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30th April, 2025

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MUMBAI – 400051

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MUMBAI 400023

Sub.: Transcript of the earnings conference call held on Thursday, the 24th April, 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 Audited Financial Results for the Quarter and Year ended 31st March 2025 after the Board Meeting held on Thursday, 24th April, 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
Q4 FY '25 Earnings Conference Call”

April 24, 2025



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

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

Moderator: Ladies and gentlemen, good day, and welcome to The Supreme Industries Q4 FY 2025 and Full Year 2024-'25 Earnings Conference Call, hosted by DAM Capital Advisors. As a reminder, all participant lines will remain 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 the operator by pressing star, then zero on your touchtone telephone. Please note that this conference is being recorded.

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

Aasim Bharde: Thank you and good evening to everyone who has dialed in. We have with us the leadership team of Supreme Industries who will take us through the quarter 4 and FY '25 performance and post which we will open the forum for Q&A. Thank you, and over to you, Mr. Taparia.

M.P. Taparia: Thank you, very much. I am M.P. Taparia, Managing Director of The Supreme Industries Limited. I along with my colleagues Mr. P C Somani, CFO and Mr. R J Saboo, Vice President (Corporate affairs) & Company Secretary welcome all the participants, who are participating in the discussion of the audited Standalone and Consolidated Financial Results for the Quarter and year ended 31st March, 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 674510 MT of Plastic goods and achieved net product turnover of Rs. 10295 Crores during the year under review against sales of 639701 MT and net product turnover of Rs. 10022 crores in the previous year achieving volume and product value growth of about 5 % and 3 %, respectively.
2. The Consolidated Operating Profit and Profit after Tax during the year under review amounted to Rs. 1552 crores and Rs. 961 crores, as compared to Rs. 1654 crores and Rs. 1070 crores respectively, for the previous year, resulting decrease of 6% and 10% respectively.
3. The business scenario of all the Product Segments of the Company for the year ended 31st March, 2025 as compared to the previous year has been as under:-
 - Plastic Piping System business grew by 6 % in volume and 2 % in value terms.
 - Packaging Product Segment grew by 10 % in volume and 13 % in value terms.
 - Industrial Products Segment business degrew by 1 % in volume and remained at flat level in value terms.
 - Consumer Product Segment business degrew by 3% in volume and grew by 1% in value terms.
4. The overall turnover of value added products increased to Rs. 4060 crores as compared to Rs. 3748 crores in the previous year achieving growth of 8%.
5. The Company plans to spend about Rs. 1100 Crores towards capex during F.Y.2025-26 including carry forward commitment of preceding year and acquisition of Building and Infrastructure business of Wavin in India.

The capex plan also includes setting up plant at Kanpur dehat for PVC profile and window, facility for PP silent piping SWR system at Gadegaon and increase in capacity for OPVC pipe, CPVC pipe and injection moulded fittings at various locations. Capex also includes addition of new products, SKU's and balancing equipment in respective product divisions.

Entire Capex shall be funded from internal accruals.

6. Business Outlook

The year concluded had normal business in all its segments for the Company except Plastic Pipe System business principally due to much lower spending by Central and State Governments on infrastructure compared to the year 2023-24, unseasonal rainfall in several parts of the country and extreme volatile situation of PVC Resin prices, principal raw material used by the Company. The prices of this raw material changed 14 times since July'24 and severely impacted the Plastics piping industry.

We are more domestic economy-oriented Company. IMD forecast for this year is to have above normal rainfall. This will boost crop production and contain inflation. The reports coming about Rabi Crop harvesting is quite encouraging. Our Country's economy is well poised to have high growth in the current year in spite of uncertain Global situation.

The current Global trend for crude prices is to remain range bound at \$ 65-70 barrel level. This will help the \$ Rupee exchange rate remain range bound without steep depreciation of the Rupee. In the current economic situation Polymer prices, which is our principal raw material will also remain close to the current price levels. Thus, the products made by the Company will remain at an affordable level.

The Company also expects better volume growth in Export market for its product portfolio given the tariff issues affecting other countries severely. The overall demand forecast for Agriculture and Housing sector is encouraging. The Central Government has announced threefold increase in capital allocation in the budget for the year 2025-26 compared to monies spent in the year 2024-25 for augmenting drinking water supply.

Country has witnessed degrowth of about 6% in volume in Plastic Piping Systems and The Company achieved a growth of about 6% in volume during the year under review, in this business. The current year augurs well for the Company on its business performance compared to the previous year.

The Company has 45 Plastic Piping Systems in the division and plans to add five more systems in the current year related to various applications substituting conventional material. The Company continues to expand its product portfolio with additional SKUs & systems for various applications as required by our Country.

To meet the growth in demand for piping products, The Company has initiated steps not only to do brownfield expansion at existing manufacturing sites but also exploring inorganic growth opportunities. The Company has signed Memorandum of Understanding with Orbia Advence Corporation S.A.B. de CV, a global leader in plastic pipes and fittings. As per the agreement, Company will acquire Orbia Wavin's pipes and fittings business in India and will have exclusive access to Orbia Wavin's leading Piping technologies for India and SAARC countries. The acquisition of Wavin would inter alia result in increasing the capacity of the Piping Division by 73,000 M.T. per annum being operated from three manufacturing sites situated at Banmore (M.P.), Hyderabad (Telangana) and Neemrana (Rajasthan). The acquisition will facilitate catering to districts/area of North and South India economically and efficiently.

With all the Capex incurred during the year under review, total installed capacities of Plastic Piping System Business has reached to about 8,70,000 MT per annum as on 31st March, 2025 as against installed capacities of 7,40,000 MT per annum as on 31st March, 2024 and likely to reach one million MT by end of FY 2025-26.

The Company is putting up PVC Profile manufacturing with 5000 tons Annual capacity at newly acquired site at Kanpur Dehat along with Window making facility at the same site. All requisite equipment have been ordered and work at the site is in full swing. The Company expects to start selling standard off the shelf and customised windows from July'25

In Cross Laminated Film division, demand is now shifting back to the Company from look-alike products, reflecting growing recognition of the Company's superior quality and reliability. With substantial production capacity and a strong track record for timely delivery, the Company is well-positioned to meet the stringent requirements of Government contracts and expects continued business in this segment. All equipment required for the manufacture of Cross Plastics also has been installed, and trial production is underway.

The overall demand for Plastic furniture is witnessing a stagnancy which is affecting the growth of Plastic Furniture industry in the country. The Company plans to focus on growth from its Almirah Range as the penetration of this segment is still low and offers opportunities for growth. The Company plans to launch Eight new models in the first quarter of 2025-26 which may result in overall growth in volume during 25-26.

In Industrial Component division, Automotive sector Commercial Vehicles showed muted demand whereas it was better in the Passenger Vehicle Segment. Similarly, in Appliances Sector, Air-conditioning and Coolers Segments witnessed good growth though Washing Machine Segment witnessed subdued demand. The focus of initiatives of this division remained mainly to spread the sector and customer base for Business growth & mitigate the dependency risk on few large customers which is yielding positive results.

The Material Handling division Performance has been reasonably well in Industrial customers segment. With its efforts of reaching to new customers and constantly providing solutions with use of Plastics Pallets for warehousing and transit use, growth in injection and roto moulded pallets was good.

The Composite Cylinder Division experienced a challenging year, with performance falling short of expectations. Business from Company's major customer M/s Indian Oil Corporation Limited (IOCL) did not materialize to the expected levels. Discussions for new common designs are in advanced stage for the most popular 14.2 Kg standard size cylinder to be introduced by Oil Marketing Companies (OMCs) as they explore incorporating composite cylinders into their product portfolios. The Company has obtained certifications for high-pressure cylinders for CNG application making it the second company in India to offer Type IV high pressure cylinders. These efforts position the division for significant growth moving up the value chain.

In performance Films Division, the Company remained focused on Performance Based Product offerings emphasizing high barrier segment penetration. With a strong focus on end user needs, this division offers a customized product portfolio designed to meet demanding application requirements.

The Protective Packaging Division is putting its continuous efforts to remain in the business growth path. The focus of the division continues to develop customized solutions keeping end requirements in mind. The division is also expanding its fabrication facilities in terms of capacities and geographical spread to cater to the increasing opportunities for ready-to-use solutions.

This is a brief and overall summary for the quarter and year ended under reference. Thank you, for your patience. Now, I and my colleague, Mr. P.C. Somani & Mr. R J Saboo, are available to reply to your various queries raised by all of you.

Moderator: Ladies and gentlemen, we will now begin the question and answer session. The first question comes from the line of Shravan Shah from Dolat Capital. Please go ahead.

Shravan Shah: Hi sir. Thank you for the opportunity. Sir couple of things to understand. For the entire FY25 whatever we started the year in terms of the volume growth guidance has kept on reducing and actually we delivered even much lower than what we discussed in the third quarter in the January. So just now trying to understand, how are now we looking at in terms of the revenue volume growth and particularly the plastic pipe volume growth and the margin front for this year FY26?

M.P. Taparia: Overall the value growth we anticipate turnover to rise around 12,000 crores this year and plastic piping system we expect our business to grow 3% to 4% more than the country's growth. Lastyear we grew 12% over the country's growth. Country had a degrowth of 6% and we grew by 6%. But this year we anticipate it will be a normal year. So country may grow by 7% to 8% in plastic piping system business and our company expects to grow 3% to 4% over country's growth.

- Shravan Shah:** So, roughly around 10% to 12% kind of plastic pipe growth and the overall volume growth combined everything would be how much we are looking at?
- P.C.Somani:** Similar range.
- Shravan Shah:** Okay. 10% to 12% range that we are looking at and on the EBITDA margin front would be how much we are looking at for this year FY26?
- M.P. Taparia:** Between 14.5% to 15.5%.
- Shravan Shah:** Okay. Got it. Now this number whatever we are saying this also includes the Wavin number that we will be consolidating once it will be over maybe by Q1 or Q2. So this guidance number includes the Wavin number or this is without the Wavin number?
- M.P. Taparia:** We hope that Wavin will be in our position from July onwards. So hoping that everything concludes by end of June then we will have Wavin facility under our company for 9 months. And this includes for 9 months Wavin capacity also.
- Shravan Shah:** Okay. And then so now how we are looking in terms of any update on the anti-dumping duty and are we now seeing that the PVC prices are bottoming? Are we seeing any kind of improvement in terms of the channel level also? How the demand now are setting up?
- M.P. Taparia:** I can't forecast anything about anti-dumping duty. It is between DGTR and Ministry of Finance and the High Court and Supreme Court of the country. I can't talk anything. I don't know anything. But definitely PVC prices have dropped too much. It has become very uneconomical and we believe that it will come close to bottom or it might have gone to bottom. May rise also after some time.
- Shravan Shah:** Okay. Got it sir. Thank you and all the best.
- Moderator:** Thank you. The next question comes from Rahul Agarwal from Ikigai Asset Management. Please go ahead.
- Rahul Agarwal:** Sir, three questions, all on numbers. Firstly starting with other expenses. I think, seasonally this number has to be higher. The quarter saw about INR347 crores, which is lower both Q-o-Q and Y-o-Y. Which line item saw savings in cost?
- P.C. Somani:** Can you repeat the question?
- Rahul Agarwal:** Somani ji, other expenses at INR347 crores for the quarter appear to be very low. Seasonally this quarter should see higher other expenses. Any one off accounting has happened in this quarter sir?
- P.C. Somani:** No, no accounting. You see, other expenses, the major portion consists of freight and advertisement promotion.

- M.P. Taparia:** We control advertisement expenses because we are working for a set base, so we control advertisement expenses. On plastic piping system we controlled advertisement expenses in the last quarter.
- Rahul Agarwal:** Got it sir. Second question sir, on inventory loss. For the full year sir would you have a rough estimate how much was the inventory loss?
- M.P. Taparia:** It should not be less than INR150 crores.
- Rahul Agarwal:** And lastly the tax rate. It keeps on fluctuating every quarter. This quarter it was 20%. Any one off accounting there sir?
- P.C. Somani:** No, nothing specific that way. You see in the quarter where the dividend income is there, the tax rate will be lower because the dividend is exempt income in hands of Supreme. So you have to look at the company as a whole year.
- Rahul Agarwal:** Right. So full year sir it is about 22.4. Any guidance could you provide effective tax rate for consolidated entity for Supreme Industries next year fiscal '26?
- P.C. Somani:** Fiscal '26 is very difficult to predict that way. But nothing unusual. Now you see we are now getting the reversal of the deferred tax. Earlier we have created the deferred tax liabilities. To some extent it is helping because now the depreciation in the books and the extra income tax is getting reversed. So this year also there is a right back of the deferred tax liability.
- Rahul Agarwal:** That's all from my side. I will come back. I will get back in the queue for more questions. All the best for the New Year.
- Moderator:** The next question comes from the line of Praveen Sahay from Prabhudas Lilladher Capital.
- Praveen Sahay:** Sir, my question is related to the HDP pipe and fitting in which you had mentioned eight of your plants are manufacturing right now the HDP pipe and fitting. So if you can give some indication how much is the revenue contribution from there and which are the major uses applications you are currently working on?
- M.P. Taparia:** So many locations we are supplying to the trade market where we are secure that demand will be there. Definitely our pipe is one of the top quality pipes in the country and this is a very freight intensive product. Because the goods are sold in coil form starting from small diameter 20 millimeter to 90 millimeter. So freight is a very big component so that's why we put at more location. Volumes are small in each of the location.
- Government department generally we cater from our Gadegaon Plant and Kharagpur Plant and Malanpur Plant where the demand was low this year because the government buying was quite poor. Nal Se Jal Scheme was not big business in last year.
- Praveen Sahay:** So any contribution on revenue sir?

- M.P. Taparia:** Trade demand was quite okay. Trade demand was no problem but trade is a small market for us, not a large market. It may be overall for the full year around 18,000 ton.
- Praveen Sahay:** Okay, fine sir. The next question is related to the protective packaging and where you had given around some 12% of volume growth with a 16% of value growth and ambition to reach a INR1000-odd crores of revenue. So how big currently that their revenue is and how much is the contribution in terms of volume in the entire packaging business?
- P.C. Somani:** Volume contribution largely comes from piping otherwise all are in the packaging only and if you look at the revenue numbers it could be INR850 crore plus.
- Praveen Sahay:** Okay, so currently it's INR850 odd crores and you wanted to take it to a INR1000-odd crores revenue by next year in this protective packaging?
- P.C. Somani:** Yes, you are right.
- Praveen Sahay:** Okay, okay. I have some more questions. I'll come back in the queue.
- Moderator:** The next question comes from the line of Keshav Lahoti from HDFC Securities. Please go ahead.
- Keshav Lahoti:** Sir, as now we have, you know, first we want to understand more on the Wavin India acquisition side. What sort of volume we would be targeting in FY26 and '27? What sort of margin we should build in? What was the idea behind the acquisition? And more I want to understand the acquisition more from return ratio why Supreme deliver industry-leading kind of return ratios of 25%? What kind of ratio, normalized ratio, maybe 2-3 years down the line this acquisition can deliver?
- M.P. Taparia:** Too many points. What you want to ask? I said too many points you are asking. So be clear what you want to know from us. Please tell us.
- Keshav Lahoti:** Sir, I want to know more from the intent of like Wavin India acquisition. What sort of growth the management have in their mind? And what was the idea behind that...
- M.P. Taparia:** Wavin has got capacity of 73,000 metric ton. Normally we use 70% capacity. So with 73,000 ton full year basis we may sell 51,000 ton volume annually with the capacity whatever they have installed. Apart from the volume what we are going to use from their capacity, now we have got exclusive access for India and SAARC countries of all the technology which they have in Wavin portfolio and also the new technology whatever they develop also will be available to our company.
- And Wavin is a great company in building infrastructure business. They have several technologies in their portfolio and we are going to add some of them in our product profile going forward.
- Keshav Lahoti:** And what kind of EBITDA margin this Wavin can do?

- M.P. Taparia:** Currently whatever EBITDA margin we are getting the same will come because the present product portfolio is just like our company product portfolio.
- Keshav Lahoti:** Understood, got it. FY '27, its margin would be in line with the Supreme margin. Did I rightly hear that Wavin India, 2 plants are on lease. So what kind of lease is it? How big the lease is?
- M.P. Taparia:** Maybe around INR50 million annually.
- Keshav Lahoti:** How many years?
- P.C. Somani:** So it is 7 to 9 years.
- Moderator:** The next question comes from the line of Pujan Shah from Molecule Ventures.
- Pujan Shah:** So my question pertains to OPVC. So we have procured OPVC equipment line from a domestic equipment supplier. So just wanted to know the feedback and do we plan to or intend to grow with the domestic equipment supplier or the Spain technology player?
- M.P. Taparia:** When we purchased the company, the plant from Molecor is a Spanish company and we purchased many more lines from the same company which is supplied from Europe. And we are very closely associated with that company and we have got further more lines and more lines are going to come next year also, for this year also.
- Some lines came last year, more lines will come this year. So we are buying the lines from the Spanish company.
- Pujan Shah:** So what I wanted to understand is that we have been planning for 9 lines coming in 30 months due to supply constraints from the Molecor's technology. So just wanted to understand, did they have expanded the capacity so that we are getting the equipment ahead of the desired timeline?
- M.P. Taparia:** And over a period up to 2028, so it is now 2025 only.
- Pujan Shah:** Didn't get you, sir.
- M.P. Taparia:** All the lines that we ordered were to come up to the year 2028.
- M.P. Taparia:** Lines will be coming and we will be installing and running them.
- Pujan Shah:** And sir, understanding the Wavin technology, so they also have capability in the OPVC. So are we having any plans in terms of scaling and leveraging their technology and trying to intend to go into market via Wavin?
- M.P. Taparia:** For larger diameters, we are entering with Molecor, we will stay with Molecor.
- Pujan Shah:** Okay, so more or less we will be with the Molecor, right? As of now?
- P.C. Somani:** Yes.

- Moderator:** The next question comes from the line of Neha Talreja from Nuvama Wealth.
- Neha Talreja:** Just two questions from my end. Firstly, going ahead with your capacity expansion, like you said that you are, you know, you're looking at a growth of about 11%, 12%-odd, which includes outperforming industry. Just wanted to take a sense, why are we then adding capacity by 15% to 18%-odd? Like each year we are seeing capacity expansion close to about 15% to 18%-odd?
- P.C. Somani:** You see, capacity expansion takes time. And then this year the capacity expansion is increasing because of the Wavin acquisition. So the 70,000 tons will come automatically from the acquisition point of view. Otherwise, our brown filed expansions are not that heavy.
- Neha Talreja:** Sir, I got that. So in that case, we can assume that Wavin volumes sales will be over and above your capacity addition. I mean, in terms of whatever guidance you have given.
- M.P. Taparia:** In that guidance, Wavin capacity is included?
- Neha Talreja:** So you're saying volume growth of 11% to 12-odd percent with Wavin acquisition versus your capacity addition in FY '25 itself is 18%. And again, you're planning around about 15% capacity addition in FY '26.
- P.C.Somani:** No, no. The addition of capacity addition in FY '25-'26 is inclusive of Wavin addition. So from 8.7, when we are taking close to 1 million, that includes 70,000 ton capacity of Wavin also in the current year.
- Neha Talreja:** Understood, right, sir. But that is close to about 30% plus if I put together both these years. And we are talking volume growth of 12-odd percent. So that's what I was just trying to get the sense from?
- M.P. Taparia:** Last year, we have grown by 6%. And this year, we say we will grow 3%, 4% more than the country growth. And country may grow between 8% to 9%. So we may grow 12%, 13%
- Neha Talreja:** Understood, sir. This was really helpful. So my second question was related to our margin guidance where we have said 14% to 15%. On the contrary, we have also said that, you know, Wavin comes with certain losses at this point of time. Of course, you will be converting into a profitable company equal to you. But that will happen gradually by FY '27. Despite these scenarios, we are still aiming at 14% to 15% margin. So just wanted to take a sense from where are you expecting additional margin levers? What could be those levers?
- M.P. Taparia:** We anticipate 14.5% to 15.5% overall of the company. Not piping division alone. We have told you the operating margin of the company. INR12,000 crores turnover of the company around. And 14.5% to 15.5% operating margin. But that is all the product portfolio. Not only plastic pipe.
- Neha Talreja:** Understood, sir. But that was 14% this odd year. And that was 15% last year. That means we are not expecting any decline in terms of margin despite Wavin?
- M.P. Taparia:** The rental they are paying is only INR5 crores. After all, it is not a big rental amount.

- Neha Talreja:** Okay, sir. Just lastly, if at all I may, with respect to Wavin itself, what kind of products, Orbla and Wavin, you know, will come into India and how much margin negative are those product versus our existing product profile of...
- M.P. Taparia:** They are classified information. We will not declare what are the new products we are going to add from the technology. This is classified.
- Moderator:** Thank you. Thank you. The next question comes from the line of Kumar Saumya from Ambit Capital. Please go ahead.
- Kumar Saumya:** Good evening. Sir, my question is just that last quarter we had plans for two greenfield plants as well at Jammu and Bihar. So, are these plans, are we postponing these plans or are we sticking to it? Just that question. Thank you.
- P.C.Somani:** Yes, for the timing we have deferred the plans at Patna and Jammu.
- M.P. Taparia:** No, we are still awaiting the industrial policy. They were to announce the industrial incentive policy for putting industry in Bihar. That announcement has not come. We now are being advised that it may come close to election time. And Jammu, we are looking for a larger piece of land.
- So, we got 10 acres of land purchased from the government privately. But we applied to the government for 21 acres of land. And we expect that the land from the government may be allotted to us.
- So, if we are able to get access to a larger piece of land, then we would like to put a plant in a larger area, not a smaller area. So, we are waiting for both the places, policies written by government of respective states. So, for that we have to wait.
- Moderator:** The next question comes from the line of Aditi from CD Equisearch Private Limited. Please go ahead.
- Aditi:** So, my question is, like despite the increase in affordability of piping products, why has volume not picked up?
- P.C.Somani:** because of the falling prices continuously for last 8 months, the market sentiments were very negative.
- M.P. Taparia:** Last year the price was falling. It fell by INR22 a kilo between 2nd of July to March end. The price was dropping. So, there was huge de-stocking taking place throughout the chain at each seller, semi-wholesaler, wholesaler.
- Moderator:** Thank you. The next question comes from the line of Sonali from Jefferies. Please go ahead.
- Sonali:** Sir, this is Sonali. Thank you for the opportunity. Sir, I have two questions. Firstly, could you quantify the inventory loss because of the PVC fall this quarter in Q4 and the full year FY '25, please?

- M.P. Taparia:** We can tell on a full year basis, we believe that the company might have lost INR150 crores in the Piping division due to the fall in PVC prices. And there was a fall in polythene pipe price also. So, across the board, all the polymer prices have gone down. And we are using PVC, polyethylene, we are using CPVC, we are using PP, four raw materials. And there was a reverse trend in each of the polymers. So, combined, we believe that we might have lost INR150 crores of inventory loss.
- Sonali:** Understood. Sir, my second question is, any color you could shed on CPVC volume and value growth for either Q4 or full year FY '25 as a whole?
- M.P. Taparia:** CPVC business, we are at 21% volume growth.
- Sonali:** This quarter or full year?
- M.P. Taparia:** Full year.
- Sonali:** Okay. That's good to know, sir. Sir, and lastly, Jal Jeevan, our drinking water mission, how much does it contribute to your top line overall from a full year perspective? I do remember you mentioned some 18,000 metric tons. Is that for Jal Jeevan that you mentioned?
- M.P. Taparia:** 18,000 MT in trade market. Jal Jeevan business had a very, very slow spending last year. Mostly we were supplying to Maharashtra government and Maharashtra government stopped placing any order. So, we had a very small business in Jal Jeevan last year.
- Sonali:** So, to the overall sales, is it fair to assume it contributes less than 5%?
- M.P. Taparia:** Yes, less than 5%. It's a very small business. We are not a big player in infrastructure anyway.
- Sonali:** Understood. Sir, and just one last question. How is the uptake in agri and residential so far in this quarter?
- M.P. Taparia:** Already we did growth in the quarter. By 2%, 1%-2%.
- P.C.Somani:** Yes. So, in spite of infra not being there, we had a growth of 2%. So, it means agri and housing were doing quite good.
- Moderator:** Thank you. The next question comes from the line of Navid Virani from Bastion Research. Please go ahead.
- Navid Virani:** Hi, sir. Good evening. Thank you for the opportunity. I have two-three questions regarding the acquisition that we announced for Wavin. So, firstly, can you help us understand what kind of white spaces in terms of technology or product are we being able to fill with this acquisition?
- P.C.Somani:** Wavin India business is similar to business what we have. But their parent company is very large and they have the technological developments.
- M.P. Taparia:** We will be having access to the technology what they have developed now. There are many technologies in their portfolio which we would like to develop in Indian market.

- Navid Virani:** Okay. And can you just give the sense on the kind of opportunity size these technologies put together will have? If you have any sense on that.
- M.P. Taparia:** Technology definitely will give us some new application. We will be able to offer a better solution for many requirements in our country with Wavin technology.
- Navid Virani:** Okay. Okay. And one more question is on. Now, once we acquire Wavin, what will happen to the brand? Is the brand going to get substantial?
- M.P. Taparia:** Whatever product we will develop on the technology will be printing made with Wavin Technology. Otherwise, goods will be sold with Supreme brand.
- Navid Virani:** Okay. And sir, what will be the final cash outflow for the acquisition?
- M.P. Taparia:** We need to pay them \$30 million dollar and plus whatever working capital they have .
- Navid Virani:** What will be that figure total into?
- M.P. Taparia:** \$30 million dollar
- Navid Virani:** Got it, sir. Thank you. Thank you.
- Moderator:** The next question comes from the line of Rajat Sethia from iThought PMS. Please go ahead.
- Rajat Sethia:** Hi. Thanks for the opportunity. Sir, my question is about the OPVC pipes. So, we are also hearing that a lot of Chinese and Indian companies are entering. I wanted to ask you, are those companies successful in terms of launching their OPVC pipes?
- M.P. Taparia:** We are not aware any of the persons are making goods which can meet our specifications. We are sharing with our suppliers.
- Rajat Sethia:** Okay. We will only stick to Molecor nobody else.
- M.P. Taparia:** As on today yes.
- Rajat Sethia:** And, sir, in terms of, given, I mean, our channel check suggests that there are a couple of companies which are entering. But what we don't understand right now is that, is there any criteria as per the state government tenders and all that, that will restrict any subpar quality player or anybody can just...
- M.P. Taparia:** How can I tell you about the government policy? We made a product which is very much to the specification what is required by the very department. We are offering them a solution which is either equal or better than DI pipe what they are using.
- Rajat Sethia:** And, sir, finally, has the demand picked up again in the OPVC side
- M.P. Taparia:** As on today we are a very small player, small capacity, and we are able to market by and large. We have very small capacity today.

- Rajat Sethia:** Yes, sir. Right. Right. So, overall demand, I mean, the industry-level trends and all, are they picking up?
- M.P. Taparia:** I don't know. Our company, we are able to sell our goods.
- Rajat Sethia:** Understood, sir. So, thank you so much.
- Moderator:** Thank you. The next question comes from the line of Utkarsh Nopany from BOB Capital Markets Limited. Please go ahead.
- Utkarsh Nopany:** Yes. Hi. Good evening, sir. So, my first question is on, you know, revenue growth guidance part. So, if we exclude the revenue contribution of Wavin acquisition, so in our sense, like it is currently generating close to around INR650 crores annual revenue, then we are just targeting the revenue growth of only 8% to 10% for FY26. So, I wanted to know why we are expecting such a muted revenue growth, despite steep increase in our organic annual capex run rate from INR500 crores in FY24 to around INR1,000 to INR1,100 crores in FY25 and 26?
- P.C.Somani:** You see, our revenue for the year was INR10,400 crores, which we are targeting to around INR12,000 crore for the FY26. And so far Wavin is concerned, their revenue for piping business I am talking was close to INR500 crores. And when we acquire Wavin, say in July, we will have only 9 months at the most for operating period. So, we cannot take the annual revenue what they used to have because we will not be having full year this year.
- Utkarsh Nopany:** Okay. And sir, how much Wavin generated revenue in FY25?
- M.P. Taparia:** FY25, then they are running the business. We are not. They do business on calendar year basis.
- P.C.Somani:** That's why I am saying, when I am saying 24, that is December 24. Jan-December 24.
- Utkarsh Nopany:** Okay. And sir, like for the industrial segment, can you provide the rationale why we are seeing a decline in our industrial sales volume for the past three consecutive quarters?
- P.C.Somani:** You see, in earlier years, there was a non-recurring business of electronic voting machine. Due to various elections in the states and the central, there was a large quantity or the volume was supplied for the electronic voting machine, which is missing in the current year.
- Utkarsh Nopany:** Okay. And sir, lastly, sir, can you please provide the non-pipe segment capacity breakup also for March 25 and how much we are expecting at the end of March 26? That is for industrial consumer and packaging?
- P.C.Somani:** Yes. March 25, although we have given our presentation, but still, for the sake of your... I will give you the breakup of capacity. As of March 25, piping segment has a capacity of 872,000 metric tons. Industrial products, 91,000 metric tons. Packaging product, 101,000 metric tons. And consumer product, 27,000 metric tons. All put together, 10,91,000.
- Utkarsh Nopany:** And sir, how much we are expecting in March 26 for non-pipe segment?

- P.C.Somani:** By segment. You see, piping, we are targeting 1 million tons. Other segments, Window profile may come in 5,000 tons. Other segments, very minimal capacity expansion. So, the major capacity will come in plastic piping only and the window profile of 5,000 metric tons.
- Utkarsh Nopany:** Okay. Thanks a lot, sir.
- Moderator:** Thank you. The next question comes from the line of Rudraksh Raheja from iThought PMS. Please go ahead.
- Rudraksh Raheja:** Yes. Thanks for the opportunity. With regards to OPVC pipes, how is the demand for new tenders?
- M.P. Taparia:** I repeat again, we are a very small player and whatever we are producing, we are selling.
- Rudraksh Raheja:** Sure, sir. And sir, any idea how many states today accept OPVC in their tenders? And are there more states that are adopting OPVC?
- M.P. Taparia:** We are registered, I think, more than 12 states already. And as I said, because the capacity, we don't have much capacity, so we are going slow also. Because 12 states also are quite a large number for our capacity.
- Rudraksh Raheja:** Understood, sir. And sir, how is this an opportunity?
- M.P. Taparia:** This will be approved by all the states. There is nothing great about it. All the states would like to buy OPVC pipes for small diameters. It is much more economical than DI pipes.
- Rudraksh Raheja:** Yes, okay. And sir, regarding the opportunity size, do you see OPVC taking away 30%-40% market share of DI pipes market?
- M.P. Taparia:** In a small way. DI is a big market now. Major market is a large diameter. OPVC is selling mostly up to 400 mm. DI pipe is used up to 1.2 m, 800 mm. There is a large size and large volume. DI is a very different size combination. Major share of DI is in large diameter.
- Rudraksh Raheja:** Got it, sir. And sir, is there enough supply of OPVC lines to meet the expected demand in the industry?
- M.P. Taparia:** Must be. We are not a big player.
- Rudraksh Raheja:** Thank you, sir.
- Moderator:** Thank you. The next question comes from the line of Akash from UTI Mutual Fund. Please go ahead.
- Akash:** Sir, all my questions are answered. Thank you.
- Moderator:** Thank you. The next question comes from the line of Manish Ostwal from Nirmal Bang Securities Private Limited. Please go ahead.

- Manish Ostwal:** Yes, sir. I have only one question on the composite cylinder division. We mentioned in the press release that this year was challenging and the performance was below expectation. How do you see the business to perform in F '26? And what is the update on this order from the IOC side? When can we expect this order to come?
- P.C.Somani:** Two or three things for the current year. One is BPCL has also placed a tender for 4 lakh pieces. So apart from IOC, BPCL is also now coming to market for procuring these composite cylinders. That is a good initiative for our purposes. IOC is now planning to plot a tender for about 1 million pieces. This is what we learnt from our interactions.
- And all the oil marketing companies are working for a common size of 14.2 kg cylinder. So if all those things get materialized, then definitely it will be a good sign and good year for the division.
- Manish Ostwal:** So over the medium term, what size of opportunity is the market we can see for Supreme Industries? What is the size of opportunity here?
- P.C.Somani:** Right now we have a capacity of only 1 million cylinder. And we don't have any plan to expand as of now. First unless we utilize it appropriately, we are not looking for any expansion.
- Manish Ostwal:** What is the utilization right now?
- P.C.Somani:** Right now it is hardly 50%.
- Manish Ostwal:** Okay, sir. Thank you.
- Moderator:** Thank you. The next question comes from the line of Vipulkumar Shah from Sumangal Investment. Please go ahead.
- Vipulkumar Shah:** My question also relates to composite cylinder. So you have mentioned that performance falling short of expectation. Is it the technical operational performance or you are just mentioning here business performance?
- P.C.Somani:** It is business performance. Nothing about technical. Everything is well established, well appreciated...
- M.P. Taparia:** It is a far superior product.
- Vipulkumar Shah:** Okay, far superior product.
- M.P. Taparia:** Yes. Because there is no possibility of anybody dying. If there is a blast, it will burn out. There is no possibility of any death. Every year several people die due to the blast in cylinder. In composite cylinder there is no blast. It will only burn out. It is not a blast.
- Vipulkumar Shah:** So why we are not able to scale this business although we have a far superior product?
- M.P. Taparia:** Ask OMC, Oil Marketing Company. They have to decide.

- Vipulkumar Shah:** Okay. So our cylinders are pricier, means cost-wise they are much costlier, means how we compare cost-wise...
- M.P. Taparia:** They are saving life. What is costly? When we say our cylinders save life, then is it costly.
- Vipulkumar Shah:** Okay, sir. Thank you.
- Moderator:** Thank you. The next question comes from the line of Swati Jhunjhunwala from JM Financial PMS. Please go ahead.
- Swati Jhunjhunwala:** Sir, my question is largely broad-based. So pipe industry in general has been facing headwinds in the last few quarters, because of the PVC prices. So looking ahead, are you seeing demand coming up or are you seeing that PVC prices will now normalize or go back up? Or are you seeing whether Maharashtra will come up with new tenders for Jal Jeevan?
- M.P. Taparia:** About the Government Policy of tender calling or not calling, but we know very certain. There was huge destocking took place last year. So the restocking will take place. So this year is going to be good year for Plastic Piping system business growth.
- Swati Jhunjhunwala:** Right. Do you see that happening anytime soon, the restocking that you anticipated?
- M.P. Taparia:** We are seeing today also. We are seeing good demand coming this month also.
- Swati Jhunjhunwala:** Okay. Got it. And any update on Jal Jeevan? I mean, have you seen any pickup yet in any other states, if not Maharashtra? Even if you don't operate there, is there any pickup that you see till now?
- M.P. Taparia:** Government announced budget proposal three times than what they spent last year. Central Government made a provision of INR67,000 crores for Jal Jeevan. Last year they spent INR22,000 crores. We are not a very active player in this business. We are a small player. So Maharashtra, we know that they have not still announced buying piping system for Jal Jeevan. In Maharashtra they have not still started.
- Swati Jhunjhunwala:** Got it. Alright. Thank you.
- Moderator:** Thank you. The next question comes from the line of Pujan Shah from Molecule Ventures. Please go ahead.
- Pujan Shah:** Sir, thanks for the follow-up. Just wanted to understand that as per the government direction, we are planning to complete JGM by 2028. Right? And we are expanding our OPVC lines in 2028. So what we are envisioning? So we have been planning to open up into new industry segment, which would help to consume that OPVC. So how we have been looking at after 2028?
- M.P. Taparia:** DI pipe are used for many other applications for irrigation and sewerage pipes. There are many other applications apart from Jal Jeevan. Jal Jeevan started only last 3, 4 years before. DI pipe is running for many years already. DI pipe is required by so many municipalities also for replacing the old pipes. They have a limited life.

- Pujan Shah:** Right, right. But sir, ultimately all the demand which has been for the OPVC right now is from JGM?
- M.P. Taparia:** I am not aware. You know better than me. We don't know. It is coming only from Jal Jeevan. We are not told like that by anybody. We are not aware.
- Pujan Shah:** Got it, sir. And sir, just wanted to clarify on the expansion of lines will be on till 2028. So why we are procuring? Is it due to the slowdown which has been affecting us to get the lines earlier? Or it is just our strategy to get it?
- M.P. Taparia:** Their capability to produce machines. That capability is limited how many machines they can produce every year.
- Pujan Shah:** Okay. So that is the challenge we have been facing?
- M.P. Taparia:** Not challenge.
- M.P. Taparia:** After all, we have to put the machine based on the growth what I can perceive for my company. I don't want to give this money and then keep this as idle.
- Pujan Shah:** Right, right. Got it. Thank you so much for the opportunity.
- Moderator:** Thank you. The next question comes from the line of Samyak Jain from Marcellus Investment Managers. Please go ahead.
- Samyak Jain:** Just one question. So what would be the CPVC mix in our overall piping business for this fiscal F '25?
- M.P. Taparia:** This is classified information.
- Samyak Jain:** All right, sir. Thank you. That's it from my side.
- Moderator:** Thank you. The next question comes from the line of Keshav Lahoti from HDFC Securities. Please go ahead.
- Keshav Lahoti:** Sir, I just wanted to get a sense. So in TV interview today, you mentioned something like 12% volume growth. How should we read it?
- M.P. Taparia:** The country had a minus de-growth of 6% and we have grown 6%. So we are 12% better than the country. The country had 6% de-growth in Plastic Piping System by volume last year. And our company grew 6% by volume last year. So based on the country growth, we have grown 12% better than country growth. This is what I told in the TV.
- Keshav Lahoti:** Okay, sir. You have mentioned something on April sales. How has been the April, you know, demand growing?
- M.P. Taparia:** April still has -8, 9 days to go still. Too early to talk about April. Let the month close down. Too fast, sir.

- Moderator:** Thank you. The next question comes from the line of Mudit from M3 Investments.
- Mudit:** I just want to know about the anti-dumping duty status. There was a notification and then it was paused. So where is it at the moment on PVC?
- M.P. Taparia:** No, the notification is still to come. The DGTR has to issue the final finding. Their provision finding only came and their final finding is still not come. So we are waiting when the DGTR announce the final finding. Before final finding, nothing is going to happen. So we are waiting.
- Mudit:** Right. And was there a resistance from CPVC manufacturer in India that they have put a case that - that would...
- M.P. Taparia:** You ask a question to the raw material producer.
- Mudit:** No, sir. Thanks for the time.
- Moderator:** The next question comes from the line of Manish Mahawar from Antique Stock Broking.
- Manish Mahawar:** Yes, sir. Just two questions. One in terms of industry. When you said industry you declined minus 6 last year and we have grown 6%. What were the industry size total in terms of tonnage?
- M.P. Taparia:** The total tonnage in industry?
- Manish Mahawar:** Yes, sir. Industry size?
- M.P. Taparia:** Plastic price share last year was 4.29 million tons.
- Manish Mahawar:** 4.29. And you are expecting it will grow by 7% to 8% this year. Right, sir?
- M.P. Taparia:** This is normal. If the year remains normal, normally it should grow slightly better than the country's GDP growth. The most pessimistic estimate received up till now is 6.2% GDP growth in the current year. This is forecast given by so many experts. So we believe if the country grows by 6.2%, the Plastic Pipe business volume should grow better than country's GDP growth. This is our experience of previous years. So it should grow by 7%, 8%, something better than the GDP growth.
- Manish Mahawar:** Understood, sir. And, sir, in terms of this 4.29 million metric ton what you said in the piping,
- M.P. Taparia:** 4.29 million ton Plastic Piping System.
- Manish Mahawar:** Okay, understood. And, sir, secondly, in terms of one of the comments you made consistently, there is a 14 or 15 times price has declined for PVC. And that led to a de-stocking in the channel. can you give some sense how the channel inventory at the moment versus the normal?
- M.P. Taparia:** Channel is a huge channel. But we believe that because such a large de-stocking, they have to come back to proper stocking this year for sure. This is normal business cycle.
- Moderator:** The next question comes from the line of Shravan Shah from Dolat Capital.

- Shravan Shah:** Sir, just trying to understand the math. When we say that the industry plastic pipe will grow at 7%, 8% and we will do a 3%, 4% higher. So let's say a 12% on the higher side. So last year, FY '25 volume is 5,31,000. If I do a 12% would come at around 63,700. And in that, Wavin, if I consider 70% utilization for 9 months it comes at around 38,000. So on the core front, we would be growing by 25,000 tons which is a kind of a less than a 5%, 4.8%, which is lower than the 6% of the FY '25. So just trying to understand where am I missing?
- M.P. Taparia:** You are talking so many numbers, dear friend. Too many numbers. We are talking company growth. Wavin is a very small capacity. You can see our capacity. Our capacity already is at 8,75,000 tons. Wavin can be 73,000 tons. 73,000 in 9 months, they cannot produce more than 55,000 tons. Normally, you can run only 65% capacity. So which means, what is this? It may be only 36,000 tons of Wavin. But we are talking volume. We are talking based on our company capacity, which is already 8.75 lakh tons of making PVC Plastic Pipe System.
- M.P. Taparia:** Out of 600,000, 25,000, 30,000 will be Wavin.
- P.C. Somani:** This is what he is trying to...
- M.P. Taparia:** If Wavin is not there also, still I can achieve 600,000.
- Shravan Shah:** So, sir, that's what only I wanted to understand. If the Wavin is not there, as you are saying, then you can achieve a 6 lakh kind of volume. So, so with Wavin it should be 6,35,000, 6,40,000.
- M.P. Taparia:** Yes. It may be...
- Shravan Shah:** Yes. So, then the growth number would be much higher. So, that's the only thing I wanted to understand. That the...
- M.P. Taparia:** It may be 13%, 14%. It depends on how the market demand comes. We are equipped. We can meet the demand of the market.
- Moderator:** Thank you. As there are no further questions, I would now hand the conference over to the management for their closing comments.
- M.P. Taparia:** Thank you very much. We are very thankful to all the investors and the analysts who raised their very intelligent questions. We thank all of them for their time and the questions raised by them. We thank you. Thank you all of them. Thank you very much.
- P.C. Somani:** Thank you, team DAM. Thank you.
- M.P. Taparia:** Thank you.
- Moderator:** On behalf of DAM Capital Advisors, that concludes this conference. Thank you for joining us. You may now disconnect your lines.