



August 14, 2025

To,

National Stock Exchange of India Ltd. Exchange Plaza Bldg. 5 th Floor, Plot No.C-1 'G' Block, Near Wockhardt, Bandra Kurla Complex Mumbai 400 051 Symbol: DCW	BSE Limited Department of Corporate Services, 1 st floor, New Trading Ring Rotunda Building, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 Scrip Code : 500117
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Dear Sir(s)/Madam,

Sub: Transcript of Investor(s)/Analyst(s) Call - Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")

In Compliance with the Regulation 30(6) of the Listing Regulations, please find enclosed herewith, the transcript of the Earnings Conference Call held on Monday, August 11, 2025 at 4:00 P.M. (IST) with Investor(s)/ Analyst(s), to discuss the unaudited Financial Results for Q1 FY26.

The transcript has also been uploaded on the Company's website and can be accessed through the following link:

<https://dcwlimited.com/wp-content/uploads/2025/08/Earning-Conference-Call-Transcript-Aug-11-2025.pdf>

You are requested to take the aforesaid information on your record.

Thanking You,

Yours faithfully,

For **DCW Limited**



Dilip Darji
Sr. General Manager (Legal) & Company Secretary
Membership No. ACS-22527

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“DCW Limited
Q1 FY '26 Earnings Conference Call”
August 11, 2025



MANAGEMENT: **MR. SAATVIK JAIN – PRESIDENT – DCW LIMITED**
MR. AMITABH GUPTA – CHIEF EXECUTIVE OFFICER –
DCW LIMITED
MR. SUDARSHAN GANAPATHY – CHIEF OPERATING
OFFICER – DCW LIMITED
MR. PRADIPTO MUKHERJEE – CHIEF FINANCIAL
OFFICER – DCW LIMITED

MODERATOR: **MR. AYUSH CHATURVEDI – ARIHANT CAPITAL**



Moderator:

Ladies and gentlemen, good day, and welcome to the DCW Limited Q1 FY '26 Earnings Conference Call hosted by Arihant Capital. 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. Please note that this conference is being recorded.

I now hand the conference over to Mr. Ayush Chaturvedi from Arihant Capital. Thank you, and over to you, sir.

Ayush Chaturvedi:

Thank you, Manav. Good evening, everyone, and thank you for joining us on DCW's Q1 FY '26 Earnings Call. We would like to thank the management for giving us this opportunity to host. On this call, we are joined with DCW's management represented by Mr. Saatvik Jain, President; Mr. Amitabh Gupta, CEO; Mr. Sudarshan Ganapathy, COO; and Mr. Pradipto Mukherjee, CFO.

I would like to invite Mr. Saatvik Jain, to initiate the proceedings with his opening remarks, post which we will have an interactive Q&A session. Thank you, and over to you, sir.

Saatvik Jain:

Thank you. Good evening, everyone, and thank you for joining us today for our earnings call for the first quarter of FY '26. We entered the new fiscal with the global and domestic chemical industry still navigating significant headwinds. The macro environment remains challenging with multiple forces at play.

Globally, geopolitical tensions and tariff actions continued to alter trade dynamics. The U.S. reimposed tariffs on a broad range of Chinese origin chemical products and also now on select Indian origin intermediates. These developments disrupted traditional trade flows, introduced pricing uncertainty and prompted global buyers to recalibrate their sourcing strategies.

Closer to home, the continued flow of low-cost imports, particularly from China, has further intensified pricing pressures in key chemical segments like PVC and Soda Ash. Policy measures to safeguard our domestic industry, such as the much anticipated antidumping duties on PVC and soda ash are yet to materialize.

This has kept domestic realizations under pressure despite healthy underlying demand across several product categories. That said, India continues to be one of the most attractive long-term chemical markets globally. Government-led investments in infrastructure, housing, etc, are sustaining demand growth. We are also seeing continued structural shifts in supply chains that favor India over the medium term.

These tailwinds, combined with our strategy of value addition, diversification, and execution discipline position us well to navigate the short-term volatility. Coming to our Q1 performance. Revenue declined sequentially primarily due to a correction in PVC realizations and lower sales volumes, partly on account of higher internal consumption.

In addition, sales of Synthetic Rutile were lower compared to the previous quarter, reflecting the skew in our order book from Q2 onwards. A particular highlight this quarter is the significant



improvement in our profitability at the bottom line despite the lower top line and uncertain market conditions.

Our PAT grew by 70% year-on-year, aided by disciplined control over the below-the-line expenses. Notably, our finance cost this quarter is the lowest it has been in the last 32 quarters, reflecting the combined benefit of debt reduction and improved cash flow management. Our EBITDA mix continues to shift in favor of Specialty Chemicals, which now contribute a significant share of our earnings. This reinforces the success of our portfolio strategy and strength of our high-margin, high-value products.

On the growth front, our C-PVC expansion of 20,000 tons was commissioned ahead of schedule and has begun contributing from July-August onwards. The balance 10,000 tons expansion is progressing as planned and will further strengthen our position in this segment. We also commissioned our 44.5 megawatt solar project during this quarter, as mentioned earlier, with generation ramping up in phases.

Once fully operational, this will meet about 25% of our Tamil Nadu units power requirements from renewable sources. Apart from the tangible cost savings, this project supports our broader sustainable goals and reduces our carbon footprint.

Our priorities remain clear for FY '26. One, accelerate growth within our specialty chemical portfolio, where customer retention, application diversity, and pricing power remains strong. Two, drive our cost improvement in our basic chemical portfolio to enhance competitiveness and stabilize our margins. And three, the most important one, is maintain our balance sheet discipline.

We remain committed to our growth with deleverage strategy and are on track to reach our balance sheet targets by the end of this fiscal. We are targeting to end FY '26 with a net debt-to-EBITDA of less than 0.5x on the back of significant debt reduction through the year. By the end of this fiscal, we will have created a resilient base, one that consistently delivers quality margins capable of withstanding near-term market volatility.

In my closing remarks last quarter, I had spoken about building a foundation for the next phase of growth. Our leaner balance sheet, enhanced specialty product mix, and ongoing efficiency gains will ensure that when we move forward, we do so from a position of strength. We have always believed that the best time to prepare for growth is during challenging times. And FY '26 will be a year where we complete that preparation and position ourselves for the next chapter of our growth journey.

With that, I will hand it over to our CFO, Pradipto, to talk on our financial performance. Thank you.

Pradipto Mukherjee:

Thank you, Saatvik, and good afternoon to everybody in the quarter 1 FY '26 earnings call. The quarter revenue stood at INR475 crores, which was down by 4.8% Y-o-Y from INR499 crores. This, as earlier said by Saatvik as well, is predominantly lower because of lower sales volumes of PVC, which has been used for our internal consumption for C-PVC production. The sales



volume across all other product segments remained higher, but that got offset by lower realizations predominantly from PVC and also from C-PVC.

On a sequential basis, the revenue was lower by 11.5%, which was down from INR538 crores to INR475 crores. Here as well, the PVC volumes were down due to similar reason of product being diverted for internal consumption of C-PVC. Further, the sales volumes for SR was also down for the current quarter. The lower volumes of these products had impacted the revenue by approximately INR65 crores.

While the SR sales will pick up from quarter 2 based on firm delivery schedule from awarded export contracts, PVC sales volume will continue to remain low due to increased consumption for C-PVC production. EBITDA, including other income for quarter 1 stood at INR58 crores, which was up by 12% year-on-year from INR52 crores, predominantly on account of increased profitability of Basic Chemicals.

During the comparative period, the Basic Chemicals EBITDA increased to INR11 crores from just INR1 crore due to the increase in caustic soda prices and lower energy costs on account of solar power substitution. This was partly offset by EBITDA drop in PVC due to reduction in PVC/VCM spread.

On the Specialty Chemicals, the EBITDA remained more or less stable with a negative bias due to fall in C-PVC realizations. On sequential basis, the EBITDA dropped by 6.5% from INR62 crores to INR58 crores, and this fall is due to reduction in the PVC and C-PVC prices, as has been earlier spoken. The EBITDA margin, excluding other income, stood at 11.3% versus 9% in quarter 1 of last fiscal and 10.4% in the previous quarter.

Coming to finance cost. The finance cost stood at INR15 crores, which was down by 10.6% from INR16.9 crores in last year quarter 1. On a sequential basis as well, it was down by approximately 5%. This was the lowest, as mentioned, lowest in the span of last 32 quarters, and it is expected to go down on scheduled repayments of our term loan. Depreciation more or less remained flat at INR25 crores across all the comparative quarters and is expected to increase as we capitalize for the C-PVC capex in future.

PAT for the company stood at INR11.4 crores, up from INR6.7 crores, which is a jump of 70% Y-o-Y, driven by the EBITDA increase of 12%, as mentioned earlier, and a decrease in below-the-line cost driven by financial and other disciplines. On a sequential basis, the PAT has been on similar lines. With this, we can now open the floor for Q&A. Thank you.

Moderator: Thank you very much sir. We have our first question from the line of Pujan Shah from Molecule Ventures. Please go ahead.

Pujan Shah: Sir, my first question pertains to the tariff, and we have been hearing...

Moderator: Sorry to interrupt you, sir. Your voice is quite muffled. Can you please use your handset?

Pujan Shah: Yes. So my first question pertains to the tariff as we're recently hearing about the tariff in the chemical space. So just wanted to understand what percentage of our total revenue we export to



U.S. specific? And what will be the impact of tariff in our product? If you can tell product-wise, it's okay.

Amitabh Gupta:

It's Amitabh Gupta here. Frankly, our U.S. exports are only of SIOP. And there is no effect on this tariff introductions by U.S. And we continue to get the orders from our existing buyers on the same basis what we were getting earlier, and there is no change in the prices also.

Pujan Shah:

My second question pertains to the PVC. So in PVC, we have recently seen that there was one plant being shut down in the European region. So just wanted to understand on a broader dynamics, first, what is the installed capacity in the Europe, which is possible that the plant will get shut down or the possibility because of the higher energy cost and due to the sluggish scenario right now?

And just wanted to understand, is that the China surplus capacity will start supplying over there? Or will the India will be so positioned to export the PVC to the European region and that will help us to increasing realization? So can you just give a broad thought about it?

Sudarshan Ganapathy:

See, I will go from the bottom. I don't think even if Europe will reduce their operating rates or reduce their capacities, India will be a key exporter to Europe because Europe, there are a lot of entry barriers. You have to be REACH compliant and all those things. I think they have only reduced capacities which were in surplus.

So I don't think Europe is going to totally go out of PVC production, number 1. Number 2, Chinese products are not entertained in Europe because they don't satisfy the stringent quality measures that one has to qualify for selling into Europe. So I don't think China will be a beneficiary even if Europe reduces their operating rates.

What could happen is that there could be some market realignment. There could be some Asian producers who can sell into Europe and the markets where they were selling earlier, China can maybe sell there. So it may not be anything significant, but even if Europe reduces their operating rate or shuts their capacities, it will be an opportunity for, say, producers like Korean producers who have been selling in the past to Europe to up their sales in Europe and the Asian markets where Koreans are selling, the Chinese can sell.

So that will be only a market realignment. I don't think it will have any significant, I would say, tailwinds for the PVC players to increase their realization or market will get readjusted. That's all.

Pujan Shah:

Sir, just on a follow-up this part. So what will be the current installed capacity in the Europe?

Sudarshan Ganapathy:

I don't have offhand. I can check back and then get back to you.

Pradipto Mukherjee:

Just to answer your question additionally is that the Europe drop in production will and may lead to exports from Korea into Europe, which eventually means that the Chinese products may find a place in the Asian market, which eventually means that the pressure of the Chinese volumes into India may reduce. Indian players, existing PVC players predominantly will continue to focus on the demand in the country because the product runs an import substitution in India.



- Pujan Shah:** My last question will pertain to the China evolution policy, the measures which right now they've been taking too. So what are your thoughts on that part? And how we have been -- it is a long-term alignment, I understand. But do you feel that will be a very positive outcome for the other countries as well?
- Sudarshan Ganapathy:** You're talking about the Chinese rationalization of their old capacities?
- Pujan Shah:** Yes.
- Sudarshan Ganapathy:** What happened I'll tell you. What has happened is that China has come out with a policy whereby their old polluting carbide capacity plants, which are less than some threshold capacity needs to shut down. So if that happens, there will be an 8% drop in their overall capacities. But we also understand that there are also some new capacities being planned in China. So what is going to be the actual impact, we will come to know only post this entire thing plans out.
- At this juncture, it is difficult for anyone to predict what China is going to do and what is going to be the impact. For example, tomorrow, if we have this Ukraine war getting resolved, there is going to be a boost in demand to rebuild that country. And that will see a lot of flow of products from various countries to that place.
- Similarly, if there is any improvement in the Chinese internal demand, even that will also will help the overall domestic demand. You see, per se, no country would like to export their product unless they are compelled to because the best realization you get is only when you sell locally.
- Moderator:** We have our next question from the line of Dwiti, an individual investor.
- Dwiti:** I had a few questions. First one is on the SIOP. So our SIOP utilization has seen a dip in the quarter. So any specific reason for that?
- Pradipto Mukherjee:** I think SIOP production is basically dependent on the kind of product mix we prepare. When we are comparing capacities, it's on an arithmetic basis on the tonnage versus the nameplate capacity. We have been producing certain kind of lighter shades, which require more cycle time. And hence, the volumes, what you see would have dipped in terms of production.
- Dwiti:** Sir, what will be our power cost benefit for the quarter after commissioning our solar project?
- Pradipto Mukherjee:** See, the power energization of the part, which is supplying our solar has started somewhere in April beginning, but we are drawing power on a phased manner. I think roughly what benefits we would have got by now would be around INR4.5-5 crores for this quarter.
- Dwiti:** Our ECU realization for the quarter, and how much was the chlorine negative, if you could share that?
- Amitabh Gupta:** Our ECU is INR33,000 per ton. And chlorine, frankly, since we are the captive consumers of chlorine and HCL, so the negative on chlorine and HCL is not much in our case.
- Moderator:** We have our next question from the line of Ayush Chaturvedi from Arihant Capital.



Ayush Chaturvedi: So firstly, I would like to understand that the price volatility and the variation and stress that we are witnessing currently. What is basically the outlook on price realization for our key products? That's one. And if there has been any significant change in demand patterns for domestic vis-a-vis export markets? And if anything of a very significant nature of realignment is foreseen given the tariff situation that we found ourselves in.

Sudarshan Ganapathy: So we'll take your last part first. You see price volatility is bound to be there, as told by Saatvik also in his opening remarks, that till we see some stability across the geopolitical situation and within the country, we will have a price volatility and also demand volatility. What we can see is that the demand is likely to remain robust because we are one of the very few green spots in the world where we are seeing a growth.

Having said that, if you see our products, caustic soda demand is consistent. Only thing is the realization will depend to a great extent on the chlorine HCL negative. So the months where we have that prices going down, we will have a lower TCU. Soda ash demand is more or less constant. Only in the monsoon months, we have a lower demand because the soda ash, what we make also is predominantly going to detergent and all other products where the demand usually is a weak in the quarter 2. PVC, C-PVC demand tend to go in tandem.

PVC, C-PVC, there is no dearth of demand. Only thing is that there is an oversupply of PVC, which has resulted in some sort of, I would say, cautioned buying by the customers. So that has tend to have an impact on the price because there's an oversupply in PVC. And PVC sentiments also carry into C-PVC. So we are seeing a correction in the prices of C-PVC as well.

Iron oxide, fortunately for us, more than 50% of our demand is met by imports where we don't see any significant, I would say, concern. The only concern is that even going by our past trends, the quarter-on-quarter demand is -- there could be some variation. So year as a whole, we will do better, but we will see some quarterly blips here or there. I hope I have answered your question.

Ayush Chaturvedi: If I may squeeze in one more. So with the ongoing investment to expand our C-PVC capacity, so I mean, if you could elaborate on how this scale-up will be reflected in the mix in the next 2 to 3 years because we vis-a-vis the product mix and also the margin profile. So yes, that will be very helpful.

Sudarshan Ganapathy: I would say it's very premature on my part to really comment what's going to happen after 1 year. All I can say is that by end of the year or end of the financial year, we are hopeful of completing our capex on C-PVC, where we will be at 50,000 tons capacity. Having said that, in the next few years, we are also expecting certain additional capacities being announced and which are going to come out. So I personally feel that availability more domestically will propel demand. And there could be some temporary phase where we may have an oversupply situation. But overall, we feel in the long run, the demand will grow.

Moderator: We have our next question from the line of Aditya from Sowilo Investment Managers.

Aditya: See, my question, I did hear your comments on PVC. Generally, there was this notion that when the housing sector is -- I mean, they are doing quite strong in terms of pre-bookings and presales



and collections. So now there will be this demand for PVC, but that has not really kind of played out, right? Can you shed any light on why this has happened?

Sudarshan Ganapathy: Yes, yes. What I say is based on what I have heard from other processors' investor calls. You see, the dealer stocks plays a big role in the overall consumption. I mean, what we sell is to the producers. And when they sell their product, it is sold through their dealer network. So the stocking at the dealer level plays a significant role in this entire supply chain management.

And from what I understand is that because of the uncertainty on the various ADD still not coming, we have been waiting for more than 6 months, 1 year, and there has been a continuous dumping of PVC from China. So the stocking levels have come to significantly lower levels of the PVC products at the dealer levels, which has an impact on the overall demand. So even though the real estate infrastructure demand, what you say is correct, is looking robust, but we are not seeing that on the ground as yet.

Aditya: So is it like they are anticipating prices to go down even more

Sudarshan Ganapathy: We are anticipating some positive sentiments to come because we have had a couple of false runs that it is going to come. So I think we will have..

Aditya: No, I'm talking from the point of view of, say, the stock with the dealers or not? Are they anticipating prices to go up or below?

Pradipto Mukherjee: Sir, just to answer your question, if at the end, the PVC prices go up, the dealers holding stock with them would immediately reprice that into the front-end market, which eventually helps them to earn a profit on the quantum of inventory they are holding.

Moderator: We have our next question from the line of Aryan Oswal from Finterest Capital.

Aryan Oswal: So my question was, sir, there's a slow start if you see on the revenue front. So what would be the guidance for FY '26? And as we are expecting the capacity to be live by March or Q4 FY '26, so what would be the guidance for FY '27? And are we on the track to achieve the INR400 crores EBITDA by FY '27?

Pradipto Mukherjee: So first of all is that so far as our top line is concerned, we had all throughout refrain from giving any guidance. Secondly, there has been a lot of moving parts so far as our top line is concerned. As we grow into producing more C-PVC, our PVC, which is at 1 lakh tons of capacity will be more and more internally consumed, which eventually means that we will not have PVCs to sell, but it will add to my bottom line.

So what would happen is my top line may not grow. What will happen is that the PVC's top line will get reduced and C-PVC's top line will add up with some value add. So typically, the additions of 20 to 40 or 40 to 50 would not show up in so far as the top line is concerned.

On the bottom line, at least for the current year, we are holding in giving any guidance because of the fact that the prices are relatively very volatile because of the kind of geopolitical events happening around us. And we gradually would unfold as and when we get a clearer picture.



But having said that, the first quarter would be what we feel is that the relatively on the slower side because we have the benefits of additional capacity of C-PVC, which will come in, which will add to our bottom line. We will have the full-scale benefits of power cost, which will come on a Q-o-Q basis. And we also would have the incremental sales coming from our scheduled Synthetic Rutile order.

- Aryan Oswal:** Sir, is the INR400 crores EBITDA guidance intact?
- Pradipto Mukherjee:** I think we would be better positioned to give a figure by the end of this year. But relatively, on a longer term, we don't see that picture changing too much.
- Moderator:** We have a next question from the line of Parth Vasani, an individual investor.
- Parth Vasani:** I wanted to understand that in the C-PVC sales that we have, how much would be the resin component and the compound component?
- Sudarshan Ganapathy:** See, that keeps changing. So we cannot give a value. Some months we sell, I would say, 30%, 40%, some months we sell 20%. We can't give a guidance nor a breakup of that.
- Parth Vasani:** On the caustic soda side, how do you see the market? I mean the current ECU realizations compared to Q1, it's in the same line or it higher or lower, if you can add on that?
- Sudarshan Ganapathy:** There has been a mild, I would say, softness on the realizations. But having said that, I think market is more or less stable.
- Amitabh Gupta:** Stable now. Yes.
- Sudarshan Ganapathy:** So we don't see any significant correction over the current ECU realizations.
- Moderator:** We have a next question from the line of Mithun Soni from Geecee Holdings.
- Mithun Soni:** Sir, just a question. As the capacity for C-PVC goes up, what sort of cost efficiencies we will be able to get once we hit 50,000 capacity?
- Sudarshan Ganapathy:** I think it's too early for us to comment. I think we can answer this question better in the next earnings call because by that time, we would have had actually 3 months of operating this new capacity at full. Fixed cost will definitely go down, obviously. Apart from fixed cost, what other efficiencies that we will see, we can only comment post the continuous run of the plant for 3 months.
- Mithun Soni:** Recently as you indicated that, let's say, the PVC capacity is 1 lakh tons and plus we had 50,000. So basically the external sales for PVC will come down to what, only, 50,000 and the balance?
- Pradipto Mukherjee:** No. It will be in the range of 70. So basically, the first 10,000 tons of C-PVC, what we were doing, it's basically on mass PVC. That obviously, we are not looking of any substitution. But if you see the coefficients, it's 0.8 of PVC going into C-PVC. So eventually, it will be to the tune of a tonnage of around 27,000 to 30,000 tons at full scale at the end.



- Mithun Soni:** One more question is about the capex. You also indicated, well, this year you have already done, next year onwards also like we will be in a very healthy balance sheet. So what sort of capex which we will plan a yearly basis because you'll have a healthy cash flow with the net debt to EBITDA also coming under control. So you have like a broad plan as to we'll keep doing some of the other capex of INR150 crores, INR200 crores?
- Pradipto Mukherjee:** Yes. So I think if you followed us the last 2 years, we have been doing around INR150-odd crores of capex every year we have been announcing. Those were small bite-size capexes as we were also focused on reducing our debt. As Saatvik had told by the end of the year, our balance sheet will further be strengthened because of the scheduled repayments on the legacy loan will reduce our debt burden.
- This year, so far as borrowings for the capex was concerned, has already been taken. So there's a significant debt reduction, which eventually gives us from a financial standpoint, quite a decent amount of investments, which can be made. But having said that, there are some proposals which we are working with, but going slow on any kind of preponement of these because of the geopolitical uncertainties, an opportune time make that announcement.
- Mithun Soni:** Just to understand, like will it be continuation of increasing the existing capacity? Or it can be the new areas, projects?
- Pradipto Mukherjee:** It could be anything. It would depend on, first of all, our capability. And second of all is that whether we are willing to invest on the capability given the market dynamics at that point in time. See, we need to understand that while from a country side, we have a tariff with U.S., which also has a Ukraine war angle for the additional tariff.
- The government may or may not be going along with U.S. or with U.S. Russia or excluding U.S. with the BRICS country, all has a repercussion because either we are an exporter or we are working on import substitution like any other businesses in the country. So it depends on the government positioning, and we would obviously take our position based on how the positioning happens in the future so far as geopolitics is concerned.
- Moderator:** We have a next question from the line of Meet Vora from Emkay Global.
- Meet Vora:** I just wanted to check our outlook on C-PVC demand because I believe this is off-season. And how do you think the demand would pick up over the next 1 to 2 quarters? Also, your thoughts on spreads. While we say that PVC prices are going down, C-PVC might also go down, but how do you think the spreads will behave in this environment?
- Sudarshan Ganapathy:** Yes. I feel demand post monsoon will definitely pick up because that has been the trend even in the past. So we don't see any, I would say, headwinds in terms of the demand. Demand is definitely going to be, I would say, growing and good. So the PVC, C-PVC spreads, you have asked a very, I would say, difficult question to answer. But what I can say is that being an integrated PVC producer making C-PVC, I would say, in terms of the PVC, C-PVC spread, we'll be better positioned because a lot of costs we can save inward freight, clearing, forwarding, packing, all those costs we can save, that can add to our, I would say, bottom line.



Pradipto Mukherjee: Just to add to what sir would have also told is that the first thing when we are on discussions and when we have executed of using our own PVCs into C-PVCs that were driven by two broad guidelines. One is on the ancillary cost of packing and so on and so forth. Secondly, on the PVC business, while we have a timing difference on inventory carried from VCM to PVC, we did not want to have that in our PVC to C-PVC.

So basically, either way the price goes up, we are in an advantageous position of using our PVC to C-PVC because there is no time lag, right, On the prices of PVC versus C-PVC. Third, the spread would remain much better and unlikely to fall this time because we have an ADD in place. So that's an absolute amount of profit -from - PVC, the incremental selling price which PVC will always come out.

Meet Vora: So this ADD on PVC is already there in place or it's still under investigation?

Sudarshan Ganapathy: ADD on CPVC is there on China and Korea. ADD on PVC, we have the disclosure statement. Maybe in a month's time, we expect the final findings. Post that, between 2 to 3 months, we will have the notification by the finance ministry. So maybe September, October is the earliest we can expect this ADD to take place into PVC. So all I can say is that whatever is the impact on the PVC price to that extent, definitely, the C-PVC price will move up because that is the raw material.

Meet Vora: So any change or antidumping duty in PVC, you're saying that, you will be able to pass that on to that customer?

Sudarshan Ganapathy: Yes. To that extent, what I'm trying to say is that to that extent, it will be beneficial for us because that can be passed on, on our C-PVC price.

Meet Vora: Second question was more to understand the overall thought process on the C-PVC market. So just wanted to understand what would be the India market today? And considering that there are two players right now, one is Epigral, second is DCW and we have also expanded.

And maybe within next -- not in the immediate future, but within the next, say, 2 to 3 years, we are expecting brands also to come into this space. So is the market enough to absorb volumes of all these players put together and we are expecting maybe significantly high growth in this market? How should one look at this?

Sudarshan Ganapathy: We can break this into two parts. As of now, the C-PVC demand is, I would say, in the upwards of 250,000 tons. And apart from the capacities domestically, there is also a consistent imports coming from Japan, Thailand and other countries. So what will happen is that you have missed out another big player who's going to come with Lubrizol. So we are going to have new capacities coming from Lubrizol and also from Reliance. So if you are able to ensure that no imports come, then this capacity will take care of the demand. I mean these capacities will be taken care of by the demand.

Having said that, there are a lot of applications like fire sprinklers and industrial use of C-PVC pipes, which have not taken off purely because of non-availability of raw material domestically. So there could be some timing gap because you are going to have a significant domestic capacity



coming up, coupled with imports coming, there could be some, I would say, a short space of time where there could be an oversupply situation. Having said that, we feel that in the long run, the demand will get adjusted, and we will see more growth in the demand to take care of the capacity.

Meet Vora: So sir, today, the demand will be, say, 2.5 lakh tons. Within next, say, 2 to 3 years, this could go to around 3 lakh tons. Today, we are having a capacity of around 1 lakh tons in the country, right? So Epigral is 75,000, we are around 40,000.

Sudarshan Ganapathy: Yes.

Meet Vora: Any idea on how much Lubrizol or Reliance is expanding?

Sudarshan Ganapathy: Lubrizol capacity is 1 lakh tons, but not in one phase. It is going to come in multiple phase. About Reliance also, we hear that we are going to come only in a phased manner. So it is not that we are going to see the entire capacity hitting at the same time. There is going to be a timing lag. So we feel that the demand will definitely get adjusted.

But having said that, the same thing happened even when PVC capacities came into the country. So eventually, today, where we are today is that today, we are a deficit country in PVC in spite of all these things because the demand has got opened up and new areas got opened up. So we feel that the same thing will happen even for C-PVC. There could be a timing issues here or there.

Meet Vora: Sir, just one last question. Any thoughts on market feedback of this Reliance C-PVC capacity, how much they are talking about?

Sudarshan Ganapathy: Sir, I have no clue. From what I hear, it is around maybe 60,000-70,000 tons is what I've heard first phase.

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

Saatvik Jain: Thank you, everyone, for joining our call today. I hope we've been able to answer all your questions. If there's anything further, we request you to reach out to our advisors at Valorem. Thank you once again.

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