

SH/13/2025
30th July, 2025

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Sub.: Transcript of the earnings conference call held on Thursday, the 24th July, 2025.

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

Sirs

Pursuant to Regulations 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, enclose is the transcript of the earnings conference call held for analysts and investors following the announcement of the Un-Audited Financial Results for the Quarter ended 30th June 2025 after the Board Meeting held on Thursday, 24th July, 2025.

Please take the same on records

Thanking you,

Yours faithfully,
For The Supreme Industries Ltd.


(R.J. Saboo)
VP (Corporate Affairs) &
Company Secretary



Encl.: a/a.





“The Supreme Industries Limited Q1 FY ‘26 Earnings Conference Call”

July 24, 2025



MANAGEMENT: **MR. M. P. TAPARIA – MANAGING DIRECTOR, THE
SUPREME INDUSTRIES LIMITED
SHRI P. C. SOMANI – CHIEF FINANCIAL OFFICER, THE
SUPREME INDUSTRIES LIMITED
SHRI R. J. SABOO – VICE PRESIDENT (CORPORATE
AFFAIRS) & COMPANY SECRETARY, THE SUPREME
INDUSTRIES LIMITED**

MODERATOR: **MR. AASIM BHARDE – DAM CAPITAL ADVISORS
LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to Q1 FY '26 The Supreme Industries Earnings Conference Call, hosted by DAM Capital Advisors 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 call, please signal an operator by pressing “*” then “0” on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Aasim Bharde from DAM Capital Advisors Limited. Thank you and over to you, sir

Aasim Bharde: Yes. Hi. Good evening to everyone, who has dialed in for Supreme Industries Q1 FY '26 Earnings Call. As usual, we have with us the senior leadership team who will discuss and talk about the quarter gone by. And after this, we can open it for all for questions.

Thank you and over to you, Mr. Taparia.

M. P. Taparia: Good evening. Thank you, Mr. Aasim Bharde. Thank you very much. I am M. P. Taparia – Managing Director of The Supreme Industries Limited. I, along with my colleague, Shri P. C. Somani – Chief Financial Officer, and Shri R. J. Saboo – Vice President (Corporate Affairs) and Company Secretary, welcome all the participants who are participating in the discussion of the Unaudited Standalone and Consolidated Financial Results for the quarter ended 30th June 2025.

The standalone results and the consolidated results are already with you. I will give brief on Company's product operating performance and other highlights.

1. The Company sold 1,83,793 tons of plastic goods and achieved net product turnover of Rs. 2,579 crores during 1st Quarter of the current year against sales of 1,73,835 tons and net product turnover of Rs. 2,612 crores in the corresponding quarter of previous year achieving volume growth of around 6% and product value degrowth of about 1%.
2. The Consolidated operating profit and profit after tax during the period under review amounted to Rs. 344 crores and Rs. 202 crores as compared to Rs. 425 crores and Rs. 273 crores during corresponding quarter of previous year, resulting in a decrease of 19% and 26% respectively.
3. The business scenario of all the product segments of the Company for the quarter ended 30th June 2025 as compared to corresponding quarter of the previous year has been as under:
 - Plastic Piping System business grew by 6% in volume and de-grew by 4% in value term.
 - Packaging Product segment grew by 10% in volume and 9% in value terms. Industrial Products segment business de-grew by 2% in both volume and value term. Consumer Product segment business grew 5% in volume and 1% in value term.
4. The overall turnover of value-added product increased to Rs. 933 crores during the current quarter as compared to Rs. 925 crores in the corresponding quarter of previous year.

5. Business Outlook:

Polymer prices remain in affordable range at lower level. PVC prices remain in downward range. This augurs well for growth in the business going forward this year and beyond. In the 1st Quarter, plastic piping business was affected due to 20 days early break of monsoon. This resulted in agricultural piping system business. Due to fall in prices in the quarter, also, there were inventory loss affecting profitability in the quarter.

Country is witnessing good rainfall in most of the parts, which augurs well for the economy. Going forward, the Company expects good demand for housing and agriculture. The inflation is also coming down. With government commitment to boost infrastructure spend, Company believes demand for that sector should also get revived. The Company remains positive of envisaged volume growth with increase in value-added products turnover, both for the Plastic Piping Division, and for the Company during current financial year.

The Company entered into Business Transfer Agreement (“BTA”) with Wavin Industries Limited and its two wholly owned subsidiary companies, that is, Wavin India Pipes and Fittings Manufacturing Private Limited and Wavin India Holdings Private Limited, (collectively referred to as “Wavin”). The acquisition as a going concern on a slump sale basis, is likely to be completed by 31st July 2025, subject to fulfilment of terms and conditions precedent provided for in respective BTAs as mutually agreed between the parties. The aggregate consideration for the entire transaction including for net-working capital is about Rs. 310 crores. Net working capital is subject to final adjustment as on closing date.

The Company is also entering into Master Technology License Agreement with Wavin B.V. Netherlands, an Orbia group Company, to access on exclusive basis for India and other SAARC Countries, all its existing technologies and other new technologies to be developed during the period of seven years, pertaining to Plastic Piping systems for Building and Infrastructure segment. The same shall be effective from 1st August 2025.

Going forward this acquisition and licensing arrangement would take the business of the Plastic Piping Division to a new scale in terms of capacities, market reach and product offerings. Capacity expansions at various locations for Plastic Piping business and Protective packaging products are progressing smoothly. Company has planned to set up a new unit for material handling products at its newly acquired land at Malanpur (M.P.) in Gwalior to expand its footprint in central India. Work for the same shall be taken up in hand shortly.

All the equipment for PP silent pipe system in technical collaboration with M/s. Poloplast GmbH of Austria have been installed, and trial production is underway. Commercial production is likely to commence next month.

The Company has successfully executed its first order for polyethylene pipe for gas application. Company also has the Prestigious DVGW Certification for the Electrofusion (EF) Fittings from Germany for the use in carrying Water and Gas. This gives the Company credential to get

qualified to participate in tenders for GAS Pipe and Electrofusion Fittings supply. With these products and certifications, Supreme is the only Company eligible to produce and supply both Pipes and Fittings for carrying gas carrying. The Company continues to invest and enlarge the product basket in all its divisions and to remain focused on increasing the range of value-added products.

Construction work at site for Profile window project is at an advanced stage of completion. Equipment's have started to arrive at the site. The Company expects to commence trial production during second quarter of the current year. Initial focus of the Company is to launch the products in U.P., Uttarakhand and NCR region, and thereafter, the Company would plan for more geographical reach within India with setting up of fabrication facilities in other parts of the country.

The Company expects cash outflow of about Rs. 1,350 crores towards existing capital commitments, acquisition of Wavin business and new commitments during the year. Entire CAPEX shall be funded from internal accruals.

All other product divisions are faring well and Company envisage moderate growth during the year. The protective packaging product division is specifically driving its growth plan by increasing its product range and offerings for customized solutions. The same is yielding positive results and paving the way for achieving double digit volume growth and revenue target to exceed Rs. 1,000 crores for the year from Rs. 855 crores in the previous year.

The Company has received a Letter of Acceptance (LOA) for supply of 2 lakhs numbers of 10 kg composite LPG cylinders to Bharat Petroleum Corporation limited (BPCL) and has also received a repeat order of 2,31,000 of composite LPG cylinders from Indian Oil Corporation Limited (IOCL) , which will enable the Company to improve utilization of expanded capacity of its composite cylinder division to a reasonable level.

This is a brief and overall summary for the quarter ended under reference. Thank you for your patience.

Now I and my colleague, Shri P. C. Somani; and Shri R. J. Saboo are available to reply to various queries raised by all of you. Thank you very much.

Moderator:

Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Shravan Shah from Dolat Capital. Please go ahead.

Shravan Shah:

Thank you sir. Sir, the first question is on the volume front. So, sir, in the AGM, we say for two months, April and May, piping volume has grown by 11-odd percent. But now, the volume number is just 6-odd percent. That means in June, we have kind of a degrowth by close to 3.74-odd percent. So I wanted to understand two aspects, first is, for this quarter at an industry level, how do you see what kind of growth was there? And in terms of our guidance, last time we have

talked about 10% to 12%-kind of piping and overall volume growth. So, what is the new revised guidance?

- M. P. Taparia:** In June, the business of plastic pipe was affected due to a big monsoon. June was a month of monsoon, the month for agriculture pipe business and it was washed out. But for the whole year, as now we are going to start using the Wavin from 1st August. So, as we are going to acquire Wavin let us say from 1st of August this year. Now we have revised our guideline upward, we anticipate that our plastic piping business volume will grow between 15% to 17% percent this year, though it has grown 6% in 1st Quarter.
- Shravan Shah:** And for overall volume growth, how do we see for full year?
- M. P. Taparia:** Overall volume?
- P. C. Somani:** For the Company as a whole?
- Shravan Shah:** Yes. Yes, all the segments put together.
- P. C. Somani:** Yes, between 14% to 15% should be.
- Shravan Shah:** So, here sir, just wanted to clarify for Wavin, last time we said that we are looking at close to 51,000 kind of volume. So, that number remains intact. So, if that is the case.
- M. P. Taparia:** And now we will be having operation only for 8 months. Wavin is having installed capacity of 71,000 Tons per annum.
- Shravan Shah:** Yes, sir, so how much volume from Wavin are we looking at?
- M. P. Taparia:** We hope that in 8 months we may get 30,000 Tons.
- Shravan Shah:** Okay. So, then why on what basis are we so confident that in the remaining nine-month period, the volume will pick up significantly given that the ADD has still not came and BIS has been postponed to December?
- M. P. Taparia:** Yes, that is not the issue. Last year, the price was high. They were destocking at a very severe level. Now, because the prices are at manageable level and it is now fortunately going down, the entire pipeline is empty. We are very confident.
- Shravan Shah:** Okay. So, broadly, we are now looking at kind of 18% - 20% kind of a growth for nine months to achieve a 14% - 15% kind of a growth?
- M. P. Taparia:** I say the number is 15% to 17%, you can calculate for the remaining nine months. You can calculate yourself.

- Shravan Shah:** Got it. And second on the margin front. So, this quarter obviously was on the lower side close to 12% EBITDA margin.
- M. P. Taparia:** Overall, we anticipate the margin of your Company will be around 14.5% to 15.5%.
- Shravan Shah:** Okay. Got it. And then what was the inventory loss in the Q1, sir?
- M. P. Taparia:** Very difficult to quantify. Okay.
- Shravan Shah:** Okay. Got it. That is it from my side and all the best.
- Moderator:** Thank you. The next question is from the line of Praveen Sahay of PL Capital. Please go ahead.
- Praveen Sahay:** Yes. Hi, sir. Thank you for the opportunity. So, first question is related to the Company expecting a cash outflow of Rs. 1,350-odd crores. And I suppose it is a Rs. 310 crores of Wavin also included in that. So, how much of the capacity expansions in the different vertical you are expecting with Rs. 1,000-odd crores of this CAPEX in this year?
- M. P. Taparia:** Major expansion will be coming in plastic piping division. Plastic piping division will reach 1 million tons by March 2026. And a new capacity of 5000 ton of window making will also come. We are expanding capacity in material handling division and protective packaging division. But major expansion will be plastic piping division.
- Praveen Sahay:** And what level of plastic pipe capacity do we have right now?
- P. C. Somani:** Our capacity at the beginning of the year was 870,000.
- Praveen Sahay:** Yes. So, in the quarter, we have not added anything, right?
- P. C. Somani:** No. Nothing much.
- M. P. Taparia:** No, not much. Something is going on. I think every month actually. We told you end of the year in March 2026.
- Praveen Sahay:** Got it, sir.
- M. P. Taparia:** We will go 1 million tons.
- Praveen Sahay:** Got it, sir. Sir, second question is related to your commentary on the first order of a PE pipe for a gas application. Can you quantify how is the size and also the opportunity for the rest of the year?
- M. P. Taparia:** Now we are qualified. So, now we will be eligible to participate in a tender because we have been successfully participated. The market of gas pipes in the next 7 years is around 700,000 tons. And we are participating as of today only from Gadegaon plant in western India. So, we will be now examining whether to put up in other location also. So, very difficult to give you

any idea how much we will get. But we are happy to inform that we have successfully participated to supply pipe and fitting from one source in Indian market. Then we supply pipe and also electrofusion fitting for gas use.

Praveen Sahay: Okay. Got it, sir. Just a clarification, what you said of 14.5% to 15.5% EBITDA margin, that is for a full Company level or that is you expecting for a plastic pipe?

M. P. Taparia: Full Company.

Praveen Sahay: Thank you, sir and all the best.

Moderator: Thank you. The next question is from the line of Sneha Talreja from Nuvama Wealth Management. Please go ahead.

Sneha Talreja: Good evening, sir. And thanks a lot for the opportunity. Just couple of questions from my end. You have mentioned that there was an inventory loss in this particular quarter. Can we quantify the same?

M. P. Taparia: Very difficult to quantify. As you have seen the margin has eroded, mostly due to the inventory loss in our stock of finished goods of pipe, and also, in the raw material what we have committed. The world market price has fallen. So, we lost money. But now we can quantify. Now we can quantify maybe Rs. 50 crores - Rs. 60 crores.

Sneha Talreja: Rs. 50 crores - Rs. 60 crores in this particular quarter.

M. P. Taparia: Okay.

Sneha Talreja: Understood. Now, sir, secondly on the margins front or with Wavin coming in, would we understand the margin trajectory for us? Are Wavin margins will be similar to us? Will it be better because of the product mix or because of their operating overhead being on the higher side, it will be lower in the initial time? Some sense.

M. P. Taparia: Currently, the assets what Wavin are able to produce are similar to what we are producing. When we take any new technology, at that time, we announce to all our partners that this is new product group we are adding based on Wavin technology. That benefit may occur properly only from the beginning of next year. As on today, the assets what we purchase are making products similar to what we are already making. It only increases the volume.

Sneha Talreja: Understood, sir. But on the margin guidance front, I think you have maintained your margins from 14.5% to 15.5%, while I understand the upgrade in the volume guidance is because of Wavin. Your margin improvement from the current levels will be because of discontinuation of inventory loss or any other reasons to add?

M. P. Taparia: Margin, we told you 14.5% to 15.5% for the Company.

- Sneha Talreja:** And we expect that improvement coming in from which all areas because currently the margins are much lower.
- M. P. Taparia:** In the pipe division, we lost money due to inventory loss. It also will be improving and we are increasing our business of value added products. And last year in the 1st Quarter, we sold Rs. 933 crores. It is a very marginal growth of only 1% compared to previous year's 1st Quarter. So, in the remaining nine months, we expect to sell more value added product also. So, overall, we believe that we will be earning between 14.5% to 15.5% this year for the Company.
- Sneha Talreja:** Understood, sir. And lastly, in case I may, any clarity on the Anti-Dumping Duty levy? Recently, there was a document stating that it is got extended till September 2025, any chance that would be helpful for us?
- M. P. Taparia:** The government, Directorate General of Trade Remedies announced a disclosure notice that this is the quantum of injury that each foreign exporters have caused to the Indian industry. Now, thereafter, the final Anti-Dumping Duty recommendation is going to be announced by the Directorate General of Trade Remedies. Thereafter, after the announcement, the Ministry of Finance will examine and then issue the duty imposition notification. Normally, it should take between three months to four months. So, now in the month of July, so, we anticipate that Anti-Dumping Duty may come on October / November.
- Sneha Talreja:** Understood, sir.
- M. P. Taparia:** But I get more than this idea as the Ministry of Finance and Directorate General of Trade Remedies, they will decide.
- Sneha Talreja:** Understood, sir. This was really helpful. Thanks. Thanks a lot, sir and all the very best to you.
- Moderator:** Thank you. The next question is from the line of Pujan Shah from Molecule Ventures. Please go ahead.
- Pujan Shah:** Hello.
- M. P. Taparia:** Yes, please.
- Pujan Shah:** Yes, I just wanted to understand on the price hike which happened in April and May. So, Reliance has announced a price hike of Rs. 3.5 per kg in PVC. So, I just wanted to understand that price has fallen up to the certain level that has impacted our pricing and ultimately it has returned to the inventory loss or what has happened in the scenario?
- P. C. Somani:** No, well, there was no price hike in April and May.
- M. P. Taparia:** The price has increased, and they dropped the price. So, net-net the price has dropped. Then what it was on 1st of April, the price was dropped in the month of June. Then they increased the

price and again they gave the scheme. They announced the price but then they gave the scheme. So, net-net the price has come down only.

- Pujan Shah:** Okay, got it. So, right now we should expect the price should be around Rs. 67 - Rs. 68 per kg.
- M. P. Taparia:** You know better. Yes.
- Pujan Shah:** Yes. So, I am talking on the JGM fund. So, we know that from the last 10 months - 12 months, there is a fund flow challenge in the JGM.
- M. P. Taparia:** The money has not come. Money has not come. They owe me Rs. 3.74 crores today, and they are owing for last more than six months.
- Pujan Shah:** Yes. So, that is what I am trying to understand. So, what is your outlook in coming months? Do you think that this fund flow challenge will get resolved and green shoots be happening in coming months like I am talking about in August - September?
- M. P. Taparia:** My money is bound to come, I am sure.
- Pujan Shah:** Okay. Got it. So, full-fledged JGM is expected not soon.
- M. P. Taparia:** Money will come.
- Pujan Shah:** Okay. Got it. Thank you. Thank you so much.
- Moderator:** Thank you. The next question is from the line of Sonali from Jefferies India. Please go ahead.
- Sonali:** Sir, thank you for the opportunity. So, my question is if I actually look at segmental volume growth, packaging volume growth has been quite strong at about 10%. So, that despite again the PVC volatility. So, can you help us understand exactly what we did at this point in time? And also secondly, what is the channel inventory right now? You did mention in your media interview remarks that you are seeing no destocking now. So, how is the channel inventory now versus what it was in March?
- M. P. Taparia:** You have two questions you are asking. So, when you are asking packaging division, packaging division definitely made good business growth and there was no inventory loss in packaging division. And the demand for our cross laminated product and our protective packaging product, both segment demand is quite strong. In packaging film, we do not have extra capacity. Whatever capacity we have, we are already selling. So, this is a packaging film on plastic piping system, as I told earlier that we do not see any more price erosion around the price. And we have already indicated that we may grow between 15% to 17% in volume in plastic piping division this year.
- Sonali:** Got it, sir. That is it from my side. Thank you.

- Moderator:** Thank you. The next question is from the line of Keshav Lahoti from HDFC Securities. Please go ahead.
- Keshav Lahoti:** Hi, thank you for the opportunity. Sir, firstly, I want to understand your volume growth guidance for plastic pipe division, which was 12% to 14%. In spite of this being a muted quarter, you have raised your guidance to 15% to 17%. What is the thought process for the same?
- M. P. Taparia:** Last year, the business was in good shape starting from 11th July, when the prices started falling and they continuously fell up to March 2025. This year, a lot of destocking took place. Now, there is no possible destocking. Now, people have to have proper stock. Now, people have no concern about price erosion. Going forward, the rains are quite bountiful. Demand for agriculture and demand for housing, both is going to remain very robust.
- And we have added several new range of products. We have added several additional distributors. We have added several additional SKUs. Now, SKUs are more than 15,000 numbers and we have a 45 system, and all the systems are well accepted. So, we are quite optimistic that the growth number in volume that we told you, we will achieve.
- Keshav Lahoti:** Okay, understood, got it. And what sort of volume for Wavin you are looking for this year as well as for next year?
- M. P. Taparia:** Wavin, actually they have capacity of 71,000 tons. It will come in our hand only from 1st August. So, this year, we hope that we may be able to sell 30,000 tons out of the volume of Wavin capacity. Next year, we will talk in the month of April next year.
- Keshav Lahoti:** Understood, got it. Sir, lastly, what is the progress on the OPVC pipes? What sort of capacity you are adding? When will it come and what sort of volume you are looking for this year?
- M. P. Taparia:** We have two lines, the capacity is around 500 tons per month and we are getting orders.
- Keshav Lahoti:** Okay. What sort of capacity you plan to add? Earlier, you had a plan to add go till 32,000 MT by April '28.
- M. P. Taparia:** The plan remains good even today. We have to come to that level by 2028.
- Keshav Lahoti:** Okay, got it. Thank you.
- Moderator:** Thank you. The next question is from the line of Meet from Motilal Oswal. Please go ahead.
- Meet:** Hi, sir. Thank you for the opportunity. First one is on our CPVC business. So, you are adding up our capacity there. So, in our pipeline of PVCs from up to 1 million tons, how much will be a part of CPVC or CPVC expansion has been done already?
- M. P. Taparia:** Out of 1 million ton, CPVC will be quite large, but that remains classified information.

- Meet:** Okay, no worries, sir. And further we dwell on the demand side, like of our growth estimates in the plastic piping system, so which segments or what gives you confidence of such a high growth if there is no restocking and which demand or segment wise pockets do you see the demand coming in from? Like in agri, residential, can you put some light on that?
- M. P. Taparia:** In our business combination, we are larger player in housing than agriculture. Infrastructure is a very small portion of my business. Housing demand is going to be quite good and we are also in the silent pipe. We are making silent pipe from PVC. Now from next month, we are going to launch on 18th August our silent pipe based on polypropylene. So, the range which was missing also will be available. Our PERT pipe system also very, very accepted.
- Our polypropylene three-layer pipe system are also very, well accepted. So, so many new systems what we have launched, we anticipate that there will be good growth in housing segment also. So, combined number what we told you, that we will grow between 15% to 17% by volume in this year.
- Meet:** Okay. And on the, lastly on this PTMT process, so any colour on that, how that segment is doing or in terms of testing and launches?
- M. P. Taparia:** We are adding several new varieties of bath heating based on PTMT. They are very, very accepted. We are going to launch a range of showers also. And our showers will be very large range which is going to be launched in next one to one.
- Meet:** Launch in another two months?
- M. P. Taparia:** One - two month.
- Meet:** One - two months.
- M. P. Taparia:** Maybe in a month, in large, yes, please.
- Meet:** Okay, okay. Thank you so much.
- Moderator:** Thank you. The next question is from the line of S. Ramesh from Nirmal Bang Institutional Equities. Please go ahead.
- S. Ramesh:** Thank you and good evening. So, when you talk about the pipes for the gas sector, what is the kind of annual revenue you can expect from that and when will you start delivering those pipelines? And secondly, in terms of the margins compared to agriculture and housing segments, is there any improvement in margins in the gas pipeline sector?
- M. P. Taparia:** No, the gas pipe we just started so we cannot talk much more detail about the margin or about the volume. This is because first education order and we supplied, and we cannot give any quantum idea about how much business we will get this year. We cannot give. And between

housing, agriculture, housing definitely enjoy better margin. Agriculture is business with a low margin.

S. Ramesh: Okay. So, if you look at your results and the gross margin in that 33% range, do you see any levers to improve the gross margin and the share of the higher margin products improving in the next two years to three years? And secondly, in terms of the fixed cost, would you be able to get some operating leverage once you improve gross margin, what is the thought process then?

M. P. Taparia: Better we try this year when we told you 14.5% to 15.5%. Give your blessings that whatever we are talking, we will succeed.

S. Ramesh: Okay. And finally, in terms of the variety of plastics including polyethylene, polypropylene and PVC which will possibly see an increase in supply based on the various petrochemical projects. How do you see the increase in supply helping the plastic processing industry including your Company? And what are the areas you are working on including new applications in say PE, PP and your sister Company as an ABS project coming up. So, any thoughts there? Which are the new areas you would be exploring in the next two years to three years?

M. P. Taparia: Fortunately, India, the raw material supply is quite abundant. So, there is no concern about not getting raw material except PVC. But PVC is allowing import so there is no issue. Otherwise, all the materials are abundantly available in our country.

S. Ramesh: Okay. Thank you very much. Wish you all the best.

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

Shravan Shah: Hi. Sir, for this quarter, for our industry, is it fair that the 6% growth that we have seen for plastic pipes, have we done better than industry growth?

M. P. Taparia: In this April we have good business of agricultural pipes. We are a player in agriculture and housing both. There are some players in plastic piping who are more prominent in agriculture and some players who are more prominent only in housing. So, I cannot give proper comparison with anybody else. It is for everything and both.

Shravan Shah: For average, if one has to look at 1st Quarter, how much industry would have grown?

M. P. Taparia: I have no number with me. So, I cannot give you a number. But I would say it would be larger than the industry.

Shravan Shah: Okay. And then for full year FY '26, how do we see industry would be growing, at what rate?

M. P. Taparia: We will be growing better than the industry. Industry may grow by around 9% to 10%.

Shravan Shah: Okay. And then in terms of CPVC, that would definitely be more than 10% kind of growth would be there in CPVC?

- M. P. Taparia:** Not yet in CPVC. It is yet too early to tell.
- Shravan Shah:** Okay. Got it, sir. Thank you.
- Moderator:** Thank you. The next question is from the line of Parikshit Gupta from Fair Value Capital. Please go ahead.
- Parikshit Gupta:** Thank you very much for the opportunity. My first question is on the PVC resin price. You mentioned that the June as well as July month has observed a price decline from Reliance. However, the numbers posted for K6701 grade, there has actually been an increment. On May 1st, the price was around Rs. 71 averaged around the country, which is now around Rs. 75.6. Can you please tell me if there is some mistake in my understanding here?
- M. P. Taparia:** You may be checking the listed price, then you may not be knowing the discount what they give, what they give in some quantity discount. So, I do not think you know the correct pricing.
- Parikshit Gupta:** Understood.
- M. P. Taparia:** Well, when they give the monthly scheme. If you give so much, there is so much discount. If you give so much, there is so much discount.
- Parikshit Gupta:** No.
- M. P. Taparia:** No, you may not be knowing. And they have different pricing for different customers.
- Parikshit Gupta:** Okay. Understood. And just structurally, sir, if the prices because of either Anti-Dumping or maybe further supply demand scenario goes further up for PVC resin, would not that hurt margins for players such as ourselves? I know that the quantum of pass-through to customers will also matter here. But given upward trend in pricing, would not that hurt the margins?
- M. P. Taparia:** As of today, there is no upward trend. I only say there is no more downward trend. And upward trend, we do not know when the Anti-Dumping Duty will come. But some small increase will not affect the demand for the plastic packing system because this is the best material for the given application where it is used. There is no other material which can compete with PVC.
- Parikshit Gupta:** Okay. Understood. Because most of the other companies or competitors have guided at least a 6% growth of prices in this financial year.
- M. P. Taparia:** They know better.
- Parikshit Gupta:** Anti-Dumping.
- M. P. Taparia:** They know better.

- Parikshit Gupta:** Okay. My second question, can you please tell me the split between the more commoditized pipes such as UPVC and the more value-added products, for example, CPVC, OPVC and how do you see that split going forward?
- M. P. Taparia:** Major market will remain always with UPVC in larger volume.
- Parikshit Gupta:** For Supreme, how much was the split, what was the share of UPVC in the last quarter?
- M. P. Taparia:** Very classified information. Thank you very much.
- Parikshit Gupta:** Okay, sir. Thank you. Thank you for answering my questions.
- Moderator:** Thank you. The next question is from the line of Pujan Shah from Moluccan Ventures. Please go ahead.
- Pujan Shah:** Thanks for the follow-up opportunity. In terms of OPVC, you said that we are receiving some orders and we are also seeing the markets like Gujarat is also opening up. So, in terms of understanding right now, so, one side, we are suffering from the JJM issue. Second is we are getting orders. So, can you just broadly help us to understand how we are getting this from the OPVC and how we are planning out? Do we are trying to tap in new type of opportunities for OPVC?
- R.J. Saboo:** Can you repeat? Actually, we are not very clear what you are asking.
- M. P. Taparia:** What we are asking? Yes, thank you.
- R.J. Saboo:** Please repeat it slowly, what you want to ask.
- Pujan Shah:** So, in terms of OPVC, in the last participant, you said that we are receiving orders for the OPVC part and also there is suffering from JJM fund flow challenge has been there from the JJm part. So, are we tapping in new opportunities for OPVC which can open up new market specific? So, is that what we are trying to do or we are getting some orders from new states like Gujarat?
- M. P. Taparia:** I must make it clear to you, OPVC is a limited market because it is a replacement of ductile iron pipe. And as on today, the ductile iron pipe between 110 mm diameter up to 315 mm diameter that only can be replaced at an economical cost to the user which are state government or municipal corporation for carrying water. So, it is a very small market on special segment only you can use OPVC pipe, and the sizes are very limited. There are being made which are starting from 110 mm. PVC pipe people are making from 20 mm to 90 mm that is not made from OPVC. OPVC bigger market is 400 mm to 1.2 mm that is not made from PVC.
- Pujan Shah:** Right. Got it sir. But we are seeing that the new states like Gujarat has been opening up and so, just wanted to understand the order inflow in terms of OPVC. Are we seeing very green shoots in OPVC from this quarter?

- M. P. Taparia:** Dear friend, when I say our capacity is 1 million tons and OPVC my capacity is 6000 tons.
- Pujan Shah:** Right. Got it sir.
- M. P. Taparia :** Annually.
- M. P. Taparia:** So, 1 million ton and 6000 tons very small capacity.
- Pujan Shah:** Right. I agree.
- M. P. Taparia:** Okay.
- Moderator:** Thank you. The next question is from the line of Rahul Agarwal from Ikigai Assets. Please go ahead.
- Rahul Agarwal:** Yes. Hi sir. Very good evening. Thank you for the opportunity. Sir, two questions both on cost saving initiatives. The annual report talks about the renewable energy now being 30% across Supreme Industries in terms of power and fuel cost. I believe the intention is to have over a longer term 100% of this coming from renewables. If I have to understand the power and fuel cost savings on a per ton basis or overall, Company basis, how should we understand that? That is the first question.
- P. C. Somani:** Yes. Going forward in every year, every month, we are looking how to increase the share of renewable energy. But with the constraints of discounts, constraint of regulatory approvals, etc., the last year we had a share of 21.45% of these from renewable. This year, we are targeting for the year should be 30% plus. All our plants, wherever we have the space, we are going with the solar and apart from our own plants, we are also participating in the purchase of green energy from other sources. But although it is very easy to say how we should go for 100%, but in real life, because of the various regulatory challenges, you cannot. You have to remain dependent upon the discom and state power. But yes, from 21 to 30 this year and 35 next year, this is how we have to make progress.
- Rahul Agarwal:** So, Somani ji, is this like all the benefits are completely passed through in terms of pricing or do we retain something on the margin side? How does it work? Is it like completely volume benefits on sale volumes or is it like cost savings?
- P. C. Somani:** You are talking of energy, or you are talking of the prices of the product?
- Rahul Agarwal:** I am saying if we save money from renewable energy, do we decrease the selling price of the product?
- M. P. Taparia:** We have so many increased costs also, dear friend.
- Rahul Agarwal:** Yes, sure. I understand that.

- M. P. Taparia:** We balance all the costs together.
- Rahul Agarwal:** Okay.
- M. P. Taparia:** We don't balance single cost, please.
- Rahul Agarwal:** Okay, sir. And second question, similarly on freight and forwarding, because we have seen new locations, new plants have been added. I think most of these savings are also getting passed through or is it some is the saving also part of the margin?
- M. P. Taparia:** I said the benefit of the lower freight is passed to my customer.
- Rahul Agarwal:** Okay, got it. So, that is basically leading to higher volumes.
- M. P. Taparia:** I get the lower cost of buying from my Company.
- Rahul Agarwal :** Got it, sir. That is all from my side, sir. All the best for the rest of the year.
- Moderator:** Thank you. The next question is from the line of S. Ramesh from Nirmal Bang Equities. Please go ahead.
- S. Ramesh:** Thank you for the follow-up question. So, if you are looking at your capacity utilization, it seems to be in the 60% range. So, when you talk about improved performance over the rest of the year, what will be the capacity utilization by the end of the year?
- P. C. Somani:** The overall capacity utilization for the Company should remain between 65% to 70% percent.
- S. Ramesh:** And after FY '26?
- P. C. Somani:** Many of the capacities come during the year. So, they are not available for the full year. So, we are going to take the opening capacity and then whatever capacity has been expanded during the year, which will come gradually. So, if you take the effective capacity for the year, then 65% to 70% is the reasonable number what we achieve.
- S. Ramesh:** Okay. And beyond that, is it assuming that the market improves, can you go up to 80% to 90% say in future over the next two years - three years, is that possible? And will that give you, sorry?
- M. P. Taparia:** We will go on expanding our capacity.
- S. Ramesh:** Okay. Fair enough. Thank you very much.
- M. P. Taparia:** Thank you.
- Moderator:** Thank you. The next question is from the line of Utkarsh Nopany from BOB Capital. Please go ahead.

- Utkarsh Nopany:** Yes. Hi. Good evening, sir. Sir, my first question is on the pipe segment. So, just wanted to know like how has been the pipe demand from housing segment in June quarter compared to previous year? And if you could quantify our city pipe volume growth for June quarter?
- M. P. Taparia:** The housing demand was good, but we cannot quantify because many areas, agriculture pipe are used for housing also. So, we are not able to identify how much is going for housing, how much is going for agriculture. But our housing, the customer who are dealing in housing, their growth in the business, there is no degrowth. Degrowth came only from those customers who were dealing in agriculture pipe business only. Then the business became completely depressed in the month of June.
- Utkarsh Nopany:** Okay. And so, what would be your CPVC pipe volume growth for June quarter?
- M. P. Taparia:** This is classified information.
- Utkarsh Nopany:** Okay. And so, second question is regarding the channel inventory. So, if you could provide some color like how is the inventory level at the dealers? Is it at normal or below normal at the end of June?
- M. P. Taparia:** We may be below normal.
- Utkarsh Nopany:** Okay. And so, you expect the dealers to restock, start doing the restocking of inventory from September quarter onwards?
- M. P. Taparia:** No, it is coming from September.
- Utkarsh Nopany:** Okay. Thanks a lot, sir.
- Moderator:** Thank you. The next question is from the line of Shivkumar Prajapati from Ambit Private Limited. Please go ahead.
- Shivkumar Prajapati:** Thanks for having my question. Good evening, sir. So, my first question is, do we have an internal volume growth target across our product categories, say for pipes, furnitures, packaging? And if yes, then what is our target for the next three years?
- P. C. Somani:** Next three years?
- Shivkumar Prajapati:** Yes.
- M. P. Taparia:** No, we cannot talk anything about three years. This year only we can speak.
- Shivkumar Prajapati:** Okay. But sir, do we have some separate internal targets based on the segments that we operate or is it a console target?
- M. P. Taparia:** We have internal targets that we cannot share.

- Shivkumar Prajapati:** Okay, sir. And sir, would you be able to share the percentage of premium products as a percentage of total volumes or say total revenue?
- M. P. Taparia:** The impact we witness definitely.
- P. C. Somani:** For the 1st Quarter, it was 36.6% revenue from the premium products.
- Shivkumar Prajapati:** Okay. Thank you, sir. And sir, my next question is on this composite cylinder that we are trying to crack. So, right now it is very minimal. But as per your assessment, how used this opportunity can be?
- P. C. Somani:** Composite cylinder. You see, we have a capacity of one cylinder. Right now, we are not even getting that capacity fully utilized. Now, this time we have got the letter of acceptance from BPCL. So, let us really get the continuous order intake for any expansion or any opportunity is meaningless.
- Shivkumar Prajapati:** Okay. So, sir, on a rough estimate, I mean, as per my estimate, suppose Rs. 2,700 per unit and there are around 30 crores plus LPG cylinders. And if we take a conversion ratio of say 5% to 10%, then the opportunity size comes within Rs. 4,500-odd crores to Rs. 9,000-odd crores. So, what do you think like, how far this conversion can be? I mean, in the next three years or five years down the line, do you see that the conversion would be 50% or 60% or something similar to it?
- P. C. Somani:** We wish whatever you are suggesting can happen. We have seen for the last seven years, how the things have moved. This is totally dependent upon the Ministry of Petroleum and Government, foresee and plan based upon that.
- Shivkumar Prajapati:** Got it, sir. Thank you so much. Best of luck.
- Moderator:** Thank you. The next question is from the line of Arun from ICICI Securities. Please go ahead.
- Arun:** Hi, sir. So, just one clarification. Sir, when I look at your raw material cost, it is at around 68.6% against ballpark 68.1%. So, around 50 bps has increased. So, the inventory loss does not look so big based on these numbers. Am I missing something, sir?
- P. C. Somani:** Look, here, what you are saying is right. But you see, our total inventory has increased. And when the inventory gets increased, then the inventory is valued at cost, which includes your power fuel, which includes your other manufacturing overheads. So, those get added to the inventory valuation.
- Arun:** Okay.
- P. C. Somani:** So, the inventory valuation gets added with the overheads also. So, total material cost, what we are looking, would include the part of the overheads. That is why you are not finding the difference between the raw material cost that way.

Arun: Okay.

P. C. Somani: Overheads come in a separate line and the value gets added to the inventory.

Arun: So, part of it might be another expense?

P. C. Somani: We have a substantial increase of inventory in this quarter, about Rs. 167 crores.

M. P. Taparia : Yes, please.

Arun: Okay. And sir, even if you look at the other expenses, they went up dramatically. So, is this the way we should think these numbers should be broadly in that range or something one off in that?

P. C. Somani: No, other expenses I mentioned to you because of the inventory getting valued above the line and the overheads coming in the line. Our production has increased by 14%. Although our sales volume has increased only by 6%, but production has increased by 14%. So, certain overheads are linked to the production volume.

Arun: And second thing, sir, just with regard to our guidance, we had a guidance, we knew of Wavin acquisitions, we were expecting 30,000 tons - 35,000 tons even last quarter when we did the call on 24th of April. So, is there a demand change so dramatically between these two months post that?

M. P. Taparia: I do not know what to say.

P.C. Somani: No, in the 1st Quarter as mentioned earlier, because of the early breakout of monsoon, the June month was very bad.

Arun: No, no, sir, I appreciate that point. I am just trying to say is when we gave our guidance on 24th of April, that is after Q4 results, we knew Wavin acquisitions is happening, right? And 30,000 tons, you mentioned 30,000 tons - 35,000 tons even last quarter. So, basically, your core business is going to see much better growth. So, has the market conditions become so better in the last two odd months? Is that the case?

P. C. Somani: No, in our earlier guidance, we have not accounted any business from Wavin at that point of time. We wanted to have everything fall into place.

Arun: No, sir, you had mentioned clearly guidance for Wavin in the last calls. That is why you were saying, because you were saying industry will grow at 6% - 8% and we will do a bit better at 7%. That was the thing we had mentioned at last.

M. P. Taparia: Not without Wavin, we said the we will grow better than the industry. Remember what we told? We said the plastic pipe industry grow 2% - 3% more than the GDP growth.

Arun: Yes, sir.

- M. P. Taparia:** And we will grow 2% - 3% more than the country growth.
- Arun:** So, basically now the industry goods look much better for us. So, the industry good looks much better now compared to what we saw in Q1.
- M. P. Taparia:** It will be better also and our Company will grow better than the industry.
- Arun:** Okay, sir. Thank you, sir. Thank you very much.
- Moderator:** Thank you. The next question is from the line of Praneeth, an individual investor, please go ahead.
- Praneeth:** Hello.
- M. P. Taparia:** Yes, please.
- Praneeth:** So, I was wondering in terms of margin, I understand pipes is not a very margin accredited segment. So, in terms of the difference between the pipes sold to agri, what is the difference in margin for the piping division and what is the margin that can be for the value-added division? And one more question is regarding the pipes offtake in the agri segment? I understand June has been a little off for agri. But how do you see the overall state and central policy affecting and in terms of rest of them, which states are completing the payments?
- M. P. Taparia:** Overall, for the full year, we believe the demand for agricultural pipes will be better than last year. But the prices are low and farmers, now there are so many problems of water. They will spend money for development for any water supply to their field. So, we anticipate a demand from agri segment overall for the year will be better. In spite of whatever happened in last week of May and first half of June, demand will be better for the full year.
- Praneeth:** So, about the margins, like, what can we expect to the piping segment margins compared to the value-added segment margins? What could be the difference between that?
- M. P. Taparia:** The value-added segment is also part of piping system. Piping system, not only pipe, we have got more than 15,000 SKUs in piping system. And out of that, piping is very small number. We have got huge varieties of piping products we make. Injection molded, blow molded, fabricated, auto-molded, huge variety of products, which are all value-added items in piping system.
- Praneeth:** But like I was wondering, like I understand, but what could be the margin that we can expect to forecast for the pipes? Because you mentioned that for the value-added segment, the margin is higher for rest of them. So, I was wondering, because piping contributes to majority chunk of the overall revenues, what can be the margin for that? And incrementally, as the contribution level changes to the overall revenues, how will...
- M. P. Taparia:** Pipes systems have better margin, otherwise I cannot earn 14.5%.

Praneeth: Understood.

M. P. Taparia: When we say 14.5%, we cannot earn to my measurement coming from piping system.

Praneeth: So, 14% is what we can expect from pipes also?

M. P. Taparia: We do not talk pipe only. We are talking piping system And piping system should be more than 15,000 SKUs.

Praneeth: Got it, sir. Thank you.

Moderator: Thank you. The next question is from the line of Anshit from CLSA. Please go ahead.

Anshit: Hello. Yes. Hi. Thank you, sir. Sir, can you repeat the value-added product sales number, please?

M. P. Taparia: First quarter, we sold Rs. 933 crores. Our overall turnover was Rs. 2,600 crores. And value-added was Rs. 933 crores.

Anshit: Okay, sir. And so, we expect this to be better than last year on a full year basis?

P. C. Somani: Sure.

Anshit: No, I am asking.

P. C. Somani: Yes, sure. It will be better. Definitely better.

Anshit: Yes. Okay. Thank you, sir.

Moderator: Thank you. The next question is from the line of Mr. Aasim from DAM Capital. Please go ahead.

Aasim Bharde: Yes, hi. Sir, I wanted one clarification or your comment on the plastic pipes capacity. So, earlier in this call, you said you will reach 1 million metric tons per annum by March of 2026. This was also your target earlier too. But in the AGM or rather in the chairman's speech, it was mentioned that you will reach 9,40,000 by March 2026 and that included Wavin 70,000-odd.

Now, you are saying 1 million again. So, have you greenlighted one of both of those greenfield pipelines you are planning? And if yes, basically, what has changed in June end and now for that March 2026 target to increase to 1 million?

P. C. Somani: Now, this 9,40,000 which was mentioned was without Wavin, actually. It was, you can say, zero.

Aasim Bharde: Okay.

P. C. Somani: So, total will be 1 million.

Aasim Bharde: Okay. So, basically, no change. 1 million is the same number.

P. C. Somani: Correct.

Aasim Bharde: Okay. Fine. Okay. That is it. That is it from my end.

M. P. Taparia: Thank you very much.

Moderator: Thank you. The next question is from the line of Karan Bhatelia from AMC. Please go ahead.

Karan Bhatelia: Hi, sir. Thank you for the opportunity. Sir, I just wanted some clarity on the greenfield effects we were referring earlier at Bihar and Jammu. So, any concrete update on that?

M. P. Taparia: Now, as on today, we are doing nothing on Jammu land.

P. C. Somani: In Bihar also, we are not. Bihar and Jammu both.

M. P. Taparia: Bihar and Jammu, both the locations, we are not doing anything. We will be adding five new plants this year, three from Wavin. One plant we are putting for material system in Gwalior in Madhya Pradesh. And one plant in U.P. in Kanpur Dehat where we are putting a plan to make profile for windows.

Karan Bhatelia: Okay.

M. P. Taparia: Five new plants will be added to our existing 30 manufacturing plants.

Karan Bhatelia: Right. Sir, we were planning for one packaging unit near port. So, what about that?

M. P. Taparia: Up till now, we could not acquire the land.

Karan Bhatelia: Okay. Thank you. Thank you for the clarification. That is it from my end.

Moderator: Thank you. As that was the last question for the day, I now hand the conference over to the management for closing comments. Over to you, sir.

M. P. Taparia: Thank you very much. We are very thankful to all the queries who made very intelligent and very analytical questions. We are very thankful for the time and for the guidance to us. Thank you very much.

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