBI LODR Regulations') please find enclosed the transcript of the Investor Conference Call on the Unaudited Financial Results for the six months ended September 30, 2026, held on Thursday, November 19, 2026, at 11:00 hours (IST). The transcript of Investor Conference Call has also been uploaded on the website of the Company and can be accessed through the following link:

https://shreetnbpolymers.in/downloads/trancript%20of%20H1%20FY%202027.pdf

This is for your information and record.

Thanking you,

Yours sincerely,

For Shree TNB Polymers Limited

SHAH NIYATI VISHAL
Digitally signed by SHAH NIYATI VISHAL
Date: 2026.11.23 19:16:06 +05'30'

Niyati Vishal Shah
Company Secretary & Compliance Officer
Membership No.: F-8723

Shree TNB Polymers Limited

H1 FY27 Earnings Conference Call

19 November 2026

Management:

Mr. Vijay Thosani - Chairman and Whole-Time Director

Mr. Rasik Bhalodi - Managing Director

Mr. Deepak Kumar Qeematrai Raura - Whole-Time Director

Shree TNB Polymers Limited

H1 FY27 Earnings Conference Call

Moderator: Good morning, ladies and gentlemen, and welcome to the H1 FY27 earnings conference call of Shree TNB Polymers Ltd. All participants are currently in listen-only mode. After management's presentation, there will be a question-and-answer session, and I will provide instructions for asking questions at that time. Please note that this call is being recorded.

From the management side, we have with us today Mr. Vijay Thosani, Chairman and Whole-time Director of the company; Mr. Deepak Kumar Raura, Whole-time Director of the company; and Mr. Yash J Thosani, President of the company.

Before we begin, please note that some statements on today's call may be forward-looking, including those relating to order execution, capacity additions, production timelines, and new products and revenue potential. These are based on management's current expectations and involve risks and uncertainties, so actual results may differ.

So with that, I would like to hand over the call to Mr. Vijay Thosani for his opening remarks. Over to you, sir.

Mr. Vijay Thosani: Good morning. Greetings. New Year's greetings to everyone. With me are our MD, Mr. Rasikbhai Baloldi, and Whole-time Director, Mr. Deepak Raura. I am Vijay Thosani, the Chairman of the company.

Our company started its HDPE pipe business in 1995 from a plot around 1000 square meters in Silvassa. Silvassa is near Vapi, and Vapi is a chemical zone. When we set up the HDPE pipe plant, at that time, the pipe industry consisted largely of metal pipes and some PVC pipes. At that time, there was no Jain, no Supreme, and no one else was manufacturing HDPE pipes. Vapi was a complete chemical zone, and Ankleshwar - Bharuch was also a chemical zone.

In 1995, we started manufacturing HDPE pipes up to only 110 millimeters, or approximately 4 inches. Gradually, the requirement increased. In all these areas, which are coastal areas, there were problems relating to corrosion, jointing, and leakage. Therefore, the requirement for HDPE pipes continued to increase. The HDPE pipe has very good properties. It does not become brittle like PVC, and it has a long life, lasting for 50-50 years. Therefore, its requirement gradually increased, and we expanded our capacity in the same machine from 4 inches to 12 inches.

We used to procure fittings for joining HDPE pipes from outside, and some issues arose with those fittings. The manufacturers used somewhat lower-quality material, which created jointing problems. Therefore, in 1998, we also started manufacturing HDPE fittings. We began our business with the largest multinational companies in Vapi, including Bayer, Mitsu, Bilakhia, Aarti, Pidilite, and UPL.

In the chemical industries, along with pipes, sheets are also used for lining, and tanks and storage tanks are made from them. In 2000, we acquired a new location. At that time, it was a large land bank. We acquired it and started manufacturing solid sheets and polymer sheets. The machine we brought for the polymer sheets was from Italy. At that time, only two or three companies were operating in the sheet-line industry, and we started our operations with a sheet line from Amut, Italy.

We started the polymer sheet business in 2000. Even today, although there are many sheet lines in India, our existing customers continue to demand our sheets. We started that business under the Tirupati brand. Our pipes were under the Nobel brand. In 2004, we started manufacturing corrugated sheets. At that time, there was only one Caprihans plant in Nashik. We brought the machine for that plant from Taiwan and started operations. We brought in the corrugated sheet plant, but at that time the applications for which Caprihans were generally used were mainly in advertising. We diverted the product to the packaging industry and developed a new application in the yarn industry, replacing wood where separators were used. We also entered the boxes segment and continued supplying to the advertising segment.

For this, Mr. Arun Shourie of EDI, who was a Central Minister at that time, gave us a good award. At that time, the demand for corrugated

sheets was so high that we had a waiting period of 3 - 4 months. Within 1 year, we brought in a second machine and then a third machine from Taiwan, using high-quality machines, and fully developed the business.

After that, in 2007, we merged the 3 units, our Nobel unit, Tirupati, and Balaji. We formed TNB from the T of Tirupati, the N of Nobel, and the B of Balaji, and converted it into a limited company in 2007.

At the same time, after forming TNB, we started receiving orders for large projects involving HDPE pipes. There was a time when PVC was used in every project, but the entire scenario changed after that. HDPE consumption increased, so at the new TNB location we started Nobel Unit 2, where we began manufacturing larger-size HDPE pipes.

In 2012, Mr. Modi was in Gujarat, and the entire concept of drip irrigation was developed. A good company called GGRC was established, and the entire subsidy system was created under it. The USA had a DRTS plan at that time. In drip irrigation, only round systems were available then; the Israeli flat system had not yet entered India. Therefore, in 2012, we brought a DRTS machine from the USA and started our drip-irrigation business.

Then, in 2017, Mr. Modi started the Nal Se Jal project, under which water was to reach every household through pipes and drinking water was to come through taps. We purchased 2 more HDPE pipe machines and expanded our capacity at that time.

In 2025, we started a double-wall corrugated pipe business. When we went to Germany in 2004, we saw this plant. Throughout Europe and in foreign countries, cement pipes are not used anywhere; DWC pipes have been used there for 50 years. They are used for cables and drainage as well. However, at that time, India did not have an ISI standard, so it took us some time to bring this product to India. We took over a DWC plant, and there is significant scope for it in India today.

In every village, the old cement-pipe drainage systems are being removed and replaced with DWC pipes. DWC pipes are used

extensively for cable work. For example, in large solar projects, a significant quantity of DWC pipes is used. They are also used for drainage. Wherever cables are being laid over highways, all the orange-colored pipes are DWC pipes. Therefore, the scope is also large, and we undertook this business in 2025.

There are new projects in the pipe industry. Pipes are no longer used only for water supply; they are also used in chemical industries, water supply, drainage, and cable applications. Today, in all the Tata projects in Mumbai and all the projects of Adani, wherever heavy cables are being laid, they are being laid inside these pipes. We have significant business in this area. Torrent Power is our largest customer. Wherever it lays cables inside pipes, it uses our pipes. Our Silvassa location is very good. The Delhi-Mumbai corridor is nearby from our plant. From here, we can easily reach Gujarat, Maharashtra, Rajasthan, Karnataka, Madhya Pradesh, and every other location.

Our portfolio consists of different segments. After the IPO funds, we are undertaking 2 new projects. If there is a slack period in any segment, another segment provides us with work because we now have 5 - 6 segments.

As of today, our company has never had a rejection in the pipe industry. We have never been blacklisted, and we have never received a stop-marking notice. We also have a significant land bank. Mumbai is nearby, Surat is nearby, and our location is very good. We will do even better work going forward.

The 2 new projects we are undertaking are also very good projects. Our directors will explain more about them. Thank you. Thank you very much.

Moderator: Thank you, sir. Now I think Deepak sir will take over.

Mr. Deepak Kumar Raura: Good morning to all of you. Thank you, Vijay sir. We will now share the highlights of our company through our presentation. First, the first-half financials, in which PAT is 2.58 crores. Our order book as

of date is approximately 64.23 crores. Our turnover as of November 13 is approximately 32 crores.

We have already launched MDPE. Phase 1 of the construction has been completed. We completed it entirely through internal accruals. We did not use any IPO funds for it. After this is completed, there will be a total contribution of approximately 10,000 MT, comprising our drums project, our bubble-guard project, and our other projects.

In the half-year financials, total revenue is 86.08 crores. EBITDA is 7.57 crores. EBITDA margin is 8.80 crores. Profit after tax is 2.58 crores. PAT margin is 3%. EPS is 1.68 crores.

The first half is generally somewhat slow because of polymer prices, rainfall, and other factors. Our robust growth takes place in the second half. The second half has just started, and we already have orders worth 64.23 crores. We have already achieved a turnover of 32 crores. We have also received fresh orders of approximately 51 crores for HDPE pipes.

The new orders we have received are from infrastructure projects and through distributors. The total value of the pipe orders through distributors is 51 crores. Out of this, the first lot worth approximately 9 crores has cleared inspection, and dispatch has started. We will be able to complete the 2 pending orders within 2 - 3 months.

The IPO proceeds came to us in October, and only the installation and ordering of machines have started so far. The only term-loan repayment was also made in October. Therefore, every contribution we have made toward our performance so far has been through our own internal funds, bank funds, or internal accruals. Our installed capacity so far is 26,500 MT, which will increase to 36,500 MT after the expansion.

Of the additional 10,000 MT being added, approximately 4,000 tons will come from honeycomb sheets. PP corrugated sheets will contribute approximately 2,000 tons. The 210-liter drums will contribute approximately 1,500 tons. The smaller 60-liter drums will contribute approximately 500 tons. Plastic pallets will contribute

approximately 1,500 tons. After all these capacity additions, the revenue generated from this segment will be approximately 135 - 150 crores.

As I have already mentioned, our company has received a gas-distribution license, 14885, and we have also started live production by taking some trial orders. The drum capacity I mentioned will add approximately 2,000 tons. It will include closed-headed drums, open-headed drums, 60-liter drums, and 200-ton drums. There is also a range in MDPE, and we expect to complete the installation of the new machines and start production by March 2027. Either trial production or commercial production will start by March 2027. The revenue generation from this will be reflected only in the next year, FY 27 - 28. It may not be possible in the current year.

The same applies to PP bubble-guard sheets. Our second project is multilayer poly boards, which are called honeycomb sheets. They are used in packaging and logistics, surface protection, automotive applications, and industrial signage. The total capacity for this is approximately 4,000 metric tons per annum.

As you can see, the shed for Phase 1 is ready. We generated the funds through our internal sources, so it is self-funded. The production lines are already under trial, and government approvals are in process. We have already applied for all the required government approvals. Everything is in process.

The expansion in our existing business includes some expansion in pipes. We already have some capacity in Tirupati, we are already operating in Well Pack, there is an addition of bubble guard, and among the new capacities, we are adding drums.

Our priorities and roadmap for the next 6 months and thereafter are as follows. We are working on the existing order book of 64.23 crores. This is a running order book. Orders continue to come in, and previous orders continue to be executed. Therefore, this book is sometimes very high and sometimes lower, but as of date it stands at 64.23 crores.

MDPE pipe may also contribute to these financials. Production has not started in Phase 1 because the government approvals and other approvals are still in process. We expect production in this new first phase to start from March 2027, and the reflection of the new capacity additions will come in FY 27 - 28.

Based on our past experience, the second half is normally robust. Our main growth takes place in the second half because the rainy season lasts for 3 - 4 months, during which there is not much pipe work or drip-irrigation and micro-irrigation work. According to our entire track record, 60% of our business takes place in the second half, and we are expecting the figures for the next half-year to be much better than those of the first half. As Vijay sir told you, we started the company in 2007. In 2025, our total installed capacity was 26,500 MT. We listed in 2023, and our listing took place in October. After the listing, in accordance with what we decided in our prospectus, our new capex will increase production by approximately 10,000 MT.

We are already registered in several states and have approvals from several states, including Maharashtra, Gujarat, Madhya Pradesh, Karnataka, Rajasthan, and other states. We have approximately 7 BIS licenses, and more than 70% of our revenue comes from our customer base.

As Vijay sir explained, this is what we manufacture. Tirupati manufactures PP pipes, PP sheets, HDPE sheets, and PE sheets. Under Nobel, we manufacture pipes, UPVC pipes, fittings, and irrigation systems. Under Well Pack, we manufacture PP hollow sheets and corrugated sheets, as well as value-added products.

We have ISO 9001 and 14001 certifications. In the third picture on the slide, you can see that the new Phase 1 capacity has been completed. We have a total of 10,111 square meters of new land. A shed of approximately 26,000 square feet has been built on it. The second phase consists of another 20,000-square-foot shed, which will be funded through the IPO proceeds.

In quality management, we are already ISO 9001 and ISO 14001 certified. We have 7 BIS licenses and an in-house laboratory, where all testing is carried out, from the quality of the raw material through

to the finished goods. We have also recently received a license for gas pipes such as MDPE pipes.

Our strongest point is that we have in-house know-how and a technical team. All our teams are well acquainted with the machines, and we carry out manufacturing in-house. We do not outsource manufacturing. If there are products that we need to purchase for trading, we purchase them. We operate in both the B2B market and the B2C market.

Our strength is our multi-brand portfolio. We have pipes, sheets, DWC pipes, and packaging sheets. We are certified and ISO certified, and we have BIS certificates for all our products. We have diversified customers, demand-led capacity, experienced leadership, and a strategic location, which Vijay sir has already described to you in detail.

This is our leadership and governance structure. Vijay J. Thosani is Chairman and Whole-time Director. RASIKBHAI GOKALBHAI BHALODI is our MD. Deepak Kumar Qeematrai Raura and I are also Whole-time Directors. We have 3 independent directors. Jayeshbhai is also the company secretary, Amitbhai is a tax practitioner, and Minal Goel is a chartered accountant and practicising professional.

The Indian plastic fittings industry is growing at 10.4%. Global plastic pipes are growing at 6.46%, global protective packaging at 5.19%, and polymer production at 13.37%.

The growth drivers for this sector are the Jal Jeevan Mission and the AMRUT scheme. These are Government of India schemes under which water will reach every household through taps and pipes. There are also smart-city initiatives for water.

The government is currently focusing heavily on piped gas and natural gas, particularly since the Hormuz issue arose.

Thank you. I think I have briefly explained the various strengths of our company.

Moderator: Thank you very much, sir. Thank you for your brief explanation about the company. I am now opening the floor for the question-and-answer session for investors. If any investor has a question, they may raise their hand.

We can go with Nimesh Shah. You can unmute yourself and ask your question.

Mr. Nimesh Shah: Hello, sir. Am I audible?

Mr. Deepak Kumar Raura: Hello?

Mr. Deepak Kumar Raura: Hello?

Mr. Deepak Kumar Raura: Yes, yes.

Mr. Nimesh Shah: Hello, sir. Am I audible?

Mr. Deepak Kumar Raura: Yes, yes, sir. We can hear you.

Mr. Nimesh Shah: Yes, yes. Sir, I have a couple of questions. To start with, with multiple new products and capacities coming up, how will you ensure that capacity does not remain underutilized?

Mr. Deepak Kumar Raura: Sir, the products we are already manufacturing, such as pipes and sheets, are all pipes related to the chemical industry. The products we are bringing in are being added to our existing product range,

such as PP honeycomb. We are already manufacturing a flute board, and its further version, PP hollow sheet, is PP honeycomb sheet. It is almost similar, but it is a somewhat more advanced and higher-end version.

Therefore, we will not face much difficulty in entering the market. Just as our pipes are already well-known in the chemical industry, we can leverage those relationships. Similarly, the customers who purchase drums are the same customers who purchase sheets or pipes. In my opinion, we will not face much difficulty in penetrating the market. Our network is also good, and approximately 60-70% of our customers are direct customers. Through them, we will be able to directly handle production and sell the products.

Mr. Nimesh Shah: Okay, sir. My second question is that the PAT margin in H1 was only around 3%. Going forward, what steps or measures can we take to improve profitability and margins?

Mr. Deepak Kumar Raura: Sir, as I explained, our first half is not robust because the rainy season lasts for 3 - 4 months. Very little work can be done during that period, and our maximum orders are received in the second half. As I mentioned, we already have 64 crores of orders in hand, and orders are continuously coming in while negotiations are ongoing.

Whenever we go to the market and our order capacity utilization is full, we are able to negotiate our rates. The customer needs the material, and we can charge them more. Therefore, in the second half, we normally operate at a margin of 4.5% - 5%. If you look at our historical performance, our margin has generally been between 4% and 5%. This time, the IPO funds have come in, and we have repaid at least some of our term loans. The interest savings will also add to our profits.

Mr. Nimesh Shah: Okay, sir, okay. The target revenue potential is around 135 - 150 crores at full capacity utilization, correct? By which year do you expect to achieve this?

Mr. Deepak Kumar Raura: FY 27- 28 or FY 28 - 29. I think the machines will be delivered by March, and trials will begin. Commercial production will start around April-May. Therefore, there will be some contribution in FY 27 - 28, while the main contribution will come in FY 28 - 29.

We will try to generate as much contribution as possible in FY 27 - 28. We have already initiated our teams. From a marketing perspective, we have already started making the required presentations and initiating activities wherever necessary.

I think we will be able to deliver better results after the machines arrive, because machine installation takes time and trial production also takes time. Therefore, it is a time-consuming process. We will try to generate some revenue in FY 27 - 28, but I think the business will be in full swing in FY 28 - 29. To some extent, we will be able to achieve the expected revenue of 135 - 150 crores in FY 28 - 29.

Mr. Nimesh Shah: Okay, sir, okay. My last question is that you funded Phase 1 through internal accruals. Will the upcoming expansion also be funded internally through internal accruals, or are you planning something else?

Mr. Deepak Kumar Raura: No. We were listed on October 8 and received funds from the IPO proceeds. We have already booked the machines, placed orders for them, and paid the margins for the machines. Therefore, the capex will mainly be funded through the IPO proceeds, and we may approach bankers for working capital. Yes, Nimesh sir?

Mr. Nimesh Shah: Yes, sir. Thank you. Thank you very much.

Mr. Vijay Thosani: Greetings, Nimesh sir. This is Vijay Thosani, the Chairman of the company. We have been associated with the chemical industry for approximately 30 years.

This drum project was actually planned in 2008, but we did not have the required space, so it kept getting delayed. Today, metal is being removed from every application and polymers are being introduced, including recycled polymers.

Regarding the drum, the government has now made it compulsory to use 30% reprocessed material, meaning material next to virgin material available in the market. This requirement is 30% for the current year, 40% for the next year, and 60% thereafter. The government is making this compulsory through the EPR system so that the waste lying throughout the market does not cause harm to anyone and is utilized.

Most of the existing drum manufacturers do not have a three-layer machine. The rest continue to use the old single-layer process. The project we are undertaking is fully based on a three-layer system. The outer and inner layers will both be 100% virgin material, so the product will not be damaged and there will be no adverse effect anywhere. The entire middle portion will use reprocessed material.

Therefore, the government policy is fulfilled, our cost comes down, and our profit increases. This is the system.

We are also undertaking another improvement in the drum manufacturing process. When the drum is molded, the corners of the mold require somewhat more weight. For this, we are currently in discussions with a foreign company. The cost will be approximately 2 crores. With this, an 8.5-kilogram drum will become a 7.5-kilogram drum. There will be a saving of 1 kilogram per drum compared with the 8.5-kilogram drum.

All these measures will increase our profit. Every chemical company is a customer for this product. In Vapi alone, there are Micro Ink, UPL, Aarti, Pidilite, and many other large customers. If you consider even one customer, it can run 10 machines because there is so much work here.

This entire zone covers 30 kilometers, and there are approximately 15,000 small and medium-sized industries in the area. Metal drums are being removed everywhere, and drums that are supplied do not come back; they leave the system. Therefore, this is a daily requirement.

The other project we are undertaking is honeycomb. As I understand it, an IPO of Leap India was recently launched, possibly at a P/E of

more than 100. Companies such as Tata and Mahindra have now banned metal and wood. They want every item to be recyclable.

It has become compulsory that when we make these boxes, 500 - 700 kilograms of metal parts will be placed inside the box.

The box will be empty there and will come back. Large companies are now working with zero inventory. They do not want any stock. Every morning, the material required for production and the parts required for the car being manufactured arrive in these boxes, and the boxes are sent back.

Therefore, both of these are very good projects, and our future will also be very good accordingly.

Similarly, we have MDPE pipes for gas lines. Since Mr. Modi came to power, every requirement is increasingly being met through pipelines, and those pipelines are also made from polymer pipes. Drinking water has largely been covered under Nal Se Jal, although some work remains. Drainage work is now being undertaken, and polymer pipes are also used there. We are expanding our DWC pipe business.

The third segment is gas lines. On August 15, Mr. Modi said from the Red Fort that 50,000 connections or 50 crore connections would be provided. We are not going to manufacture cylinders; gas will be supplied to everyone through gas pipelines. Therefore, our growth will be very good across these segments.

Our entire setup is now ready. We also have a large land bank and a complete setup. We have already completed half of our own facility, and production will also start there within 2-3 months. Thank you, Nimesh sir. Please go ahead.

Mr. Nimesh Shah: Yes, yes, sir. Thank you very much. It was good speaking with you. I wish you all the very best, sir. Thank you.

Mr. Vijay Thosani: Thank you, sir. Yes, yes, thank you.

Moderator: Thank you very much, Nimesh sir. Now, Naman Desai, you may go ahead with your questions.

Mr. Naman Desai: Hello. Yes, Naman here. Thank you for the opportunity, sir. The 51 crores of orders we have received from Adani, Tata, and the Gujarat Government can these translate into repeat business going forward?

Mr. Vijay Thosani: Yes, sir. The government has now decided that overhead lines should not remain anywhere. All overhead lines are to be moved underground, so there is a very large amount of work for pipes. We already have so many orders that we are turning down orders. Previously, we would accept orders and then remain engaged with them for 3 - 4 months, but that is no longer workable.

There is so much cable work that it is difficult to describe. These are all repeat orders.

Mr. Naman Desai: Got it, sir. Going forward, how do you see the contribution from the HDPE drums and the PP bubble guards drums? How will the change appear in FY 27 - 28?

Mr. Vijay Thosani: That will increase immediately on a day-to-day basis, sir. Packaging is now moving away from metal. Metal is being removed, wood is being removed, and everything is moving toward polymers.

Once a drum is used, it cannot be reused and becomes scrap. Therefore, it is required every day. In some companies, because of material shortages and the war-related situation, the plant had to be shut down. The material was ready, but there were no drums in which to fill it.

You know the entire area around Vapi, Sarigam, Surat, Ankleshwar, Bharuch, Saykha, Dahej, and Tarapur. These are all chemical hubs. We have such a large requirement for drums in the nearby areas that people are already following up with us and asking when we will start production. This is a very large segment, and its growth is also very good.

Mr. Naman Desai: Got it, sir. Thank you. I will get back in the queue. Thank you.

Moderator: Thank you very much, Naman sir. Samartha Jain, you may go ahead with your questions.

Ms. Samartha Jain: Hello, am I audible? Yes, yes. Good morning, madam. Good morning. I have a few questions, sir. My first question is: what are the company's plans for growth in FY28?

Mr. Deepak Kumar Raura: Excuse me? I could not hear you.

Ms. Samarta Jain: Hello.

Mr. Deepak Kumar Raura: Yes, yes.

Moderator: Sir, she is asking about the growth plans for FY28.

Mr. Deepak Kumar Raura: FY28 do you mean the full year FY 28 - 29 or FY 27- 28?

Moderator: FY 27 - 28, sir.

Mr. Deepak Kumar Raura: I think that will be a robust year for us because all the machines will be installed and we will start production. There will be trial production for 2 - 3 months, followed by commercial production for the entire year. Our marketing teams have already started moving through the market to create awareness of our new products. Therefore, I think FY 27 - 28 will be a robust year for the company.

Ms. Samarta Jain: Okay, okay. My second question is: when will the new facility start generating revenue? Hello?

Mr. Vijay Thosani: We have placed the machinery order, and the machines will arrive after March. After that, installation and the start of production will take 6 months of the next financial year. Therefore, we will have 6 months in the following year to generate revenue 6 - 7 months.

Ms. Samarta Jain: I have one more question. Among your new products, which one has the highest demand in the market?

Mr. Vijay Thosani: I did not understand. You mean among the drums? Yes, I mentioned the drum demand earlier. This entire area is a chemical zone, and there is so much demand here that it is difficult to describe. Almost all packaging is now being done in polymer drums. Everyone has stopped using metal drums because they are not economical and also create transportation difficulties.

Therefore, the drum business is very good. We are now moving to a three-layer machine, so demand for that product will also be good. Our cost will be lower, and our margin will increase.

Ms. Samarta Jain: Okay. My last question is: do you think H2 FY27 will be significantly better compared with H1?

Mr. Deepak Kumar Raura: Yes, it will be much better because 3 - 4 months of the first half fall within the rainy season, during which there is no pipe or micro-irrigation work. We get only 1 - 2 months, April-May, while the rains start from June.

Normally, based on our track record over the last several years, our main growth takes place in the second half. The entire processing cycle, tendering process, and order placement take place over 6 months. Therefore, 60% - 65% of our revenue comes in the second half.

Mr. Vijay Thosani: We are undertaking 2 new projects. One is honeycomb, for which the annual capacity is increasing by approximately 4,000 tons. Since we will have only half a year, the increase will be 2,000 tons. The drum capacity is approximately 2,000 tons, so half of that, or approximately 1,000 tons, can be added. Therefore, work can take place over 6 months, and we can have 6 months of operations in the following year, FY 27 - 28.

Ms. Samarta Jain: Thank you, sir, and all the best for the IPO.

Mr. Deepak Kumar Raura: Thank you, thank you, sir.

Moderator: Thank you very much. Amit sir, you may go ahead with your question.

Mr. Amit Vyas: Hello? Good morning.

Mr. Vijay Thosani: Good morning, good morning, Amit sir.

Mr. Amit Vyas: Sir, I wanted to ask how the margins of our new products will compare with those of the existing products.

Mr. Vijay Thosani: In polymers, margins are generally similar across polymer products. The reason the margin can increase in this case is that the polymer drum technology we have brought is a three-layer technology.

Under the EPR system introduced by the government, the use of recycled material has been made compulsory. It is 30% in the current year, 40% next year, and 60% thereafter.

Many manufacturers have a single-layer machine, or a single-stroke machine. They have to mix recycled material with virgin material, which affects the quality. However, in the machinery we have ordered, the outer layer will be entirely virgin material and the inner layer will also be entirely virgin material.

Because the inner layer is virgin material, the product inside will not be damaged or adversely affected. The outer layer will also not be affected. The middle portion will consist of recyclable material, and the cost will be lower by 30%.

Therefore, our profit can increase, and this technology is not available with everyone. This system has been developed only over the last 1 - 2 years, and we have ordered that machine. Therefore, our margin will be higher than that of the older technology.

Our other product is honeycomb. There are also very few players in honeycomb. There are 2 - 3 large players, such as Cello, Mutual Plastic, and Nilkamal. Not everyone can enter this segment because the project is somewhat different. It is not suitable for everyone, and we are associated with the automobile industry, where this product will be used.

The growth of the automobile industry in India is very strong today. Therefore, we should be able to enter this business easily, and we also receive good margins from it. Both projects are good for us.

Mr. Amit Vyas: Okay, sir. I had one more question. When will your facility become operational?

Mr. Vijay Thosani: Approximately in March for the machines actually, by the following September, September 2027.

Mr. Deepak Kumar Raura: We already have an existing facility operating. In the new land we acquired, where construction is ongoing, our installations will start in March.

The machines will start arriving, and I think production will also start by April or May.

Mr. Amit Vyas: Okay, sir. Thank you.

Moderator: Thank you very much, sir. Now, Mr. Mukund Jain, you may go ahead with your questions.

Mr. Mukund Jain: Mukund sir? Yes, yes. Good morning. Greetings.

Mr. Deepak Kumar Raura: Greetings, greetings. Greetings, sir.

Mr. Mukund Jain: Sir, my question is about how we can expand the products we are currently supplying into D2C, because margins are higher there. If we look at similar spaces, drums and related products have many other use cases. I wanted to understand what more we can do with the regular drums we are manufacturing so that we can also place them in the D2C segment. That was my question.

Mr. Deepak Kumar Raura: The drum business is already D2C. There is no B2B element in this business. We have to deal directly with the customers, which are chemical manufacturing units. We are directly targeting those customers, and our...

Mr. Mukund Jain: No, sir, my question is whether we want to target households.

Mr. Vijay Thosani: No, no, no. This is not a household product, Mukund sir. This is a fully industrial product, and we have been associated with the industries where it will be used for 30 years.

Wherever there is a chemical plant, our pipes, fittings, and sheets are supplied. All our existing products already go there, and we had planned this product 2008 onward. However, we could not find the required space. We have now received space at the rear, so we are undertaking the project.

All our customers are already our own customers. For example, in Vapi, there are Mitsu, Bilakhia, Huber, Microink, Meril Life, and others. They are all located in the same area. One of their directors also attended our listing, and they are all part of our broader group relationships.

Therefore, we do not need to find customers separately. The entire Vapi zone has so much demand that we have currently ordered only 2 machines. Even if we install 20 machines, they would not be sufficient for the work available in the zone. If we require a larger location in the future, we will continue expanding.

Mr. Mukund Jain: Yes, sir. So, apart from Vapi, are we planning to expand to Anand, Surat, or Chakan, or is there no viability because of competition? What is our plan apart from Vapi in Gujarat?

Mr. Vijay Thosani: Bharuch, Ankleshwar, Saykha, Dahej, Surat, Sarigam, Vapi, and Tarapur this is the entire zone. We can sell throughout this zone. Transportation is viable for us everywhere.

Mr. Mukund Jain: Okay, okay. Sir, have any of our customers ever told us that instead of taking the polymer drums we manufacture, they would prefer steel, fiber, or any other material? I am trying to understand whether we face competition between polymers and other materials.

Mr. Vijay Thosani: There is competition. Metal drums are cheaper. They cost less than 50% of the price. However, metal is gradually being removed from every application.

Mr. Mukund Jain: The price may be lower, but can we provide the specifications and quality they require?

Mr. Vijay Thosani: Yes, absolutely. The drum undergoes a test called a drop test. For example, if it is a 200-liter drum, it is filled with 200 liters of material and dropped from a height. This is the BIS drop test. It passes the test, and exports are now conducted using this type of drum. Metal drums have now been completely banned for exports.

Mr. Mukund Jain: Okay. So, in the industrial applications where we currently operate, are there any industries or processes that still use metal drums because their capacity or strength is such that plastic drums cannot yet meet their requirements? Is there any new avenue, plant, or type of industry where we want to replace metal through further research and development?

Mr. Deepak Kumar Raura: Metal drums still remain to some extent in lubricants. Apart from that, metal has been almost completely removed from chemicals because there is a reaction. Chemicals react with the aluminum or MS of the drum. Therefore, chemical companies do not use steel drums; they use polymer drums. Only in lubricants and oil applications do metal drums remain in some places. Apart from that, metal has gradually been removed and almost completely replaced with polymer drums in chemicals.

Mr. Mukund Jain: Okay, sir. Thank you.

Moderator: Thank you very much, Mukund sir. Any other investor who has a question may raise their hand. Kailash Kabra, you may go ahead with your questions.

Mr. Kailash Kabra: Sir, when will this capacity come online?

Mr. Deepak Kumar Raura: In the first quarter of FY 27 - 28. The machines have already been ordered. The IPO proceeds came in the first week of October. After that, we started booking the machines and paying the margins to the manufacturers. I think the machines will be delivered within 5-6 months.

Therefore, all deliveries and installations will be completed in the first quarter of FY 27 - 28, and thereafter I think we can start commercial production.

Mr. Kailash Kabra: Sir, as we add this capacity, based on the earlier question, is our capacity for the new products we will launch almost fully booked?

Mr. Deepak Kumar Raura: We have already initiated marketing, and our team is moving through the market for these products. We have also initiated and sensitized the dealers. However, after the machines arrive and the product is manufactured, it will go to the market. The market response will come only after that.

Customers generally do not place orders until the product is physically available. Our marketing team has already started moving through the market and is promoting that we are going to manufacture these products and that our new products are coming. We will launch multiple products in the first quarter.

We have already sensitized and initiated our dealers and informed them that we are adding these new products and have ordered the machines. The product will enter the market only after it arrives and actual production begins. There is already demand, and we shortlisted these products only after conducting a demand study.

Mr. Kailash Kabra: How large a business can we undertake in gas-distribution pipes?

Mr. Vijay Thosani: It is currently at the approval stage. We have already started work for Amul Dairy, where gas is used, and we have started the pipe order there. For other customers such as Gujarat Gas and Mahanagar Gas, the registration process is still ongoing.

The process takes some time. We received approval only 2 months ago, and the process is currently underway. It will take approximately another 2 - 4 months. Once it begins, a very large quantity of pipeline will be required because the orders are for thousands of kilometers. We manufacture the pipes, and the customer's inspector remains continuously present during production.

For example, Mahanagar Gas Limited keeps its quality representative at our factory, and there is online inspection of every pipe manufactured. Therefore, there is no issue with any of the 3 products. In the case of the drum, the drum—

Mr. Kailash Kabra: Sir, if we work with the government at this location, will payments get delayed?

Mr. Vijay Thosani: No. This is not the same as other government work. This is a gas business, and it is operated by a corporation. Gujarat Gas Corporation and Mahanagar Corporation do not face any funding requirement or difficulty.

When elections take place, payments for direct government work can be delayed. For example, we are currently working on Nal Se Jal, where the contractor receives the work. If the government does not have funds, it pays late, or payments may be delayed during an election.

However, we generally work through letters of credit and bank guarantees, so we do not face much difficulty. In this particular business, there is no question of such a problem arising.

Mr. Kailash Kabra: Understood, understood. All the best for the IPO, sir.

Mr. Vijay Thosani: Thank you, thank you, sir.

Moderator: Thank you very much, sir, for your questions. Mr. Suraj Jain, if you have a question, please go ahead.

Mr. Suraj Jain: Hello.

Mr. Vijay Thosani: Greetings, Suraj sir.

Mr. Suraj Jain: Greetings. How are you, Vijay sir?

Mr. Vijay Thosani: I am perfectly fine, sir.

Mr. Suraj Jain: Sir, you said that the expansion would generate a turnover of 135 - 150 crores. Will this be additional turnover over and above the turnover we are currently generating?

Mr. Vijay Thosani: Yes.

Mr. Suraj Jain: So, overall, what will be our turnover target in FY 27 - 28?

Mr. Deepak Kumar Raura: It will start from then...

It will happen after that. Only then will we estimate. We are estimating that once these new products reach full commercial production, they can add 135 - 150 crores to our top line. We cannot predict the actual figure right now.

Mr. Suraj Jain: Yes, that is correct. We are making a projection that, for example, 135 - 146 crores will be added to our existing business. So, together, what will the total be? Will it become 250 - 300 crores?

Mr. Deepak Kumar Raura: Yes, that should be the estimate. It should reach that level, sir.

Mr. Deepak Kumar Raura: Yes, it should reach that level.

Mr. Suraj Jain: So, the entire demand will be operating at 100% capacity, correct? Based on what you are saying, there is full demand, and even if you install 20 machines instead of 2, it would still be insufficient. Therefore, will our capacity utilization remain at 100%?

Mr. Deepak Kumar Raura: No, sir. In the polymer industry, the actual utilization of capacity is approximately 70% because of cycle time. For example, there are different molds for 200 liters, 210 liters, 225 liters, 235 liters, and 250 liters. Changing between them involves a changeover period. Therefore, the actual capacity is generally utilized at 70-75% anywhere. We are fully utilizing what is available to us.

Mr. Suraj Jain: Yes, yes, in every product?

Mr. Vijay Thosani: Yes, in every product. In the polymer industry, this happens continuously. In the pipe industry, for example, there are 2 months during the rainy season when the ground cannot be dug, so pipes cannot be laid. During that period, no matter how much you try, you cannot keep production running and leave your investment idle. Therefore, that period is somewhat slack, but apart from that, the entire plant operates 24 hours everywhere.

Mr. Suraj Jain: Vijay sir, I have one more request. Whenever possible, please arrange an investor visit so that people can see the actual setup and operations of our factory. It would be very helpful for investors to gain knowledge.

Mr. Vijay Thosani: Certainly, you are most welcome. You can come at any time, and I will also inform the team.

Mr. Deepak Kumar Raura: Investors may visit at any time. We are always open 24 hours. Whenever you wish to come, you can visit the factory. Our doors are open to welcome you.

Mr. Suraj Jain: Right, sir, right, sir. Thank you, sir. Thank you.

Mr. Vijay Thosani: Please come, sir.

Moderator: Thank you very much, Suraj sir. Any other investor may go ahead with their questions. Thank you to all the investors for your questions.

I would like to request Deepak sir, or Vijay sir, to give the closing remarks for the meeting.

Sir, I think you are on mute. Please unmute yourself and give your remarks. Hello? Hello? Sir, please. Yes, sir, you are now audible.

Mr. Vijay Thosani: Hello? Hello?

Moderator: Yes, sir, you are now audible.

Mr. Deepak Kumar Raura: Thank you very much to all the investors. We have tried to give the best possible answers. Our team will continue to work hard, properly utilize the funds that investors have invested in our

company, and pursue the targets we have set while moving forward together with our investors.

I request all investors that if they wish to visit the factory, they may come at any time. All the directors and the team are always available here. You are most welcome.

Thank you very much for joining the investor meeting.

Moderator: Thank you very much, sir, for your remarks, and thank you to all the investors for joining the call. Thank you to the management for giving us your time. Thank you, everyone.

Mr. Deepak Kumar Raura: Thank you, thank you.

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