



31st October, 2026

<p>Listing Department National Stock Exchange of India Limited Exchange Plaza, 5th Floor, Plot No. C/1, G-Block Bandra Kurla Complex, Bandra (East), Mumbai - 400051</p> <p>Symbol: CENTENKA</p>	<p>Listing Department BSE Limited 25th Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400001</p> <p>Scrip Code: 500280</p>
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Dear Sir/ Madam,

Sub: Transcript of Q2 and H1 FY27 Earnings Conference Call of Century Enka Limited ('the Company')

Ref: Regulation 30 of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 ('Listing Regulations')

Pursuant to Regulation 30 of the Listing Regulations, please find attached herewith the transcript of Q2 and H1 FY27 Earnings Conference Call conducted on Wednesday, 28th October, 2026. The same is also available on the website of the Company i.e., www.centuryenka.com.

This is for your kind information and records.

Thanking You,

Yours faithfully,

For **Century Enka Limited**

Rahul Dubey
Digitally signed by
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Date: 2026.10.31
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Century Enka Limited
Q2 and H1 FY27 Earnings Conference Call
October 28, 2026

Moderator: Ladies and gentlemen, good day and welcome to Century Enka Limited Q2 and H1 FY27 Earnings Conference Call.

As a reminder, all participant lines will be in the listen-only mode. There will be an opportunity for you to ask questions after the presentation concludes. Should you need any assistance during this conference call, please signal for an operator by pressing '*' star followed by '0' on your touchtone telephone.

I now hand the conference over to Ms. Purvangi Jain from Valorem Advisors. Thank you and over to you, ma'am.

Purvangi Jain: Thank you. Good evening, everyone and a very warm welcome to you all. My name is Purvangi Jain from Valorem Advisors. We represent the Investor Relations of Century Enka Limited. On behalf of the company, I would like to thank you all for participating in the company's Earnings Call for the 2nd Quarter and the First Half of the Financial Year 2027.

Before we begin, let me mention a quick cautionary statement:

Some of the statements made in today's Earnings Call may be forward-looking in nature. Such forward-looking statements are subject to risks and uncertainties, which could cause actual results to differ from those anticipated. Such statements are based on management's beliefs as well as assumptions made by and information currently available to the management.

Audiences are cautioned not to place any undue reliance on these forward-looking statements in making any investment decisions. The purpose of today's Earnings Conference Call is purely to educate and bring awareness about the company's fundamental business and financial performance for the quarter under review.

Now, let me introduce you to the management participating with us in today's earnings call. We have with us Mr. Suresh Sodani – Managing Director and CEO, and Mr. Yogesh Shah – Chief Financial Officer.

Without any delay, I request Mr. Sodani to start with his opening remarks. Thank you and over to you, sir.

Suresh Sodani:

Thank you, Purvangi. Good evening, everyone, and welcome to our earnings conference call for the 2nd Quarter and First Half of Financial Year 2027. I would like to thank our host, Valorem Advisors, for hosting this call.

Now, let me brief you on the operational highlights for the period under review:

The automotive sector witnessed healthy momentum during the 2nd Quarter with passenger and commercial vehicles emerging as the key growth drivers, supported by festive demand. This provides a constructive demand environment for the tyre industry, although the outlook for the coming quarters will depend on deficit monsoon impact, inflation, and interest rate movements.

Within our tyre cord fabric segment, underlying demand for NTCF remained healthy, reflecting encouraging demand fundamentals. However, the increase in imports impacted sales volume during the 2nd Quarter. We continue to focus on strengthening our market

position while navigating competitive pricing pressures and volatility in raw materials and fuel costs.

While geopolitical developments, the ongoing war, and fluctuations in crude oil prices remain key near-term uncertainties, we believe the improving automotive demand environment provides a supportive backdrop for the industry. On the PTCF front, the approval process is progressing in the desired direction, and we expect to commence commercial sales in Q4 FY27. This represents an important milestone in our product diversification journey, and is expected to broaden our presence in the tyre reinforcement segment.

The nylon filament yarn business recorded an improvement in sales volume during the quarter, driven by stronger demand during the festive season. However, margins remain constrained by continued influx of competitively priced imports from China, particularly in base and low-grade yarn, alongside significant fluctuation in raw material costs. To strengthen margin realization, we continue to prioritize value-added products and enhance our product mix.

During the quarter, we further expanded capacity in this segment to support the growing focus on higher margin offerings. Turning to raw materials and power and fuel costs, the quarter saw a challenging cost environment, with significant volatility in raw material prices continuing to weigh on operating margins. Additionally, the benefit of lower-cost opening inventory, which had supported margins in Quarter 1, moderated during the quarter, resulting in a normalization of profitability.

Further, the energy costs emerged as another area of pressure, with higher grid power tariffs at Bharuch and elevated LNG prices increasing the overall cost of operations. To address this, we are strengthening

our hybrid power capacity, which is expected to start delivering cost benefits from Q4 FY27. Our focus remains on mitigating external cost pressures through greater energy efficiency and operational optimization, while working towards a more sustainable cost structure over the coming quarters.

I now request our CFO, Mr. Yogesh Shah, to brief you on financial performance.

Yogesh Shah:

Thank you, Suresh sir, and good evening, everyone.

Let me now brief you on the financial performance for the period under review:

For the 2nd Quarter of Financial Year 2027, revenue from operations grew 37% year-on-year to Rs. 558 crores. EBITDA stood at Rs. 33 crores. Registering a year-on-year growth of 4%, with EBITDA margin at 5.88%. Profit after tax stood at Rs. 19 crores, declining 17% year-on-year, while PAT margin came in at 3.31%.

Moving to our performance for the First Half of Financial Year 2027, revenue from operations grew 37% year-on-year to Rs. 1113 crores. EBITDA increased significantly by 130% year-on-year to Rs. 119 crores, with EBITDA margin at 10.66%. Profit after tax stood at Rs. 80 crores, registering an exceptional year-on-year growth of 113%, while PAT margin came in at 7.21%.

Now, turning to the segmental performance, total volume for the quarter grew by 13% year-on-year to Rs. 20,162 metric tons. Within this, tire cord fabric sales increased by 37% to Rs. 251 crores, while filament yarn sales reported a growth of 39% to Rs. 293 crores. Total volume for the first half grew by 13% year-on-year to 39,361 metric tons. Within this, tire cord fabric sales increased significantly by 53% to

Rs. 557 crores, while filament yarn sales reported a growth of 30% to Rs. 523 crores.

With this, we open the floor for questions and answers.

Moderator: Thank you very much, sir. Ladies and gentlemen, we will now begin with the question-and-answer session. The first question is from the line of Pratham Nayak. Please go ahead.

Pratham Nayak: Hello. Good afternoon, sir. I have two questions. First of all, the revenue grew by 37% year-on-year in Q2 FY27. So, could you elaborate on the key growth drivers, particularly the contributions from higher realizations, pricing, as well as the product mix? And how sustainable are the current realization levels?

Suresh Sodani: You had two questions. Are you asking the second one as well?

Pratham Nayak: Yes, sure. So, the capital work-in-progress increased from about Rs. 13 crores in FY26 to about Rs. 38 crores in H1 FY27. So, could you also please provide an update on the ongoing CAPEX projects, any planned investments, and any additional capacity expected from these initiatives?

Suresh Sodani: Okay. Thanks for your questions. First of all, I will address on the revenue side. Revenue growth is driven by both the volume growth as well as the realization growth, which is primarily driven by the higher raw material prices. Our model is basically the main raw material cost comes from the crude-based caprolactam or polymerized chips. And those prices have increased significantly quarter-on-quarter and also in relation to Quarter 1.

So, these plus the volume growth that we had on a combined basis for all the products that we sell, these two contributed for the revenue

growth. Revenue growth in future will depend on what is the prices of our underlying raw material, while volume will depend on how the market conditions remain. As we mentioned in our opening statements, there are too many outside factors, non-controllable factors like geopolitical situation, crude oil prices, inflation, and as well as the impact of rupee.

So, all these will have an impact on the demand and the demand will drive the volumes. As far as the pricing is concerned, that would primarily be dependent on what is the raw material prices. So, very difficult to project whether this would remain at these levels or not because the volatility both in Quarter-1 as well as in Quarter 2 is significantly high. In fact, much higher in Quarter 2 because of the developments in the Iran war.

Coming to the CEDU Capital Work-In-Progress, the projects which are ongoing are mainly our Mother Yarn expansion at Pune, our increase in VAPs capacity at Bharuch, various energy saving CAPEXes at both locations, as well as improvements in safety and some old assets replacements.

Pratham Nayak: Okay. Thank you so much, sir.

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

Dhruv Shah: Hi, sir. Good evening. I have two questions, sir. First is with the benefits of increased hybrid power capacity expected from Q4 FY27, what level of power cost saving is anticipated and what could basically the impact on the margins in FY28? And second question is about the capacity utilization level against the installed capacity of approximately 92,000 metric tons in Q2 FY27 and how much headroom we can anticipate going forward?

Suresh Sodani: So, the hybrid at Bharuch -- we already have one hybrid project which is already giving benefits at Bharuch in the power rates and the additional hybrid would start most likely in Quarter-4 and start delivering benefits. The benefits are actually a difference between the grid rates and the rates at which we have signed the agreement for the hybrid power. So, since the grid rates vary, there could be a -- most likely a better than because the grid rates have been increasing in last few quarters.

We expect on a very rough calculation basis, annualized benefit of about Rs. 10 crores per annum. On the additional hybrid power that would come to the company and this is just a differential between the grid power rates and the power rates coming from the hybrid capacity.

As far as the capacity utilization, it varies between 80% to 90%. We had about 85% capacity utilization in Q2 and as mentioned in the earlier question, the capacity utilization is a direct function of the demand and if the demand remains good, we should be closer to 90%. If demand is slightly weaker, we may either be around this number or maybe slightly lower. So, the capacity utilization normally is in that range and we have sufficient headroom.

This capacity is obviously based on a normative denier mix and the denier mix particularly on the filament yarn side could also have an impact on the capacity. So, all in all, in case of a short-term surge in demand, we have sufficient headroom to meet those demands.

Dhruv Shah: Okay, sir. Thank you so much.

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

Sanjay Patil: Hello. Hope my voice is audible.

Moderator: Yes, sir.

Sanjay Patil: Yes. Thank you for giving the opportunity. So, my question is, despite healthy demand from the automotive sector, your NTCF sales were impacted by increased imports and how do you view the demand outlook for the tyre core fabric in the second half of the Financial Year 2027 and what measures are being taken to address the import-led competition?

Suresh Sodani: So, the imports actually happened in a very uncertain scenario which were booked in Quarter 1 when there was uncertainty on availability of raw materials, availability of LNG, availability and the tyre companies more as a risk mitigation exercise booked a larger quantity because there were month-on-month, week-on-week uncertainty on what will pan out, whether we will get sufficient gas from Middle East or other sources so that the gas volumes are available for continuing our operation.

So, that was one. Second was the price itself was fluctuating and these volumes are actually more than the normal imports that happened. So, we do expect that this should normalize in the coming quarters, not necessarily that in the current quarter but because normally the imports are more towards export of tyres because they are brought under advanced license and we are in touch with all customers and we expect that this should normalize in coming quarters but since the volatility continues because of uncertainty in the geopolitical situations, we could have a quarter where the imports could again be higher. Second question was on; can you please repeat the second part? Sorry.

Sanjay Patil: Yes, actually I just wanted to know the demand outlook overall for the tyre cord fabric in the second half and also, I wanted to know on the

same note what is the current capacity utilization across key manufacturing facilities. Is the existing capacity sufficient to support the anticipated demand growth or will additional investments be required on that front?

Suresh Sodani: Yes, so we don't give any forward-looking statement but as mentioned in our opening statement, there are some monitorables like what is the impact of the deficit monsoon, inflation, the interest rates because demand for our fabric comes from two sides. One is the OEM demand and second is the secondary or the after sales demand. After sales demand these factors could have more impact on that.

We will also see how does the vehicle sales happen, automobile sales happen in this festive season because this is up to Diwali is the major buying period for which some volumes are already in the pipeline. So it's a bit volatile because of too many external factors impacting the demand, but the positive part which continued post reduction in GST still remains. So that provided a great flip to demand since September last year and which continued till September this year and that still remains as a major driver.

We hope that that would continue to balance some of the negative factors which came from the other external factors. Yes, we are geared up to capacities are available in the short term or near term. We don't need any capacity expansion on the nylon side.

Polyester as we have already mentioned is under the pool process and we have capacity to, once we start getting approvals from customers from Q4 onwards and from the next FY28, we hope to utilize that capacity as well.

Sanjay Patil: Okay, sir. Thank you, sir.

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

Roshni Shukla: Hi, sir. I just have two questions. First is I want to understand how is the demand evolving across tyre OEMs and the replacement market, particularly in the two-wheeler, bi-tyre and the off-the-road segment. And what are the key demand drivers expected in H2 FY2027?

Suresh Sodani: The OEM demand I think as per public data available has been pretty good because till September, across all categories, the sales have been very good except some dip in the tractor sales which also is on a very high growth in the previous year. So, on a normalized basis, even that sales have been quite good. So, the OEM sales have remained quite robust up to September.

The secondary market not been as robust as and this is based on data which is available from ATMA and others. We do not have a tracker on how much tyre sales are happening in the secondary market. So, based on the external sources, the secondary sales have been slightly not as robust as the OEM sales for two reasons.

One is the monsoon, normally the pickup happens either the tyre replacements happen either in Quarter 1 or they start more in Quarter 3 and/or Quarter 4. So, we will know whether the secondary or the after-sales market actually picks up at the projected levels or what the tyre companies are expecting in the coming quarters.

Roshni Shukla: Okay. And the second question is that with the PTCF commercial sales expected to commence in Q4 FY2027. Right? And so, what are the initial volume and revenue expectations and how quickly is the segment expected to ramp up following the commercialization?

Suresh Sodani: Since we report on a single segment, for competitive reasons, I cannot give the break-ups of how much will come. But we expect the product approval goes through a multi-stage approval, especially for the new products and since this PTCF goes in passenger car tyres, there is a very high level of technical clearances that is required at multiple levels. So, the ramp-up would be gradual, but the second half of FY28, we expect a very high or almost good capacity utilization for the capacities that we have established.

Roshni Shukla: Okay. Okay, sir. Thank you so much.

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

Sakshi: Hi, sir. So, first thing that I wanted to ask is, so your EBITDA margin declined by 186 basis points on Y-o-Y basis to 5.88% in Q2 FY27 from 7.73% in Q2 FY26 and fell by 958 basis points Q-on-Q from 15.46 in Q1 FY27. So, what would be a sustainable normalized EBITDA margin level over the coming quarters?

Suresh Sodani: We normally maintain that our EBITDA should fluctuate between or should remain, depending on multiple factors, between 7% to 10% on a normalized basis. And since the Quarter 1 was a very significantly high margins and Quarter 2 was lower, and one of the underlying factors which impacts the margin is the raw material cost because that increases the base. Margins in this industry do not change as a percentage of raw material because raw material costs are more of a pass-through and the margins are at different way of calculation.

So, when the underlying raw materials are high, the margins would normally tend to be lower. Quarter 1 was exceptional because we benefited from the low-cost inventory and post-war there was a significant price increase in crude and all the crude derivative raw

materials. So, that would also be an abnormal, but even Q2 is not our normal range of operating margins. So, as mentioned, normally our target would be between 7% to 10%.

Sakshi: Okay, and how do you plan to scale the Enkalon and Nuenyl brands, particularly in premium and recycled yarn categories? What opportunities exist to expand the sustainable yarn portfolio?

Suresh Sodani: So, basically Nuenyl is for the recycled yarns, Enkalon is based on virgin products and Nuenyl was basically launched for export markets. And again, due to geopolitical situations, markets are in kind of a flux where the buyers are not sure whether this is the right time to book orders because the war gets settled and the prices come down, the price of all products come down. So, Nuenyl is a promising opportunity that we are looking at, especially in the export market, because most of the brands have a target on what percentage of recycled products they are using in their finished products.

And that gives us an opportunity to place this product in the premium segments and particularly with the leading brands. And our aim is to work with these through the channels and actually get a larger share of business from them. So, Enkalon anyway is a premium brand in the domestic market, we do not use it in the international market. And we do expect that it will continue to command premium compared to domestic competitors as it has been doing in the last many years.

Sakshi: Okay. Thank you, sir.

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

Gaurav Shah: Hello, sir. So, my question is, yarn revenue increased from Rs. 211 crores in Q2 FY26 to Rs. 293 crores in Q2 FY27. Could you elaborate on

key drivers of this growth and respective contributions from volume growth, pricing and product mix?

Suresh Sodani: This week, we are giving just a break up with additional information. So, for competitive reasons, we cannot give the breakup of what is driving that. But as you can see, the volume has grown over corresponding quarter significantly. So that has been definitely a major driver. And second is obviously, since the raw material prices, again, compared to corresponding quarter was significantly higher. So, that has also contributed for both the products tyre cord fabric as well as the filament yarns.

Gaurav Shah: Okay, sir. Thank you. And another one question, what is the current contribution of value-added products to total yarn revenue? And what is the target for increasing their share? And how could a higher VAP mix support the margin improvement over the medium term? Can you just explain it to us?

Suresh Sodani: So, value added products are basically out of the yarn portfolio, the nylon filament yarn portfolio. Our VAPs actually are increasing quarter-on-quarter and also year on year. And we expect it to touch maybe about 50% in the near term.

And so that could definitely contribute to our margin improvement. And that is the purpose that we are adding more CAPEX into the value-added products so that we can make products which are directed towards specific customers as well as niche segments. And this is already contributing to our margin improvement in the yarn segments.

Gaurav Shah: Okay, sir. Got it. Thank you.

Moderator: Thank you. Our next question is from the line of Rahul Jain. Please go ahead.

Rahul Jain: Yes. Hi. Thank you for the opportunity. Hi, sir. So, just wanted to know that what is the current contribution of exports to the total revenue? And also wanted to know what are the key opportunities that challenges for export growth, let's say, over the medium term?

Suresh Sodani: Our exports are, I mean, not large. It's about ranging between 4% to 5% of the turnover. But the opportunities, particularly with FTAs with EU and UK, could open up new opportunities because these are segments where India could enjoy a differential duty compared to China or South Asian countries.

So, we do expect that once it is operationalized and we can build the right channels to market our product and get the right partners to work with us, that could provide a good opportunity for our products to be marketed there. And that is where our product Nuenyl also comes into the recycled yarn portfolio could support us. We are also trying to understand the demands, requirement, particularly on the yarn side, what are the specific demands that could emerge from these markets because these have not been our regular markets.

And in the next year, maybe financial or the next calendar year, once EU FTA is operationalized, we would make very specific efforts to understand and to target certain customers, certain segments in these two markets. Other markets could also provide an opportunity. But with the current flux of geopolitical issues, there are actually a lot of uncertainties on buying side. And once these things settle, we expect that could also become a driver for our export sales.

Rahul Jain: Got it, sir. So, my next question would be on the key raw material prices. So, basically, how did the key raw material prices, particularly, caprolactam and other nylon and polyester inputs move during the

quarter? And also wanted to know to what extent were these increase in input costs passed on to the customers?

Suresh Sodani: Actually, it's an increase from between the quarter from June to mid of July or early August. Actually, there was a fall when the first MOU was signed between US and Iran. And then it again increased. And the current prices are in the range of USD2000 to USD2100 for Caprolactam. For the nylon chips, again, ranging from between 2100 to 2200. So, the volatility increased significantly. The prices increased significantly. And the underlying reasons are clear. Crude Benzene, everything went up significantly.

And going forward, very difficult to predict what rates will remain. But we have been very transparent with our customers. And I think the margins show that the profit number, even last year, corresponding quarter was a normal quarter with no war situations. We have been able to, on an absolute value, be able to better than last year in terms of absolute profit. So, which is a reflection that we could pass through the price increases. But yes, there could be some timing related gaps. But we are very transparent with our customers. And they also understand the challenges that their suppliers face. And they have been very accommodative and understanding on these issues.

Rahul Jain: Got it, sir. That was it from my side. Thank you so much and all the best.

Suresh Sodani: Thank you.

Moderator: Thank you. Our next question is from the line of Aman Jain. Please go ahead.

Aman Jain: Hello, am I audible?

Moderator: Yes, sir. Please proceed.

Aman Jain: Yes. Thank you so much for the opportunity. Sir, I just wanted to understand with inventory increasing to approximately Rs. 313 crores at the end of H1, what are the key factors behind this increase? And how do you expect working capital requirements to evolve over the second half of the year?

Yogesh Shah: So, inventory increase is one of the reasons is the increase in the raw material prices. So, that is the basic reason of increase in our inventory value. And if we see the inventory levels in quantity terms, then it remains almost the same or be able to reduce to some extent. In the future, we are expecting that when the raw material prices will change, this inventory again will go to the normal. And we will be able to manage our working capital in a better way.

Aman Jain: Okay, got it. And just one last question. So, with a strong net cash position and limited borrowings, how are the capital allocation priorities being balanced between capacity expansion, technology upgrades and renewable energy investments?

Suresh Sodani: Basically, since we are not challenged by availability of cash and balance sheet, the priority is more on what is needed for the immediate and near term. So, all technological improvements, energy-saving initiatives which cross the minimum threshold are all being implemented. We are getting into more products on the value-added products and the Mother Yarn expansion is happening which will get actually capitalized in the next financial year.

And we keep evaluating alternates where a larger deployment can happen. So, it has to go through a process where it makes merit sense to add those CAPEX because ultimately, it should lead to a sustainable, profitable growth in future. And that is the basic criteria. If that meets it, we are well within through an approval of board, we take it forward.

Aman Jain: Okay, got it. That's it from my side. Thank you and all the best for the future.

Suresh Sodani: Thank you.

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

Yogesh Shah: Thank you all for participating in this Earnings Conference Call. I hope we were able to answer your questions satisfactorily. And at the same time, offer insight into our business. If you have any further questions or would like to know more about the company, please reach out to our Investor Relations manager at Valorem Advisors.

Suresh Sodani: Thank you.

Moderator: Thank you very much. On behalf of Century Enka Limited, that concludes this conference call. Thank you all for joining us and you may now disconnect your lines. Thank you.