

August 11, 2025

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

Dear Sir / Madam,

This is further to our intimation dated July 30, 2025 and in terms of the subject referred regulation, we hereby submit the transcript of the Earnings Call held on Tuesday, August 5, 2025, post declaration of the Unaudited Financial Results of the Company for the Quarter ended June 30, 2025.

The transcript of the said Earnings Call will be available on the website of the Company at <https://www.finolexpipes.com/>.

This is for your kind information and records.

Thanking you,

For Finolex Industries Limited

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

Encl.: As above





“Finolex Industries Limited
Q1 FY '26 Earnings Conference Call”
August 05, 2025



MANAGEMENT: **MR. SAURABH DHANORKAR – 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 Q1 FY '26 Earnings Conference Call hosted by ICICI Securities. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

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

Arun Baid: Good afternoon, everyone. On behalf of ICICI Securities, I welcome you all to the Q1 FY '26 Results Con Call of Finolex Industries. From the management side, we have Mr. Saurabh Dhanorkar, Managing Director and Mr. Chandan Verma, CFO. Now I hand the call over to Mr. Dhanorkar. Over to you, sir.

Saurabh Dhanorkar: Thanks, Arun. Good afternoon, ladies and gentlemen. Welcome to the investor conference call for Q1 FY '26 earnings. We thank you all for your continued support and interest in Finolex Industries. FIL has registered a modest growth in pipes and fittings volume in spite of the overall weak demand scenario during the quarter. The operating performance of the company is muted, mainly due to weaker realization on account of volatility in PVC prices.

The Company's endeavour to grow in the non-agri segment is ongoing. Let me now take you through some of the performance indicators. Pipes and Fittings volume increased by 2% to 92,129 metric tons against 90,620 metric tons in Q1 FY '25. This was in spite of a weak demand scenario overall. Total income from operations was INR1,043 crores, down 9% against INR1,140 crores in Q1 FY '25 due to weaker sales realizations.

EBITDA stood at INR94 crores against INR207 crores in Q1 FY '25. PAT stood at INR97 crores against PAT of INR505 crores, which was including an exceptional gain of INR339 crores in Q1 FY '25. From the current year, we have decided to evaluate the company's performance as a single entity rather than splitting the performance between the 2 segments, PVC resin and Pipes & Fittings as done earlier.

This is because PVC resin is no more being sold in the market, and it's almost entirely for captive consumption. So as a management, we do not really look at PVC resin segment as a separate business. The company continues to have a strong balance sheet with a net cash surplus of around INR2,533 crores as on 30th June '25 compared to INR2,401 crores in the corresponding previous year's quarter.

On a personal level, as many of you are aware, I stepped in from my role as a Non-Executive Director on the Board to the role of Managing Director in November 2024. This was meant to be a transitory position till we find a new MD after Mr. Ajit Venkataraman stepped out.

I'm pleased to share that our Board of Directors have now approved a worthy successor for this role, and he will be joining soon. Of course, I will continue to be associated with the company in an advisory capacity. And before I formally hand over to the new incumbent, I will and even after that, I will be continuing to mentor him and be involved in the strategic decisions of the company. Let me now leave the floor open for questions. I have with me Mr. Chandan Verma, our CFO, who will take the questions regarding the numbers. Thank you.

Moderator: Thank you very much. The first question comes from the line of Shravan S from Dolat Capital. Please go ahead.

Shravan S: A couple of questions. So first on the volume front. So obviously, this quarter was very, very muted, 1.7% kind of growth. So just wanted to understand, last time, I think we have spoken that April and May was very good. And once the rain has started at the end of the May or start of the June, then only demand got impacted?

So just wondering, was the June so bad that the for the quarter, we just had only 1.7% growth. And now how one can look at this, particularly July until now August, have we seen the improvement in demand? Because I think we last time we were talking about kind of a double-digit volume growth for full year. So how one can look at?

Saurabh Dhanorkar: So as you rightly said, because of the early onset of monsoon towards, I think, 22 May or something, then onwards, the demand came down. And June, yes, was very subdued as compared to the June in the corresponding quarter last year. But overall, to answer the second part of your question, July, we have picked up despite the monsoon continuing.

And as we talk today, we are at high single-digit growth. So it's not as low as the first quarter. We have picked up in July. And we are as a policy, though, we don't believe in giving guidance of accurate numbers. But yes, this trend of at least high single digit will definitely continue. Hopefully, we will cross the double-digit growth.

Shravan S: So for that so 2, 3 aspects. First is in terms of this 1.7%, how was our agri, non-agri share? And if you also can help us in terms of the growth for agri, non-agri in this quarter?

Chandan Verma: So, in terms of agri and non-agri, both have in tandem, agri has also grown around roughly around 2% and non-agri has also roughly grown around 2%. So both have both agri and non-agri, more or less, we have the similar growth numbers. And in terms of volume split, generally, we don't give. It's roughly around 70-30 ratio that we are having between agri and non-agri between the current quarter also and the same ratio was there in the corresponding quarter of the last year as well.

- Shravan S:** Okay. Got it. And now, sir, in terms of margins, so pricing a bit percent despite our pricing was if I look at Q-o-Q was 1.2% down realization. But if I look at FY '25, it is 4.9%. So let's say, even if we are saying a high single-digit growth for this year, how one can look at on the pricing front? Because net-net, ultimately, how one can look at the revenue for this year?
- Chandan Verma:** So revenue, so it all depends upon how the prices of PVC is going to remain over the period to come, right? So we have been seeing the declining trend of PVC prices from the last quarter till the current quarter. So this will more or less the price guidance will come how the -- it is going to remain over the period of time. PVC prices...
- Shravan S:** Yes. Because now the even the ADD whenever it will come and BIS has also been postponed to December. So in that scenario, do we see the pricing to pick up at least in next 2, 3 months or maybe it will be October, November onwards, one can look at?
- Saurabh Dhanorkar:** Shravan, to answer your first question about ADD, we are expecting the recommendation to go through within this month. But you are right, by the time the finance department comes out with the final circular, it will be maybe October or so. So after that, definitely, there will be an increase in the domestic prices.
- Internationally, as you know, it's all a volatile situation. We don't know where or which way oil will move, it's going up and down, the tariffs. So very difficult to predict what the PVC resin prices will be and obviously, correspondingly, that they will reflect in the price spread.
- Shravan S:** Yes. So on the EBITDA margin front, so this quarter was 9%. I think normally, we talk about kind of a 12% kind of a margin. So how one can look at can we start seeing a double-digit plus kind of EBITDA margin from Q2 onwards or till the time the prices will come up, then only one can start looking from third quarter onwards kind of a double-digit EBITDA margin?
- Chandan Verma:** Yes. So Shravan, so you have seen in the last quarter also, June '24 quarter also, we have registered an EBITDA margin of 18%. But because of this declining pricing trend, the EBITDA margin has got down drastically. If the price will remain stable, definitely, we are expecting a higher double-digit EBITDA margin for the year as a whole.
- Shravan S:** Okay. Last, sir, on the capacity, we were saying that we will be adding 50,000 tons in 1H FY '26. So have we added anything? If not, by September, are we adding these 50,000 tons? And is there any plan in terms of the greenfield expansion or brownfield expansion?
- Saurabh Dhanorkar:** 50,000 tons, Shravan, that has been the 25,000 tons came in, in the last quarter of the last financial year. And 25,000 tons right now is almost completely implemented. So definitely, by September, everything will be up and running. So once we come back from the monsoon, we will have the advantage of this 50,000 tons.

As on the greenfield expansion, there is still no decision of a new location because we the next phase of expansion, which we are already talking about internally, working on internally, though it's not approved by the Board yet, will still most probably happen at the existing locations because both at Ratnagiri and Masar, we have adequate infrastructure to handle more capacity.

We see a growing demand still around the market around these plants. So the next phase of expansion definitely will come at the existing plant. Greenfield capacity announcement, I think, probably will take some time, not in this quarter.

Moderator: The next question comes from the line of Sneha from Nuvama Wealth.

Sneha: I wanted to understand on a structural level, given now that you're an integrated player and you would be reporting your margins on a consolidated basis, where can we actually see the margins on a structural level, leaving apart the PVC ups and downs, which we have seen particularly in the last 1 or 2 years...

Saurabh Dhanorkar: No. As I said in the beginning, more and more, we are looking at ourselves as a pipe and fitting player with backward integration. Earlier when we set up the PVC resin plant, that also was a move towards backward integration, but we put up a capacity more than what we were consuming. So we were almost 50% of our resin at one time we were selling.

And slowly now that has come down to almost 0, maybe 1,000 or 2,000 tons we sell outside specialty grade. So basically, it's all for captive consumption. So our margins obviously would remain whether we publish segment-wise or whether we publish as a whole, this is basically an accounting treatment, and we have been advised for the last, in fact, year or that slowly you have to start thinking of looking at this whole thing as one unit because there is zero sale practically in the market.

So whatever were the volatility of the EDC, ethylene prices for the PVC resin business, those will continue. There's nothing structurally different in our operations now. So what was happening until last year, the same thing will happen. We will continue to be benefited by low EDC prices, and we will continue to be impacted if the delta between PVC and EDC goes down. Only thing as far as we are concerned, we look at ourselves purely as a pipes player now, not as a petrochemical player. So that is why this change in accounting method.

Sneha: Understood. Could you help us with the stress this particular quarter, PVC/EDC?

Saurabh Dhanorkar: Yes, Chandan, could you help on that?

Chandan Verma: One second, for PVC/EDC is traded at \$552 per metric ton currently.

Sneha: And for VCM?

- Chandan Verma:** And PVC to VCM, it's \$151.
- Sneha:** Also, could you give us the pricing, sir?
- Chandan Verma:** Sorry?
- Sneha:** Also, could you give us the pricing? That would be better.
- Chandan Verma:** Pricing is around \$870.
- Sneha:** Understood. Understood.
- Chandan Verma:** Sorry, my bad, \$708. Sorry, my bad. It's \$700.
- Sneha:** Understood. Sir, lastly, on the growth front, what would have been the growth in CPVC this particular quarter? And you also mentioned from July, you're seeing a pickup. Is that more to do with the plumbing is what I'm understanding? And if yes, could you give some color? Is it broad-based? Is it selective?
- Chandan Verma:** For the current quarter, our CPVC volume has grown by 10%. So out of that, 66% contributed by pipe and 32% contributed by the fitting. So more or less, the same increasing trend growth trend of PVC, we are going to see in the upcoming quarter as well.
- Moderator:** The next question comes from the line of Praveen Sahay from PL Capital.
- Praveen Sahay:** First, what's your capacity in the pipe and fitting right now?
- Chandan Verma:** So in terms of our total capacity, 4,70,000 we were reporting earlier. Now as I'm sitting on today's date, it's 4,50,000 sorry, 5,20,000. So 5,00,000 out of 4,70,000, 25,000 we added in March quarter and 25,000 we have added in the current quarter. So sitting on today's date, we have the total capacity of 5,20,000.
- Praveen Sahay:** Right. Okay. Second question is related to the gross margin because as you said, you are an integrated player and your gross margin more to do what I suppose is how is the spread is moving PVC/EDC or PVC. So sequentially, if I look at your spread for PVC/EDC has improved from \$490 to \$522. But in the same case, your gross margin has contracted. So is there any inventory loss you had booked for this quarter? Or why is it so?
- Chandan Verma:** No. So basically, if you see, we are managing our inventory effectively. So this quarter, fortunately, also, we have not seen any inventory loss. This is number one. Number two, in terms of pricing margin, see, whenever you see the prices in the international market, there are these prices are more or less an indicator.

When we see the compare the landed prices and we when it goes to the market, there are multiple factors also playing into picture. So that's why the cost front will remain more or less same in terms of number, but margin will also depend upon how the top line is going to get finally getting sold in the market. So that is how our margins got impacted.

Praveen Sahay: Okay. So there is a more contraction in the realization than the cost?

Chandan Verma: Yes, yes.

Praveen Sahay: Okay. Got it, sir. And sir, next question is related to the use of your the cash, which is INR2,500-odd crores. Is there any plan for the future?

Saurabh Dhanorkar: See, basically, Praveen, we will continue to expand the pipe capacity year after year. So typically, a few hundred crores between INR200 crores to INR300 crores would be definitely spent every year in the expansion of pipes and fittings capacity. But in the meantime, we will also be adding to the cash reserve. So definitely, if you take a 5-year span, we will have more cash reserve than what we would be using for expansion.

So it's a question of timing. And again, as I said in the last call also, it's the Board's decision that when we feel that we have an adequate cash surplus, which is not likely to be used by business, then we will return it to shareholders. But the timing, obviously, we cannot commit now.

Praveen Sahay: All right, sir. Lastly, on the capex, for this year, you guided last quarter INR125 crores to INR150 crores. What exactly like now you are saying about INR200 crores, INR300-odd crores of capex annually you are looking for. So for this year, we can assume it's about like INR200 crores, INR300-odd crores of capex you are going to do.

Saurabh Dhanorkar: Additionally, maybe another INR150 crores.

Praveen Sahay: No. So INR150 crores for this year, you are saying?

Saurabh Dhanorkar: Yes. Yes.

Moderator: The next question comes from the line of Udit from Yes Securities.

Udit: Sir, just one follow-up. In the last call, you mentioned that the focus of the company now remains on margins. I understand that this was a tough June overall, and that must have dragged your overall performance. But overall, if you had no inventory losses and also the margins are very much suppressed.

Saurabh Dhanorkar: Yes. But margins are also a factor of because the top line the expenses remaining the same and the top line coming down. So obviously, absorption of fixed cost plays a role. But having said that, what we mentioned in the last quarter holds good that some of the incentive schemes, some of the discounting schemes, which we had done in the past, we have started withdrawing.

And we have definitely managed to lock in a few percentage points in the absolute gross margins in the pipes business, and that will continue. Obviously, this is not the right time during the monsoon to be very adventurous. But once the demand picks up post-monsoon, we will carry this further.

Udit: Right, sir. So sir, just actually that is what one is that you withdraw the discounting. But in terms of your agri, non-agri mix on an annualized basis, how do you see internally that shifting? Because otherwise, those margins without the volumes may also not suffice the target, right?

Chandan Verma: So that will definitely come because w as we have in our opening remarks, we have said our emphasis is already going on regarding the making the mix to the better level at the 50-50 level. But since we are at the first quarter conclusion only, let's see how the things is moving.

But yes, our emphasis and our endeavor is also to make it to the extent possible, 50-50 over the period to come. And that will give us the margin because as the non-agri will go up, that will give us the margin push as well.

Moderator: Udit sir, we are unable to hear you.

Udit: That's it from my end.

Moderator: The next question comes from the line of Shivkumar Prajapati from Ambit Investment Advisors.

Shivkumar Prajapati: My first question is, what is our current share from Fitting, I mean, revenue share from Fitting?

Chandan Verma: See, Shivam, generally, we do not give our breakup between pipe and fitting. So overall ratio, agri, non-agri remains 70-30, but that number, we do not disclose.

Shivkumar Prajapati: Understood. Okay. And sir, would you be able to provide me the breakdown of the non-agro revenue? I mean just want to understand whether the non-agri revenue comes from plumbing, construction or industrial?

Chandan Verma: So in terms of our total revenue, non-agri somewhere comprises of INR460 crores roughly around.

Shivkumar Prajapati: Okay. And this INR460 crores, would you be able to break it down further?

Chandan Verma: No, no. That won't be able to disclose that number.

Shivkumar Prajapati: Okay. And is there any breakup available for retail versus the institutional?

Chandan Verma: No, no, no. That granular detail, we do not disclose in the market generally. Though we have tracking the number, but though this was for a management use.

- Moderator:** The next question comes from the line of Vishal Shah from Sameeksha Capital.
- Vishal Shah:** Yes. So like as Mr. Agarwal will join a few months later, so what are the key strategic priorities and immediate goals, so Mr. Dhanorkar will transfer, so in the near term?
- Saurabh Dhanorkar:** There is some background noise. I didn't get your question. Yes. Can you please repeat the question? Somebody else was talking behind.
- Chandan Verma:** Yes, Vishal, you can continue, please. You can repeat your question, please?
- Vishal Shah:** Yes. So what are the key strategic priorities and the immediate goals for Mr. Agarwal. So as he will join the MD in the coming 2 to 3 months, as Mr. Dhanorkar will be Chair only, but whether we can expect any change in the stance from the company or any policy?
- Saurabh Dhanorkar:** See, policies will remain the same because the policy is not dependent on the person. It is as a corporate. And that's why we are a very, very well-defined Board-driven company. Our independent directors are very actively involved in the strategy and planning. So whether it is Saurabh Dhanorkar or Udipt Agarwal, that will not change the overall strategy.
- But for him, I would say the immediate KRA's would be the looking at the market expansion, market penetration to some extent, why I would not like to have a long full-time role in this because the way the market dynamics go today, the person at the helm has to travel extensively. I'm sure with his younger age, Udipt will be able to reach out to every corner of India, meet the distributors, understand their pain points and basically make the marketing network robust.
- As far as the manufacturing is concerned, we already have a solid team in place. That's not a problem. And again, the expansion, he would be involved in executing this. As I said, although we have not declared the numbers, he would continue to expand the pipe's capacity. So one of his KRA's would be also to see that the expansion happens in time at the right location and the products get distributed properly.
- Moderator:** The next question comes from the line of Ritesh Shah from Investec.
- Ritesh Shah:** A couple of questions. Sir, first is just wanted to understand on Nal Se Jal is there any offtake happening with respect to the scheme, given there were some corruption-related issues on the tendering? Specifically, if you can give some color in the state of Maharashtra also, that would be great. And do we also supply under Nal Se Jal directly or indirectly by contractors?
- Saurabh Dhanorkar:** No, we don't supply anything directly. It's all through contractors. And I don't know what this corruption-related issues, but we are not directly, indirectly, even remotely affected by that. Because if at all something happened at the government level, I'm sure somebody must have been involved. But for us, we have not seen even the slightest impact of any corruption there.

- Ritesh Shah:** And sir, how is the offtake with respect to this particular scheme? Is it quite normal? Or has it improved on a year-on-year basis or last 3-month rolling basis?
- Saurabh Dhanorkar:** Again, as I said, we sell and supply to many of these schemes through our distributors, and they pick up the pipes from us as normal purchases and then they supply to various players. Because these schemes happen across the state in smaller villages, in smaller amounts also, some of them are as low as INR1 lakh or INR2 lakhs, some of them maybe INR5 lakhs, INR10 lakhs.
- So to be honest, we don't track each scheme individually at our level. But what we understand from the retail network is that there is not a great surge as of now this year. Probably that will come only post-monsoon. So the normal pickup is going on. There's nothing there's no lull in that purchase.
- Ritesh Shah:** Sure, sir. And sir, my second question is, we have indicated that we will have only one segmental number. Sir, to what I understood, I think earlier, we had this logistic cost savings specifically for the Baroda plant, wherein we didn't have to move resin all the way from Ratnagiri to Baroda. So when we say that we won't have any external sales, is it we are implying that we are okay to bear a higher inbound freight costs even if it impacts profitability?
- Saurabh Dhanorkar:** No. But even today for the Baroda plant, we are buying from Reliance. It's an outside basis. So we are not transferring from Ratnagiri. So today, our the Ratnagiri production, as you know, is of the capacity is a little over 2 lakh tons, whereas our pipe capacity is now more than 4 lakh tons with the consumption more than 4 lakh tons. So in any case, we have to buy. So there's no question of whether we incur more freight. And it doesn't go from Ratnagiri. Now we are buying from the Reliance for the Baroda plant.
- Moderator:** The next question comes from the line of Shravan S from Dolat Capital.
- Shravan S:** Sir, just to clarify, when we said the capex of INR150 crores, so how much already we have done in Q1? And how much more we will be doing in the remaining 9 months?
- Chandan Verma:** So at this moment, that number is still order has been started to place. So over the period that we will be able to materialize. But as of now, the order we have started to place is roughly around INR30 crores, INR40 crores has already been placed.
- Shravan S:** So Q1, we have done capex of 30-odd crores to 40-odd crores.
- Chandan Verma:** Order. Not actually conversion, it's order placement only.
- Shravan S:** Okay. So for full year in terms of the cash capex, it would be INR150-odd crores. That's the way one can look at it.
- Chandan Verma:** Yes, yes.

- Shravan S:** Okay. But going forward, as you mentioned, it would be INR200 crores, INR300 crores kind of capex from next year onwards, one can look at?
- Chandan Verma:** Yes. So that will include our existing replacement capitalization plus the enhancement of capacity.
- Shravan S:** So sir, there, so currently, as you said, we have a 5,20,000 capacity. So this year, further, is there any capacity that will be coming up? And if not, in next year, how much more whatever brownfield, how much more capacity we will be adding?
- Saurabh Dhanorkar:** See, basically, Shravan, exact numbers, we cannot give without the Board's decision. But as I stated earlier, the market is growing. We definitely have plans to have a double-digit growth over the next 5 years, which means we will need to expand capacity. And that is since we have the funds available, since we have the market available, we will continue to expand. But exact numbers today, unfortunately, we cannot share because that is still under planning.
- Shravan S:** Okay. Okay. Got it. But whatever the capacity right now, we are looking at, but this year, definitely, we will not be adding any capacity?
- Saurabh Dhanorkar:** So this year, towards the end, yes, we will have some of it. But as I said, it's not finalized as yet. But as I said, this quarter, we are right now, we are implementing the earlier 50,000, out of which 25,000 already happened before March. 25,000 is happening right now. And we still have 9 months to go. So by that time, we will have some more capacity.
- Shravan S:** And then now whatever we will be...
- Saurabh Dhanorkar:** INR150 crores.
- Shravan S:** Yes, no, no, I understood. But now onwards, whatever we will be adding, so leave apart this 25,000, that will be mostly only in the pipes. And are we also thinking to add capacity in fittings?
- Saurabh Dhanorkar:** No, it will be mainly in piping.
- Shravan S:** So trying to understand when we for last I think I don't remember if you can help me since I think many quarters, we are saying that we want to have a 50-50 agri, non-agri share. So how we will be achieving this if we will not be adding a fitting capacity, how because this the agri share is already it is around 70% for last many quarters, 65%, 70-odd percent. So to reduce that share and to increase the non-agri, how that is possible?
- Saurabh Dhanorkar:** Fittings because today, we already have adequate capacity to go through this year. I'm not saying we are not going to add fitting capacity at all. But this year, there is no capacity because we already have about 50,000 tons of capacity. And last year's fitting sales was about between 35,000 to 40,000 tons. So we have adequate capacity to take care of the growth for the current year. Next year will be another year definitely. By that time, we will have something.

- Shravan S:** Okay. And in CPVC also, are we adding capacity?
- Saurabh Dhanorkar:** CPVC also, yes, we'll keep on adding.
- Shravan S:** Okay. Okay. And for industry, for this year, as you mentioned that we are looking at a double-digit growth for next 5 years. So this year also, are we looking at kind of a 10-odd percent kind of growth?
- Saurabh Dhanorkar:** Yes, definitely. Target is definitely above 10%. Definitely, our internal target with our dealers, everything is there. And as I said, already as of today, we are high single digits. So as the market picks up, there's a good chance we'll cross 10%.
- Shravan S:** No. For us, definitely, but for industry, I'm talking for industry growth this year, how we are looking at the industry growth?
- Saurabh Dhanorkar:** Industry also should be close to double digit.
- Shravan S:** And there also, as you mentioned, the CPVC will also be growing at a double-digit, 10-odd percent and PVC will so both will be growing in tandem.
- Saurabh Dhanorkar:** That's what we are expecting.
- Shravan S:** Okay. And lastly, sir, whenever last time we said whenever the anti-dumping duty will come, whether it will come in October, September, whatever, we said that in terms of the price hike, INR3 to INR6-odd. So that's the way one can look at? Or has anything changed? Or is it...
- Saurabh Dhanorkar:** No, the expectations are similar.
- Shravan S:** But do we believe that this INR3, INR6 kind of a price hike can push the channel to fill the inventory and then can help us in terms of the growth? Or is it whether this will be INR2 hike or INR6, it will not have an impact, the growth will be in any way coming kind of the double digits.
- Saurabh Dhanorkar:** I think channel inventory, channel picking up is a temporary phenomenon when they go down maybe for a couple of months, 3 months, 4 months. Finally, at the end of the day, how much the market grows by because the channel is not going to keep the inventory for months together.
- So if the market is growing, the channel will be picking up. Whether they pick up in 15 days or whether they pick up the same quantity over 1.5 months, that's what the price movements decide. So if you look at quarter-to-quarter, yes, whether that growth will come in this quarter or the next quarter. But if you look at the annual this, there definitely will be growth.
- Moderator:** The next question comes from the line of Vipulkumar Anopchand Shah from Sumangal investments.

- Vipulkumar Shah:** So my question is, is Mr. Chhabria, our Chairman and is he actively involved in day-to-day management of the company and guiding the company strategically because he is absent on the call for so many years and company's performance is also not up to the mark. So are we losing any market share? So Mr. Dhanorkar, can you make some comments regarding the strategic role Mr. Chhabria plays?
- Saurabh Dhanorkar:** Yes. He's definitely involved in not only the strategy, of course, he is involved as the Chairman. Plus, as I said, we have a very, very active independent directors on our Board who engages with us not only from Board meeting to Board meeting, but also in between, we have regular sessions, Chairman and the Board and the CEO and our HODs we have there.
- As far as Mr. Chhabria is concerned, we have regular online meetings with him. So he's involved in all major decisions like capex and. But day-to-day, obviously, he doesn't get into the day-to-day is left to the MD and HODs. So that way, we are a fairly professionally run company with a promoter who is actively monitoring.
- Vipulkumar Shah:** No. But because the churn at the top is very high, sir, even before you took over and the performance of the company has also has been less inspiring. Have we lost any market share over last few years, sir?
- Saurabh Dhanorkar:** See, market share obviously is a moving target. To some extent, yes, some of the competitors have expanded after their public issues or whatever. So that changes from year-to-year. But that has nothing to do with the Chairman being present on the conference call or on the analyst call. He is involved in the decision-making, he's involved very much involved in the Board decisions. And if at all, there is a dip in the performance, it is market driven or probably the team has to take the blame. It has nothing to do with the Chairman.
- Vipulkumar Shah:** Okay. Sir, can you comment on the difference between margins for fittings and pipes? So naturally, fittings will have a higher margin. So if you cannot quantify, but directionally, they are much higher than pipes?
- Saurabh Dhanorkar:** Yes, directionally, they are much higher than pipes, definitely.
- Moderator:** The last question for the day comes from the line of Keshav Lahoti from HDFC Securities.
- Keshav Lahoti:** Firstly, I want to know how are the CPVC prices? And secondly, the growth you have indicated in CPVC for Q1 double digits. So whether you have grown -- you have gained market share or the market demand were healthy?
- Saurabh Dhanorkar:** Yes. The CPVC prices have been on the decline of late, if you compare to last year, we have got benefits. More CPVC capacity is coming up this year and by end of next year, we'll have more capacity. More players are coming into India. So the availability of CPVC has increased. Correspondingly, the prices have come down, and we expect them to come down further.

And with CPVC becoming more affordable to the customers, the volume is growing. What we have grown to some extent, I believe, is that, yes, we have taken some market share. We have grown more than the market. But having said that, we expect the overall market for CPVC to grow in line with the plumbing market. So it's not just CPVC. The overall plumbing market is growing. CPVC as part of that is probably growing faster because the base is smaller. And we are growing slightly ahead of the industry. That's the scenario.

Keshav Lahoti: Got it. And what is your secondly, the CPVC prices have declined. So it is because of a cost pass-through or whether the margin has also taken ahead? Secondly, what is your CPVC revenue and volume for this quarter?

Saurabh Dhanorkar: No, I'll just on the first part, I'll say that CPVC resin prices have declined, but correspondingly, our sales prices have not declined. So in fact, the margins in CPVC are better compared to last year. But having said that, the numbers, I don't know, Chandan, do you have that handy?

Chandan Verma: So we have the total 6% share of CPVC in our overall volume.

Keshav Lahoti: Okay. Understood. Got it. And what was the CPVC growth in July month, which you said for the company was high single digit?

Chandan Verma: July month, still we are wrapping up the number. So we'll not be able to comment at this moment. We are just wrapping up July.

Keshav Lahoti: Got it. And sir, on PVC side, how has been the channel inventory for the company maybe on March versus June versus July? How has it changed? And what is your possibly normal channel inventory? How is it now? What is the possibly can channel inventory bring a strong growth for a quarter, if that gets normalized?

Saurabh Dhanorkar: See, channel inventory has been right for the last few months has been low because the channel inventory, as we discussed earlier, picks up when there is an anticipation of price increases and they tend to stock more. So that will really depend on how the international PVC prices move over the next 2 months, depending on also the sentiment relating to the antidumping duty.

So very difficult to predict when the market. But since this is a monsoon period, we don't really see a surge in the channel inventory pickup during this month. But as we come towards the end of monsoon by end of August or early September, September should be definitely a much better month. So by that time, they will be very low on inventory. And as the demand comes up, the demand I mean, the channel inventory will pick up.

Keshav Lahoti: Okay. Got it. Sir, one last question from my side, sir. So the excess cash, which is there in the balance sheet, which has been discussed multiple times, so but there is no still no clear road map, missing possibly whether the company won't be using why it is not distributing to the shareholders?

- Saurabh Dhanorkar:** Yes. But unfortunately, I don't have an answer for that because this is a decision taken at the Board level. And as I said, we are as management, we are aware that, yes, we are holding the shareholders' money interest and if we don't utilize it effectively for business, it would be proper to return it to the shareholders. But unfortunately, I can't place any timeline on this.
- Moderator:** As there are no further questions from the participants, I now hand the conference over to management for closing comments. Thank you, and over to you, sir.
- Saurabh Dhanorkar:** Thank you, Arun. Thank you all for attending today's call. And if you have any further questions, we'll be most happy. You can get in touch with us through mail or through call to Mr. Chandan Verma. Thanks once again. Have a wonderful day.
- Chandan Verma:** Thank you all. Thank you for your active participation. Thank you.
- Moderator:** Thank you. On behalf of ICICI Securities, that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you.