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FINOLEX
PIPES & FITTINGS

August 13, 2026

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

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

Symbol: FINPIPE

Scrip Code: 500940

Sub.: Transcript of the Earnings Call

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

Dear Sir / Madam,

This is further to our intimation dated August 3, 2026, and in terms of the subject referred regulation, we hereby submit the transcript of the Earnings Call held on Friday, August 7, 2026, post declaration of the Unaudited (Standalone & Consolidated) Financial Results of the Company for the Quarter ended June 30, 2026.

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

This is for your kind information and records.

Thanking you,

For **Finolex Industries Limited**

DAKSHINAMURTHY VISHWANATHAN IYER

Digitally signed by DAKSHINAMURTHY VISHWANATHAN IYER
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Date: 2026.08.13 18:42:22 +05'30'

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

Encl.: As above

“Finolex Industries Limited

Q1 FY27 Earnings Conference Call”

August 07, 2026

MANAGEMENT:	**MR. UDIPT AGARWAL – MANAGING DIRECTOR – FINOLEX INDUSTRIES LIMITED** **MR. CHANDAN VERMA – CHIEF FINANCIAL OFFICER – FINOLEX INDUSTRIES LIMITED**
MODERATOR:	**MR. ARUN BAID – ICICI SECURITIES**

Moderator: Ladies and gentlemen, good day, and welcome to Finolex Industries Limited Q1 FY27 Earnings Conference Call hosted by ICICI Securities 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 the conference call, please signal an operator by pressing star then zero on your touchtone phone.

I now hand the conference over to Mr. Arun Baid from ICICI Securities. Thank you, and over to you, sir.

Arun Baid: Thank you, Saniya. On behalf of ICICI Securities, I welcome you all to the Q1 FY27 Post Results Con Call of Finolex Industries. From the management side, we have Mr. Udipt Agarwal, Managing Director; and Mr. Chandan Verma, CFO.

Now I hand the call over to Udipt, post which we'll open the floor to question and answers. Thank you.

Udipt Agarwal: Thank you, Arun, and good afternoon, ladies and gentlemen. Welcome to Finolex Industries Earnings Call for Q1 FY26-27. We all are very pleased to have you here. I remind everybody that this call may contain certain forward-looking statements based on management's current expectations. Actual results may differ.

I want to begin by saying that the Q1 of this current financial year was marked by volatility in polymer prices, which became the dominant macro factor for the industry during the quarter.

Average PVC prices is higher year-on-year at about USD875 per metric ton in the quarter as compared to about USD707 per metric ton average according to the ICIS reports largely carrying forward the elevated levels seen in the Q4 of FY26 as well.

However, prices saw a sharp intra-quarter correction, which triggered a channel destocking and impacted volumes even during what is typically a seasonally strong pre-monsoon quarter for us.

Two regulatory developments, which I would like to also bring to everybody's attention is that the withdrawal of the customs duty exemption on PVC resin prices, which happened during the mid of July and the imposition of the minimum import price for the PVC resin. These 2 developments should help and support some stability in the PVC prices as we go forward. And I think this should also help with the channel inventories, and we look forward to having somewhat improved volume and business momentum over the coming quarters.

As we all know that PVC demand in India follows a well-established seasonal pattern. Demand peaks in the pre-monsoon period, January to May period as the farmers and the agriculture segment prepare for the Kharif seasons. And then it starts to moderate a little bit during Q2, Q3. And then we also again see the impact coming up and back in again in end of Q2, Q3 because of the Rabi season coming in.

With this, I would also like to give a little bit comment about the as we look into the rest of the year, I mean, we remain optimistic, however, with a caution about recovery of the volumes and realization as the inventories normalize, polymer prices stabilize, guided by the current 2 developments which I talked about, the recent customs duty and MIP interventions. We believe that the structural demand drivers continue to remain in place and intact, and will continue to underpin the medium-term confidence.

This year, we are also celebrating 45 years of Finolex Pipes and Industries. We remain equally committed to our brand, our distribution partners and the communities which we serve. Thank you for your continued trust and support. I will pass on the floor to Mr. Chandan Verma who will talk about the numbers on the Q1 FY27 performance, and then we will open the floor to question and answers.

Over to you, Chandan.

Chandan Verma: Good afternoon, everyone. So, as you know, the number already we have published in our investor presentation uploaded on the site, though I want to give you a brief highlight on the numbers what we have. So, overall sales volume declined by 27% from the corresponding quarter of the last year. Total volume we have registered around 68,000 metric tons during the Q1 FY27. Though we have seen a decline in revenue by 27%, the overall decline in revenue is moderated by around 15% only.

And our total revenue for the Q1 is INR884 crores compared to INR1043 crores of the same quarter of the last year. We have seen a significant and healthy jump in EBITDA by 14% and the EBITDA margin improved from 9% to 12%.

Current quarter EBITDA stood at INR107 crores, whereas same quarter of last year, it was INR94 crores. PBT is currently at INR148 crores and PAT is around INR107 crores. We have a strong liquidity as we continue. We are having INR2,636 crores of cash in hand, which we will continue to have in our balance sheet over the time.

The floor is now open for the questions. We invite question one by one, and we will address as and when possible.

Moderator: The first question is from the line of Shravan Shah from Dolat Capital.

Shravan Shah: I have a couple of questions, but before that, a couple of data points, so it will help us to ask the relevant questions. So for this quarter, what was the agri share, fitting share, CPVC share in the total volume?

Chandan Verma: Current quarter, we have the agri share is 69%, and fittings share within agri 5% and within non-agri is 25%. And overall, this fittings percent on a total volume is 11%.

Shravan Shah: Okay. Then, CPVC share is 7.5%?

Chandan Verma: CPVC share for the current quarter is around 7%, yes.

Shravan Shah: Okay. Got it. So, now given I understand the volume significant degrowth is there, which we have seen across the companies who have reported results, Prince and Supreme also. But in terms of the realization front, our Q-o-Q jump is just 1% versus both the companies who reported they reported a 7% and 9% kind of a Q-o-Q jump in the realization. So just wanted to understand why our realization was not on Q-o-Q basis a jump?

Chandan Verma: Okay. But on a Q-on-Q basis, if we have seen our realization per kg has gone up by 15% with the same quarter of the same year, while our peers are also in the same range. So I think we are well within the range of the realization per kg. We are not off from our other peers, whoever's the data is in the public domain.

Shravan Shah: Okay. No, I'm talking about the on the Q-o-Q front, particularly because for Q-o-Q, as the realization which is broadly if I do the math with the volume, 1.1% Q-o-Q improvement and then the realization in this quarter versus I was saying that the other 2 players who have reported numbers there it was significantly higher.

So I understand the volatility, but in April, there was a downtick in that. But given maybe the March where we have seen the significant prices up and may be the pass on would be happening with may be 10 days, 15 days lag. So that may be the reason why the other players were able to kind of show the improvement, but we haven't. So just wanted to understand, was there any specific reason on that front?

Chandan Verma: You're talking about the for the entire quarter or March to April only?

Shravan Shah: For Q1 versus Q4.

Chandan Verma: So, Q1 versus Q4, definitely. You have seen see Q4 is the year is aberration, where we have seen an unprecedented increase in the prices of PVC. That has resulted in the unprecedented realization hike. But as we move in the Q1, and particularly in the month of April, there was a sharp decline in the PVC prices. And the PVC prices have gone, if I need to quote a number, it has gone from INR96 to INR92, then INR82.

This is the reason that the prices have gone down per kg. So that is how the realization has been moving from the quarter and quarter from the last year and from the current year. So, it's more about the realization within the industry plus there are quite of incentive and discount also plays in the sector when we compute our landed price realization net realization per kg. That is how things will work upon.

However, from the quarter-on-quarter, if you see from the same quarter of the last year, we are fairly within the range bound that other public domain number we can see.

Shravan Shah: Okay. So two things, so on the volume and then now on the realization and obviously, that will lead to kind of a margin also. So first, on the volume, have we started seeing the kind of channel level the inventory because in last 15-odd days, we have seen a INR12, INR13 per kg price hike in the PVC because of MIP and the import duty withdrawal. So have we started seeing the growth in particularly in the July and maybe in the June also, have you seen that kind of a growth?

And now for full year, how are we looking at on the volume front? And realization also, given the INR12, INR13 hike, which has happened in last 15- 20 days, can we see a sharp Q-o-Q jump in realization in Q2?

Udipt Agarwal: Yes. Certainly, Shravan, there has been an impact in the market because of the factors which you talked about and also the destocking in the channel. So all these have an impact both on the volume and the revenue on the realization side. And we will see how does it play out over the course of the year. But for now, yes, the minimum floor is set for the PVC price because of the MIP and so we should see a little better Q2 in terms of the realizations.

Chandan Verma: And also in terms of volume, as you rightly said, post MIP, the volume has started to pick up. So we have seen a quite good uptick in the volume in the month of July as well.

Shravan Shah: So for full year, how now we can look at the volume for us as a full year?

Chandan Verma: No. So full year, see Shravan, at this moment, it's too early to say anything because PVC industry is surrounded by a lot of uncertainty and volatility. So at this moment, whatever the projection we have given during our Q4 con call, we will continue to say. We will see how the year progresses because it's only the Q1 that we have completed. Let's see how the year progresses, then we'll give any commentary on the full year numbers.

Shravan Shah: And at margin level also, any kind of a guidance that we want to give?

Chandan Verma: We will continue with our same last quarter's margin, the anticipation that we have given.

Shravan Shah: So 15% kind of a number that we have said for full year.

Chandan Verma: We said sub 15% sub 15%, around somewhere, we'll continue to say that if something if everything goes well, then we'll see how the number will look like throughout the year. But it's too early to say anything...

Udipt Agarwal: And there is much volatility also, I mean global geopolitical situation is still fluctuating.

Shravan Shah: And any inventory loss in Q1?

Chandan Verma: So, see, there are inventory losses and it's too early inventory gain and loss definitely would be there, but it's too not to report it at this moment. Whatever the gain and loss that is there, that will be utilized over the period of Q1, Q2 over the period in time.

Moderator: The next question is from the line of from Praneet SJ Investments.

Praneet: So I just had one question in terms of the volume degrowth. I understand that the market is down and everything, but we have I think, the degrown substantially compared to our peers in the market. Just trying to understand what exactly happened?

Udipt Agarwal: Shravan I mean, as you know, our dominance or our larger presence is in the agri segment, which was more affected than the other, which is the plumbing or non-agri segment as you call it. So that's the primary reason what we see as part of the reason for lower volumes for us other than the channel which we talked about in the beginning of the call.

Praneet: Understood, sir. And in terms of expansion, I understand the tighter market is off and everything. Do we have any idea in terms of expanding capacity? Do you have any plan in terms of increasing our plans in any of the quarter?

Udipt Agarwal: Yes. So the capacity planning is always done on a long-term basis mid - to long-term basis. So capacity or the CAPEX plans do not get impacted by the short-term macroeconomic environment as all our plans with respect to CAPEX and capacity expansions remain in place.

Praneet: No, sir. But at this point of time, do we have any greenfield or brownfield things we want to do? Because I understand it here right now with that probably plants, we can only cater to largely agri and our mix is also mostly focused that way. In terms of reducing reliance, are we doing anything in terms of more material like putting plants closer to urban locations or something like that?

Udipt Agarwal: Yes. So we are expanding capacity, and we are also augmenting capacity via debottlenecking. So as we have said in our previous calls also the capital outlay for [inaudible 0:16:09] continues to remain around INR125 crores to INR200 crores range, and that remains intact.

Praneet: Got it, sir. So do we see structurally anything affecting us because at least on the ground level, it's been noted that Finolex has not been that aggressive as compared to other peers. So what do you have to say about that? Because there has been many people who have been seeing that on the ground at least?

Chandan Verma: So at this moment, our capacity, see we have the headroom to grow, right? At the moment, we have the total installed capacity of 520 and our last year volume was 333 only. But still we have the headroom to grow at a healthy rate of 10% to 12%. So let our installed capacity get exhausted because first.

And apart from that also, as Mr. Agarwal has just pointed out, there is a continuous process going on in our organization with respect to debottlenecking, where we remove our old lower capacity extruder and keep adding our higher capacity extruder. So in a way, within the same territory, the few capacity we keep adding every year rather than announcing a big in terms of greenfield and brownfield expansion. And still, as I have mentioned, we still have the headroom to grow at a healthy 10%, 12% over the current -- at least 2028 year, next 1 year, 1.5 years.

Praneet: Correct, sir. I understand there's headroom to grow. It's just that we because the last few years and like whatever there's been some at least distress in terms of agri segment also. I'm trying to understand, is there a potential that we can -- we are actually meaningfully looking for some other segment because I know you already have plans beyond agri itself, but is it working out is my question?

Chandan Verma: So other sector because the non-agri is a wide area where we are looking into, but not in the other additional sector. We are definitely not at the moment looking for sector.

Praneet: Understood. Sir, sorry, one final question. In terms of JJM, do we expect any substantial revenue growth from JJM 2.0 from September, they expect some substantial rollout. So how does the company see it?

Udipt Agarwal: See, JJM 2.0 for the current financial year, government has announced the layout of INR66 -- INR67,000 crores, somewhere ballpark there. The second point is how is the realization, how is the distribution of this? I think in JJM 2., they also have a different mechanism of distributing the corpus. And as you would know that all our business is through channel. So all our channel partners participate in this.

And so we do not have a direct major or direct correlation of the JJM impact, or any other for that matter, the other infrastructure related schemes onto our core volume because as I said, all the sales are through channel. But yes, as the money gets distributed from the government funds, that will certainly have an overall impact on the demand.

Praneet: Sir, but in terms of allocation, in terms of the sheer quantum of value, is it higher than JJM 1.0, for JJM 2.0 for piping, at least for the segments we cater to?

Udipt Agarwal: I think on an overall basis, it is not higher than JJM 1.0.

Praneet: Okay. So in terms of value also?

Udipt Agarwal: Yes, in terms of the value I'm talking about. I think I don't remember the JJM 1.0 number on the top of my head, but I know that JJM 2.0 is about INR67,000 crores, and it is lower than JJM 1.

Praneet: For piping allocation. I'm asking more specific to piping. That is the overall number, right? So piping, do we have any specific insights?

Udipt Agarwal: I don't think I can add anything more to than what I have already said.

Moderator: The next question is from the line of Sneha Talreja from Nuvama.

Sneha Talreja: A couple of questions from my end. Firstly, with respect to again, your volume growth, which has been substantially lower than peers, not only this particular quarter, but even if I look at Q4 now, what are your thoughts on market share loss?

Because if you look at the industry level numbers also, I think industry would have degrown by around 8% to 10-odd percent versus our degrowth would be much higher in volume terms. So what are our thoughts here? And how do we expect to gain back this market share?

Udipt Agarwal: Thanks, Sneha for the question. I just want to bring to everybody's attention that if we look at full year FY26 and the top 5-6 reporting companies who report their volumes and on that basis, our share for the full year FY26 was about 22%, okay?

And when we look at market share, we should look at it over a longer period of time and not on a quarter-to-quarter basis, but we do not have the numbers from all the reporting companies for the Q1 as yet. I think 1 or 2 are still to report their numbers. But I don't see any change in the market share, yes, even for the Q1 as compared to full year FY26.

Sneha Talreja: Okay. So let me just put it this way. If I look at top 6 companies and if I compare that data from FY23 to '26, our market share used to be 27%, which has come down now to about 22-odd percent. This is just top 6, not even thinking about industry level growth and all. How would we fare that? And what are plans to basically get back is all I'm trying to understand.

Udipt Agarwal: So, there is a constant push in terms of increasing penetration in the market, increasing our presence in the underrepresented areas. And that's what there's been a push from our side to increase to improve our volumes. There are a few segments of the market where we are not present, where other some of our competitors are present. So that also has you have to also take into perspective when calculating the overall market shares.

So I think to better understand the question and the underlying dynamics, we have to look at absolute like-to-like. Finolex Industries is a pure-play PVC pipes and fittings producers, where other producers also have a larger share of other polymers into their portfolio. So that could also be a factor which might have an impact on the numbers the way they are looked at.

Sneha Talreja: Understood. That was helpful. The second question is regarding PVC prices now that they are on upward trend. What sort of a volume rebound can we see? And more importantly, out of the total PVC price increase that we've seen in this last 1 month, how much of it is passed on to the end user at this point of time?

Chandan Verma: So Sneha, you have seen there is an upward trend, as you rightly said in the prices of PVC in the market. And I think largely, hardly barring INR1 or 2, I think most of the thing has been passed on to the customer at this moment, talking today's date.

Sneha Talreja: Understood. And how is the demand after the price increases that we've seen?

Chandan Verma: Yes. So demand is quite as I've mentioning July was quite good volume pickup that we have seen and since it's the 6 or 7 days of August only, but numbers are looking in the right direction.

Moderator: The next question is from the line of Sonali from Jefferies.

Sonali: Sir, my first question is again on the volume. So we understand that agri pipes is about 70% of your mix. So could you help us understand of the volume decline of 27%, how much was the decline in agri versus plumbing?

Chandan Verma: So we have seen both the overall total volume degrowth is 27%. So if you compare our volume from the Q1 of current year versus last year of the same quarter, the agri has declined by 27% and non-agri is around 24%. So both are in the same more or less the same direction.

Sonali: Understand. Sir, it would be really helpful if you could help us understand the month-by-month very approximate volume trends. The reason I'm asking is because we saw maximum amount of volatility of PVC in April. So of the 27% for the quarter, how much was the degrowth in April, May and June? That would be very helpful.

Udipt Agarwal: I think Chandan will have the exact numbers, he'll comment on that. But as you rightly said, April was the month where there was maximum volatility. And so, April was the out of the 3 months, April was the lowest volume month. And then we saw the pickup in the month of May. And June was like a normal month, I would say.

Sonali: So, have we...

Udipt Agarwal: But, Chandan, do you have the specific figures?

Chandan Verma: Yes. So this is what the trend that we as Mr. Agarwal rightly pointed out, April was quite a dismal performance, then May and June fairly in the way that things would have been there and July, as I mentioned, it's a quite good number. That's it.

Sonali: But Chandan sir, do we have the numbers for April, May, June please?

Chandan Verma: At this moment, I don't have. We can reach out separately, then we can disclose. At this moment, the number– [inaudible 0:27:13] is not with me immediately month-on-month. Generally, I report the number on a quarter-on-quarter basis.

Sonali: Sir, is it fair to assume that May and June was a growth and April was a degrowth or even May was a degrowth?

Chandan Verma: No. May was a growth.

Sonali: May was a growth. So May and June were growth and April was a degrowth.

Chandan Verma: Yes.

Sonali: Alright. Sir, my second question is, obviously, 27% volume decline means a lot of weak operating leverage. But our margins have surprised quite positively. I understand you talked about the better realizations. But having said that, the lower margin agri is still about 70% of our mix.

So sir, how should we look at the margins? What in your view has supported? Is there any element of inventory gain that you would like to talk about?

Chandan Verma: So whatever the operating performance you have seen, Sonali, this is largely the top line driven. So cost-wise, as we have more or less cost within range bound, but the bottom line contribution largely came from the top line only. That's it.

Sonali: Sir, but the top line in the sense, the volume was quite weak. I'm just trying to understand what could have supported our 300-bps year-on-year margin improvement despite a weaker or rather a sharply a sharp decline in volumes?

Chandan Verma: See if the cost will remain really down and we will see good realization during the current quarter. So then the things will definitely get percolated down to the EBITDA level.

Sonali: All right, sir. Sir, my next question is channel inventory. As of now, what is the scenario of the channel inventory? Is it normal, below normal? And could you quantify that in a number of days, if possible, please?

Udipt Agarwal: The third part of your question is the easiest part, so I'll take that first. It's very hard to quantify the number, how many days of inventory is there, okay? But yes, there's been quite a lot of stocking, which has happened in the month of July because the expectation was that the prices will go up and which have gone up, okay?

I would say that henceforth, the demand would be more like stable, okay, because we have a minimum floor set for the pricing. So the volatility part should get somewhat moderated, okay? And if there is a stability, that also has a steady impact on the demand, then the demand remains pretty stable and channel also do not want to stock too much more than what is required in the market.

Sonali: So sir, does it mean that the channel inventory is normal right now, almost normal?

Udipt Agarwal: Yes. I mean it's near normal, I would say. There is still some room. Yes, there is still some room. But I would if the situation continues to remain like this, we will be reaching that stage not too far away.

Sonali: Got it. Sir, and lastly, if you could help us with a few data points on PVC, EDC, VCM and the spread for Q1 this year, Q1 last year? And if possible, how it stands right now?

Chandan Verma: So PVC for the Q1 current year is $863. and PVC EDC spread is around $500, $501. And same for the first quarter of the last year, $698 was the PVC prices and spread was $522. And as latest as say current, so $795 is the PVC prices and the spread between the PVC EDC is around $490.

Sonali: Understand. So the spreads year-on-year have marginally gone down, right, $522 to $501?

Chandan Verma: Yes.

Moderator: The next question is from the line of Anu Parakh from Anand Rathi.

Anu Parakh: Sir, you said that the non-agri pipe volume declined by 24%, whereas so what could be the reason for this steep decline because we see that the other pipe companies have not seen such kind of decline in Q1?

Chandan Verma: So if you see in terms of the peer competitive, the non-agri sector segment peer also has more or less declined, I think, around 18% to 20%, if I'm not wrong, in terms of totality. And the prices the volume demand generally is driven by 2 factors. One is the price and second is the demand anticipation in the market price anticipation in the market.

So in the both scenario, as the things has prices, we have seen the volatility for the agri and the same prices that holds good also for the non-agri as well. So the prices that's why we have seen because of the in anticipation of the price volatility, the volume of the non-agri is also in the same direction as we have seen in the agri sector.

Anu Parakh: And sir, for pipes, what was the price difference compared to Supreme for, say, 2, 3 years back? And what is the difference now?

Chandan Verma: See, it's very hard to define that in exact terms, but more or less, we are 10% to 12%, I think we are pricing in the market. Just a ballpark number, not exact number.

Udipt Agarwal: And this is also driven by the commodity prices. So, and no player would be too far away from market benchmarks, either on the positive side or on the negative side.

Anu Parakh: Sir, next on the margin guidance, you are giving us sub-15% kind of margin guidance, whereas in an environment where the resin prices are falling and the volumes are also declining, we have delivered 12% kind of margin. So why are we under-guiding on that front?

Chandan Verma: So, as we have -just mentioned, we are continuing to hold back whatever we have seen in the Q4, and Q1 is because we have seen too many volatility during the current quarter. So, we'll remain our guidance remains same, what we have given a sub-15% kind of thing during our Q4 con-call.

So let's see how the quarter progresses over the period because there are a lot of geopolitical scenario and uncertainty that surrounds our PVC industry. So let's move for another quarter, then we will see whether this needs to be revised or not. At this moment, we are holding back whatever we are seeing.

Moderator: The next question is from the line of Rahul Shah from PL Capital.

Rahul Shah: Just 2 questions from my end. So could you please provide some color on the gross margin performance? Like if you see sequentially, the PVC EDC spread has got declined, yet our gross margin got expanded. So what are the factors driving the margin expansion?

Chandan Verma: So as I have just mentioned, if the prices of material will remain range bound and we will see a growth in the realization, then definitely, that would contribute to the gross margin.

Rahul Shah: Okay. And the second is if I had missed out some data points, can you please repeat the spread of PVC, VCM for the Q1 FY26 and '27?

Chandan Verma: For Q1 '26, they spread was PVC, VCM spread was INR522, and current quarter i.e. Q1 FY27, the spread is INR501.

Rahul Shah: No, sir. I just want PVC to VCM spread.

Chandan Verma: PVC to VCM. Okay. So Q1 last year, it was INR163 and currently, it's INR122, Q1 '27.

Moderator: The next question is from the line of Shravan Shah from Dolat Capital.

Shravan Shah: Sorry, sir, again, coming to the volume front. Sir, is it possible to maybe directionally quantify the July volume growth? Will it be kind of a 15%, 20% kind of a number? So ultimately, what I'm trying to understand for full year, can we see a degrowth or not? That's the one I'm trying because if as you've mentioned, April was kind of a washout, May and June was a growth and July obviously should be a better growth.

If that's the case, then can we see a kind of a 15% kind of a growth in Q2 itself so that we have some fair bit of understanding what kind of a volume for full year can we look at? Or maybe the other way is, can we see a flattish or a degrowth for the full year?

Udipt Agarwal: Shravan, I would say that July was the best month of these 4 months of this year. And at this moment, as Chandan also earlier mentioned, it's very difficult to say that the full year out guidance because volatility has been too much in the Q1.

And if we see that what is happening in Q2, and then probably we would be in a better position to give a more realistic guidance for the full year. It's just passed 1 quarter, and which was also so much of uncertainty, volatility. I would not like to make some forecasts based on just 1

developments.

Shravan Shah: But at least July, whatever the growth, will it be a kind of a mid-teens kind of a growth that we are witnessing? Some understanding on that will help us.

Udipt Agarwal: So July was a good number. As we are seeing, we have seen a good growth in the month of July, but let us not get into the quantification at this moment, Shravan.

Shravan Shah: Okay. And in terms of though for last many times, we are saying that agri, non-agri, 50-50, we want to achieve. But looking at this quarter, obviously, 69%. Do we think do we have internal any kind of a number that we want to do at least 2%, 3%, 4% kind of improvement from agri to non-agri kind of a thing because I don't see anything broadly happening there.

Udipt Agarwal: So if you look at our last couple of years, so last year, our agri versus non-agri was 63% and agri the year before was 67%. So there has been a constant improvement in terms of share of our business in agri and non-agri, better portfolio balance in terms of the market segments.

And I think we continue to have that directional approach, which we have always been saying that we want to have a more balanced portfolio in the market segments which we operate in. So as we said, in the case of market share also, and so I would say here also in the case of the segments in which we operate, probably 1st quarter is not a representative number for a longer period of time.

Shravan Shah: True. But sir, given the kind of INR2,636 crores cash, there also we are not even finalizing how we will be distribute to the shareholders. So at least why even we are not finalizing in terms of the growth plan. So maybe we are very less in terms of the CPVC, which is a kind of a high price, high margin. Why we are not even thinking to deploy some money there.

So at least it will help us in terms of the growth and also better realization and better margin.

Udipt Agarwal: See, the investment into the business for the current portfolio organic is always there. So we'll continue and we are continuing to invest into the business, and we'll continue to invest into the business to support the growth across all sectors, whether it is UPVC or CPVC.

The second part of your question is which is the case that all these investments, the large-scale investments I'm talking about, are guided by the Board. And the Board has to take a call at when is the right time to do with this strong cash and whether it is giving back to the shareholders, whether it is investing into large-scale investments.

So that's a constant discussion with the Board. And since we are guided by the Board in this matter, as soon as there is some decision, I think we would be happy to announce.

Shravan Shah: But sir, that's the main thing because this cash is piling up. So, we are not even saying that distribute the 100%, but even INR500 crores, INR700 crores or even INR1,000 crores, if we can already if we would have invested in, let's say, expansion of the CPVC plant there or the capacity, it would have helped. And even till now even right now also, we are not even planning to deploy or start.

Otherwise, how when we will can start seeing the kind of overall because that will ultimately help us to reduce our agri share once the CPVC share keep on rising. So unless we start how we will maybe we will reach 7%, 8% kind of a CPVC share? That too in our volume is there.

I don't know if I look at the entire industry and against that, our CPVC volume, maybe even that would be lesser than 5%. So why not we are even thinking that to have at least 10%, 15%, 20% kind of a share in CPVC. For that, we need to expand the capacity. For that, we need the money. That money is there, but we are not even thinking for last many years, it is already there.

Udipt Agarwal: So just to bring one point, we have enough CPVC extrusion capacity. So for manufacturing of pipes, we have enough CPVC extrusion capacity to support the growth of CPVC segment, okay, so if that is the question, so that's what our response would be.

If you also look at the overall share of CPVC in the entire PVC market, which is around 7%, 8%. Our estimation is that about 7%, 8% is the total CPVC in the pipe segment. And this is the same share which we also have. So we are also moving along with the industry.

Moderator: The next question is from the line of Hena Vora from DAM Capital.

Hena Vora: Just one question. We noticed a lot on the margins for this quarter. I assume you said the costs remain range bound. Are you trying to say that we had some low-cost inventory from the previous quarter that we liquidated during this quarter, and that's how the margins have come up.

Chandan Verma: Two things you'll have to keep in mind, Hena, that we have the certain cost advantage in terms of our being a backward integrated player. So whereas the other players are securing the raw material directly from the market, the core raw material, we are one step back where we procure the raw material for the manufacture of resin. And that depends upon at what point in time we have booked our procurement and consignment.

So that's how the dynamic keeps playing in our case, which is quite different from the other player in the industry. So that is how we are getting certain cushion over there.

Moderator: The next follow-up question is from the line of Anu Parakh from Anand Rathi.

Anu Parakh: Yes, sir. Sir, in the last call, we indicated about the VCM sourcing. So are we facing any issues in terms of availability or we were able to diversify the supply chain?

Udipt Agarwal: The VCM availability continues to remain limited because of this issue in Middle East, okay And one of the challenges with VCM is that it requires a specialized logistics and with the feedstock also going to be in the Northeast Asia, where most of the material in India comes from, is also constrained, okay? So overall availability of VCM is also limited. It's not as freely available as it was in the previous years. And this also has an impact on availability of VCM for us.

The Middle East producers continue to remain under force majeure wherever and where we had major contracts. But to give and also tell you that we were, in any case, not importing VCM during the 4 months from end of May till end of September because our jetty in Ratnagiri is a Fairweather jetty. So, during this monsoon periods, in any case, in a normal year also, we were not importing VCM.

Anu Parakh: Okay. And the last question is what is the expected capacity utilization of the PVC plant for the remaining 9 months of FY27?

Udipt Agarwal: PVC, we continue to produce in Ratnagiri. As you all would know that we have 2 lines, one is based on EDC, one is based on VCM. So EDC line, we continue to produce without any interruption.

Anu Parakh: Yes, sir. So what about the VCM line?

Udipt Agarwal: So as I said, in VCM line in any case, during the month of monsoons, we do not produce because we cannot import VCM during this time because of our jetty limitations. And it's a difficult product to transport, okay? So it's also not like that, that we can import it at any other port and bring it to Ratnagiri. So during these 4 months in any year, we are not producing PVC with the VCM line.

Anu Parakh: But sir, what about H2 FY27 for VCM?

Udipt Agarwal: Our efforts to secure the VCM supply chain are ongoing, and we expect that the situation in Middle East should also get better with all this, but the situation remains also a little unpredictable there. It depends on the availability of VCM, competitive VCM, okay, Because one of the questions which was also asked is the spread of PVC, VCM. So that's also a factor which we also have to keep into perspective.

Moderator: The next question is from the line of Arun Baid from ICICI Securities.

Arun Baid: One clarification. Based on whatever you've seen in July and the trends in the near term, do you think for the first half of this financial year, will we at least be flat Y-o-Y?

Udipt Agarwal: Arun, as we have just mentioned, July was a good number. So we are hopeful that flattish, not a slight plus Y-o-Y basis, we can expect. But still, the August and September, we need to see how the volume comes. In anticipation of the July sorry, as per the performance of July, if we continue to hold that, then definitely we can see certain plus number.

Moderator: The next follow-up question is from the line of Shravan Shah from Dolat Capital.

Shravan Shah: Sir, last on the other income, this INR75-odd crores. So it was lower half because of some there. So now this number is kind of sustainable. So on a full year basis, can we kind of look at INR300-odd crores kind of other income?

Chandan Verma: No, Shravan, you have to keep in mind because this is purely driven by the bond yield scenario in the market. And these are the mark-to-market gain/loss, not the realized gain/loss. So as the bond yield will see the stable bond yield, then the number will remain in the range bound.

But if you see a quite volatility in the bond yield because of a lot of factors keeps in place while deciding the yield of our portfolio. So if the bond yield will remain range bound, then the number will definitely come. Otherwise, this is simply purely a mark-to-market gain/loss, not the exactly realized gain/loss.

Moderator: As there are no further questions from the participants, I now hand the conference over to the management for closing comments.

Udipt Agarwal: Thanks for the interesting discussions. And a lot of questions around growth, around market share. So I just would like to comment that our endeavor will remain focused and to be able to deliver sustained margins over time. And with that, I would like to say thanks. Thanks to everybody for your continuous trust and support. I look forward to interacting with you all next quarter.

Chandan Verma: Yes. Thank you so much to all of you for your continuous support and confidence in the Finolex Industries. Thank you so much from my side as well.

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