



Date: 18th August, 2025

To
The Manager,
Listing Department,
BSE Limited,
P.J. Towers, Dalal Street,
Mumbai – 400 001

To
The Manager
Listing Department
National Stock Exchange of India Ltd,
Exchange Plaza,
Bandra Kurla Complex, Bandra (East),
Mumbai– 400051

Scrip Code: 543547

Symbol: DDEVPLSTIK

Sub: Transcripts of Earnings Call held on 17.11.2025

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

Dear Sirs

This is in furtherance to our letter dated 28th October 2025 and 17th November 2025 with respect to Intimation of Schedule of Earnings conference Call for the 2nd quarter and half year ended 30th September 2025 ("Q2FY26") and submission of audio recording post such conference call, respectively.

In terms of Regulation 30(6) read with Schedule III Part A Para A Clause 15 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the transcripts of the earning call conducted on Monday, 17th November 2025 for the Q2FY26 is attached herewith.

The same will also be hosted on the website of the company at <https://www.ddevgroup.in/media-centre-interaction> within the tab Earnings Call and under the head Transcripts.

Kindly take the aforesaid information on record and oblige.

Thanking You,

Yours faithfully,

For Ddev Plastiks Industries Limited



**Tanvi Goenka (Membership No. ACS 31176)
Company Secretary**

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CIN : L24290WB2020PLC241791



**“Ddev Plastiks Industries Limited
Q2 FY '26 Earnings Conference Call”**

November 17, 2025



**MANAGEMENT: MR. NARRINDRA SURANNA – CHAIRMAN AND
MANAGING DIRECTOR – DDEV PLASTIKS INDUSTRIES
LIMITED
MR. DDEV SURANNA – WHOLE-TIME DIRECTOR AND
CHIEF EXECUTIVE OFFICER – DDEV PLASTIKS
INDUSTRIES LIMITED
MR. RAJESH KOTHARI – WHOLE-TIME DIRECTOR –
DDEV PLASTIKS INDUSTRIES LIMITED
MR. ARIHANT BOTHRA – CHIEF FINANCIAL OFFICER –
DDEV PLASTIKS INDUSTRIES LIMITED**

**MODERATOR: MR. RUTU CHAVAN – PHILIPCAPITAL PRIVATE
LIMITED**

Moderator:

Ladies and gentlemen, good day, and welcome to the Ddev Plastiks Industries Limited Q2 FY '26 Earnings Conference Call hosted by PhillipCapital Private Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star, then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Rutu Chavan from PhillipCapital Limited. Thank you, and over to you, sir.

Rutu Chavan:

Good morning, everyone. On behalf of PhillipCapital Private Client Group, I welcome all of you to the Q2 H1 FY '26 Earnings Conference Call of Ddev Plastiks Industries Limited. Today, from the management, we have Mr. Narrindra Suranna, Chairman and Managing Director; Mr. Ddev Suranna, Whole-Time Director and CEO; Mr. Rajesh Kothari, Whole-Time Director; and Mr. Arihant Bothra, Chief Financial Officer.

I now hand over the conference to Mr. Ddev Suranna for his opening remarks, and then we will open the floor for questions and answers. Over to you, sir.

Ddev Suranna:

Good morning. Welcome to the Ddev Plastiks Quarter 2, half yearly financial year earnings call. We appreciate your time and continued interest in our journey. Yesterday, our Board of Directors approved the financial results for quarter 2 financial year '26. We are pleased to share with you our performance highlights, key developments and outlook for the future.

As we reflect on this joyous celebration of Diwali and welcome the Samvat, I'd like to extend my heartfelt greetings to each and every one of you. I hope you all had a wonderful and joyous Diwali filled with light, prosperity and happiness. May the coming year bring renewed energy, growth and success to you and your loved ones. In the upcoming Samvat, we at Ddev Plastiks remain committed to our strategic path of engineering excellence, expanding our footprint and energizing growth.

Ddev Plastiks delivered a positive performance in the first half of the year, in line with the expectations. Our operating margins remained resilient, reflecting the company's agility and success in navigating a dynamic market environment, supported by the strength of the domestic economy.

The cables and wire sector continues to be central to India's industrial growth, and with rapid acceleration of electrification and the renewables push across the country, demand for high-quality polymer compounds is set to accelerate. Ddev Plastiks is strategically positioned as a reliable and trusted partner in this high-growth market.

Our commitment to the engineering excellence and innovation has enabled us to consistently deliver high-quality polymer compounds, establishing Ddev Plastiks as the largest listed polymer compounds manufacturer in India with over 4 decades of industry presence.

To keep pace with the surging demand in the renewables and power sector, we are steadily expanding both geographically and across our capabilities as well. As part of our growth strategy, we are taking significant steps to address the growing requirements of high-voltage cables, while also aiming to strengthen our presence on the global stage in the years ahead. Looking forward, our focus will remain on enhancing operational efficiencies, broadening product offerings and catering to the evolving needs of diverse industries, thereby creating sustainable value for all our stakeholders.

Analyzing the broad economic environment amidst all the geopolitical conflicts, firm and resolute steps taken by the Indian policymakers to prop up demand, thus, it is a reason for optimism for all corporates and consumers at large.

The intensity of earnings cut has eased to modest levels and the latest quarterly cuts have been the lowest in the past 4 quarters, thereby improving macro policy environment likely to support the demand and growth. Liquidity is in a surplus mode and conducive for transition in the festive season. Disposable household income should be boosted further by lower personal income tax outgo and GST rate .

Moderator:

Ladies and gentlemen, the line from Ddev sir has been disconnected. Please wait while we reconnect him. Ladies and gentlemen, we have Ddev sir connected back with us. Please go ahead, sir.

Ddev Suranna:

Improved sentiment and purchasing power in rural India should contribute to demand pickup as well. Moreover, even on the global front, while the situation is still evolving and stays in flux, it appears that the geopolitical whipsaw has been digested by the market. And now the Indian government trade officials also sound more sanguine on better terms of trade with the U.S., punctuated by the likelihood of lower tariffs.

The tariffs imposed by the U.S. are undoubtedly unreasonable and unnecessary. Nonetheless, they have a silver lining as they're pushing the government to implement long-term overdue reforms. Additionally, these tariffs are likely to motivate Indian companies to innovate and compete more effectively on the global stage. Further rationalization in GST is likely to benefit MSMEs, SMEs, rural and urban consumption.

It is also likely to improve the discretionary income for the masses, which will benefit the consumer discretionary sector and improve the credit growth, which has been sluggish since FY '25. One of the sectors which would be a key beneficiary of this would be real estate, which would further create demand for wires and cables, which will impact us positively as approximately 81% of our revenues come from the wires and cable sector.

The global energy landscape is undergoing a transformative shift with renewable sources, particularly solar and wind power emerging at the forefront of this transition. This monumental change is simultaneously creating a surge in demand for advanced materials, especially polymer compounds, which serve as a critical enabler in a wide range of renewable and electrical applications.

As India's largest listed polymer compounding company, Ddev Plastiks is strategically poised to harness this momentum. Our differentiated solutions known for the superior properties for electrical insulations, corrosion resistance, heat and thermal stability and long-term durability are gaining wider acceptance globally, opening a multitude of growth avenues for the company.

On the domestic front, India's energy requirements are projected to reach 817 gigawatts by 2030 with an ambitious target of sourcing 50% of the electricity from renewable energy. The country's transition to greener power, coupled with the transmission market estimated to nearly INR60,000 crores underscores a structural opportunity that will accelerate the uptake of high-performance polymer compounds. These structural drivers align seamlessly with Ddev Plastiks core competence, establishing us as an essential partner for our evolving power and transmission ecosystem.

Equally compelling is the trajectory of the Indian cable and wire sector anticipated to expand at almost twice the pace of India's GDP. Fueled by rapid urbanization, heightened infrastructure investments and robust electricity demand, this segment is expected to witness sustained acceleration. Polymer compounds are the cornerstone of this industry, and hence, this growth will directly enhance our addressable market.

Taken together, the convergence of the macroeconomic tailwinds and sectoral growth drivers builds a highly promising outlook for the next decade. At Ddev Plastiks, we are committed to reinforcing our market leadership, accelerating innovation and delivering sustainable value creation for all our stakeholders. Our vision is not just to participate in this evolving energy infrastructure transformation, but also to play an enabling role in shaping it.

Ddev Plastiks is India's largest manufacturer of polymer compounds with more than 200 compounds backed by 5 state-of-the-art manufacturing facilities, which are strategically located across both the East and West Coast. This well-planned geographical footprint not only enhances our operational efficiency, but also enables us to optimize freight costs and serve customers with greater agility.

Our current installed capacity as of September '25 stood at 238,400 metric tons per annum. We successfully commissioned a new PVC facility with an installed capacity of 15,000 metric tons in October '25. Furthermore, an additional capacity of 5,000 metric tons of HFFR compounds and 10,000 metric tons of PVC compounds is scheduled to be operational by the end of this calendar year.

Today, we cater to a broader spectrum of industry and proudly export to over 55 countries globally, underscoring our strong international presence and the agility and ability to align with the global quality standards and benchmarks.

Our progress and success are powered by dedication of a highly skilled workforce of more than 400 employees who bring expertise, commitment and innovation at every aspect of our operations. Aligned with our vision statement, Ddev Plastiks is charting a course towards expansion and diversification. We are committed to enlarging our capacity and activities across

various fields through the implementation of new projects and the introduction of innovative products.

Now I would like our CFO, Mr. Arihant Bothra, to add some more.

Arihant Bothra:

Thank you, Ddev ji. Good morning, everyone. I would like to begin by extending my warm wishes to all of you for a very happy New Year. I also hope you and your families had a joyful and safe Diwali filled with prosperity and happiness. We at Ddev Plastiks are pleased to report a positive second quarter and first half of FY '26 results. As of H1 FY '26, our volumes stood at 99,937 metric tons, while our capacity utilization stood at 84%, registering 10% volume growth year-on-year basis.

For the first half of the year, revenue from operations reached approximately INR1,450-odd crores, representing a 20% Y-o-Y growth. This performance were primarily driven by sustained strong demand in the wire and cable industry, coupled with increase in our average selling price. EBITDA stood at INR154 crores with a margin of 11%, while PAT was approximately INR99 crores, delivering a margin of 7% for the period.

For the Q2 FY '26, revenue from operations reached approximately INR680 crores, representing a 17% Y-o-Y growth. EBITDA stood at INR75 crores with a margin of 11%, while profit after tax was approximately INR47 crores, delivering a margin of 7% for the quarter.

We also saw sequential improvement in revenue and EBITDA per ton to INR1,41,802 for EBITDA -- for the revenue and INR15,559 for EBITDA per ton, and improvement in our capacity utilization levels to 84%, highlighting strong demand landscape for Ddev Plastiks.

This performance was primarily driven by strong domestic demand, improved export performance despite the challenges posed by heavy monsoon and U.S. tariff impacts. Looking ahead, we anticipate the positive demand momentum will continue in the upcoming periods. During the quarter, we continued our capex programs, adding capacity for Sioplas compounds of 5,000 metric tons, bringing our total installed capacity to 238,400 metric tons per annum.

Production volumes also saw a healthy growth of 8% year-on-year basis for the quarter, reaching 48,204 metric tons. Capacity utilization improved both sequentially and Y-on-Y basis, standing at 87%. Our capex plans remain on track with an expected investment of INR110 crores for this financial year.

We now open the floor for question and answers.

Moderator:

Thank you very much. We will now begin the question-and-answer session. The first question comes from the line of Guru Darshan from Kitara Capital.

Guru Darshan:

Sir, in the current quarter, we have done around 48,300 tons of volume, which is almost a 7% degrowth Q-o-Q basis or 8% of growth Y-o-Y basis. Just wanted to understand what are the broad factors leading to lower volume growth in the current quarter? And also, it would be helpful to elaborate on the current demand situation, like what's it like?

Arihant Bothra:

So I would like to take the first question. See, generally, if you see the first quarter being the monsoon period, that cable laying and everything gets impacted -- sorry, for this quarter, second quarter. So because of that, if you track any of our second quarters, it always remains at the lowest as compared to -- rather, it should be compared with the monsoon period.

Whenever the monsoon is heavy, that quarter is comparatively lowest for that particular financial year. So if you see this particular financial year, first quarter, we did roughly 52,000 tons of volume and this quarter, roughly 48,000 tons.

This marginal impact is mainly contributed by the power cable and distribution cable segment, which is impacted because of cable laying. Otherwise, in most of the areas, if you see, we have grown. So this is just to give you a perspective why it is such. On the second part, as regards to the demand, Kothariji, I will request you to intervene.

Rajesh Kothari:

In addition to what Arihant has explained, for the drop in the -- means the lower growth or the quarter-on-quarter degrowth in second quarter, the first thing is monsoon, and monsoon had been quite extended and severe this year. So that has impacted the demand. And second aspect is this US tariff, which has kicked in, in the early August. So that also had an impact on our volumes. So both these things put together have impacted our second quarter numbers.

Now looking at the current scenario, we are seeing positive tick on both. The monsoon is not anymore active. So we are seeing very strong demand and strong offtake forecast by our customers. So we feel that next 2 quarters, not only the third quarter, but the last quarter should be quite strong from the domestic demand point of view. And we are also seeing some optimism on the US exports. We have seen the revival of the demand from our customers for US market from now on. So we see both these factors behind us and the next 2 quarters should deliver better growth.

Guru Darshan:

Got it. In terms of EBITDA per ton, which has improved sequentially and year-on-year basis, which is around INR15,600 per ton, would you be able to maintain the same margin considering you have added PVC capacity, which is a lower margin business?

Arihant Bothra:

So as you see, we have added PVC of 25,000 tons -- rather, we are adding in this entire financial year of 25,000 tons, while we're also adding XLPE capacity -- already added for 5,000 tons, HFFR being added for 5,000 tons, some other XLPE compounds are also being added. So it's a blend.

So what we are doing is we are not concentrating only on the lower basket, not concentrating only on the higher basket. Right now, we are concentrating on the demand factor first, followed by the blend, the product mix. So if we consider both, definitely, our guidance range of 14.5% to roughly 16.5%, 16%, 16.5% is something which we continue to remain. And the outcome, you can say the result of the same is visible in the second quarter.

Guru Darshan:

Okay. Understood. Sir, one last question. Sir, in previous calls, you had mentioned there is no difference in EBITDA margin with respect to domestic versus exports. In the current quarter, are you seeing any signs of improvement in margins in exports? Is the freight cost normalized? Or is it still at the higher levels? Just wanted to understand more on the exports.

- Narrindra Suranna:** Kothariji?
- Rajesh Kothari:** Export EBITDA being equal to domestic EBITDA was during the period when sea freight has gone up substantially. But now we are seeing the margins recovering for export also and a bit of higher margin we are getting from export transactions.
- Moderator:** The next question comes from the line of Arnav Sakhuja from Ambit Capital.
- Arnav Sakhuja:** So my first question is, can you give us a bit of an update on the status of the trial of the 132 kV products in the XLPE segment?
- Rajesh Kothari:** See, this is a topic where we have not seen any progress yet, because 2 key customers of ours, we cannot name them. So they both are running almost at full capacity and have not been able to allocate in any space for trial. But hopefully, this coming quarter, means January to March, we should be able to get these trials done, because third customer has very recently agreed to give us space in the first quarter of next calendar year, which is January to March 2026, a space for a trial. So we are very hopeful now almost sure that first quarter of 2025-'26 -- sorry, calendar year '26, we'll see this trial getting through.
- Arnav Sakhuja:** And just on your employee cost. So I saw that it increased to around INR13.3 crores this quarter. So is there any specific reason for this increase? Is it a one-off? Or like will this be the run rate going forward?
- Arihant Bothra:** So it is practically the annual bonus as well as the arrear which has led to additional outgo in this particular quarter. When you want to see an average, then it will be an average of H1 which you need to follow.
- Moderator:** The next question comes from the line of Bobby Jay from Frunze Investments.
- Bobby Jay:** Regarding the volume growth, you mentioned that the monsoons had delayed it. But if you look at the wire and cable players like KEI and Polycab, they have shown about 15% volume growth. How is that?
- Rajesh Kothari:** Yes. So now first of all, KEI, Polycab, and there are many more companies like RR and then many more, they might have shown better growth in this season. And there might be many companies which might have seen degrowth in this quarter. We do not have an access to all the numbers of every cable company.
- But the fact remains, and it is historically, this is a fact that monsoon season is a difficult season because you do not have the cable laying activity, because cable laying activity is done in an open space and you should not have any disturbance of rain. And whenever you are making trenches, there shouldn't be water in the trenches when you are laying the cable.
- So it is a common fact known to everybody that the rainy season will have lower activity of cable laying. And this year, monsoon had been very, very severe. So this is a real impact. I really can't comment with regard to Polycab and KEI, because they are having a very big mix. They

don't do only the power cable. They do huge volume in the building wire, where the cables are being installed within the shaded areas, means indoor installations are quite high.

Bobby Jay: All right. Makes sense. Okay. The second question is, if I look at Page 22 of your slide deck, you see the utilization for XLPE and Sioplas have come down quarter-on-quarter, whereas PVC is going up. It's gone up from 82% to -- from 57% last year to 82%. So are we seeing a trend towards lower margins?

Rajesh Kothari: No, no. This again proves the point which I just conveyed to you. The PVC mostly goes for building wire application, for indoor application. That is why you might have seen the last quarter utilization for PVC remaining strong, but XLPE and Sioplas and semicons, they are mostly for power distribution application, where you have to lay the cable in the open environment. So there, you might have seen some kind of lower utilization in the second quarter.

That should pick up. So now when you compare the second half results with the first half results going forward, you will see that acceleration in the XLPE and semicons would be greater than PVC.

Bobby Jay: Okay. I understand. And you also mentioned that HFFR sales, you say were impacted by subdued demand due to effect of US tariffs. Can you expand on that? What does this really mean, because we don't directly export? Yes, please.

Rajesh Kothari: We do not export directly, but our customers, our cable makers are exporting cables to USA. So if they are not exporting cables to USA, they are not buying that particular raw material in this period. So that has impacted our demand and our sales for the second quarter.

Bobby Jay: So most of the sales for HFFR are actually going as exports, deemed exports, that is from your perspective?

Rajesh Kothari: No, no. It is deemed export. It is domestic as well. So in domestic also HFFR, major this laying is again for power distribution application and the solar application. So, solar application also goes down during the rainy season. So, these two areas have really impacted HFFR volumes.

One more point I would like to highlight that as Arihant has made in this opening comment that we have added capacity of HFFR. So we have taken a bit of shutdown also to get ready for that new machine installation of HFFR. So some output has been lost because of that as well.

Bobby Jay: Okay. I understand. But what percent is for exports in general for HFFR?

Rajesh Kothari: HFFR export is around -- say, whatever we are doing currently, around 25% is going for exports.

Arihant Bothra: Meaning, your customers are exporters?

Rajesh Kothari: Yes, yes.

Bobby Jay: I see. And also, why are you expanding capacity for PVC given its lower margins? Is there a trend towards PVC cables in the industry?

- Rajesh Kothari:** No. You might have heard that the people like Adani and UltraTech, they are adding capacity for wire and cable with a new start-up, okay? And both these companies will start their business initially with the building wire, okay? And there, the major congestion is of the PVC. And we feel that we have a great opportunity to serve the requirement. And for that, we are adding this capacity of PVC. It is just getting ready for the demand which we anticipate to come from these 2 giants, Adani and this UltraTech, both.
- Bobby Jay:** I see. It's more for them. And the last question, what is the significance of revenue per ton that you report in your slides? Isn't that driven by just raw materials mostly?
- Arihant Bothra:** Yes, you are correct, it is driven by the raw material, but as well as it is also driven by the product mix. When we move more towards the high-margin products or you can say the XLPE segment specifically, then the average always goes up. So there has been multiple discussions over different calls that we don't reflect the average revenue per ton to guide properly what is the proper realization. That is why we added this specific slide for, you can say, reference to the shareholders.
- Bobby Jay:** Even for this, what you mentioned, isn't EBITDA per ton a better indicator?
- Arihant Bothra:** Yes, we are highlighting by product mix.
- Bobby Jay:** Yes, I understand. Just I couldn't quite get the significance. For product mix, EBITDA per ton should tell the whole story, shouldn't it, your profitability?
- Arihant Bothra:** See, what happens, if you see the revenue per ton for FY '23, it was roughly INR174, driven by the higher raw material prices. But in FY '24, it came down to roughly INR145, INR146. So we grew by volume, but we didn't grow by revenue. So a lot of shareholders and investors were interested to understand why we say there is a growth, but it is not reflected.
- So that is why we specifically highlighted the revenue per ton to clearly show whether the growth is coming from increase in prices or increase in volumes. Both have been highlighted today in the presentation.
- Bobby Jay:** Thank you. That's it from me.
- Moderator:** Thank you. The next question comes from the line of Rishabh Agarwal from Suraag Capital. Please go ahead.
- Rishabh Agarwal:** Yes. So a few questions from my side. The first one was around gross margin per kg, because given that we have a pass-through model. And at a year-on-year level, we have seen a reduction of 5%, if I just compare it for this quarter. Do we see any -- is that just because of the mix change, because there is a higher contribution or rather a lower contribution of XLPE? Or are we also seeing a higher competitive intensity coming from the more MNC players?
- Arihant Bothra:** So it is more towards the product mix. And as you correctly highlighted, in this particular quarter, the XLPE has comparatively not grown or degrown by hardly some percentages, but PVC has grown. So effectively, the lower margin is higher, you can say, a percentage of the revenue. And

that is why the average gross contribution or gross margin you see is a marginal movement here and there.

So that is something which will keep on moving depending on the product mix. But on a broader side, if you see, on an annual basis, except one year where it was an exception for us, if you see the last full year and this year, the margins are more or less in the similar lines. It has not moved much, except rather if you see the year of FY '24. Rather, if I compare that with the previous years, then it has improved from there on, roughly from 85% to in the range of 81% to 82%.

Rishabh Agarwal:

The other one was, I know previous participants have also asked this question, but I want to maybe frame it in a slightly different manner. If we look at only power cable companies, which are more 33 kV, 66 kV segment, they have also reported almost like 20%, 25% volume growth at least for this quarter.

So in your estimation, maybe it is advanced supplies which might have happened in quarter 1, but do you see any market share difference, any reduction in pass-through pricing in the industry? Because I completely get it, monsoon has been high. I understand that would have had an impact on volumes. But again, thinking it more from a market share perspective, what is your sense of your change in market share over the last 2, 3 quarters?

Narrindra Suranna:

Kothari ji?

Rajesh Kothari:

See, what we hear from all our customers is that the monsoon period demand had been weak at their end. So that is a clear correlation between the performance of the cable producers who are mostly in power distribution cables and our performance. There, we are having a clear feedback from all our customers.

Additionally, our volume, a few percentage here and there, compared to all our cable customers is impacted due to this U.S. export impact. Because all Indian cable customers are not exporting to U.S.A. There are a handful of them who are exporting to U.S.A., but we are the key supplier to all of them.

So if you look at the cable fraternity, you'll find three or four or maybe five or maybe some of them are in unlisted space also, they might have reported a drop in their volume due to the lower export to U.S.A. But as a listed entity in the compounding segment who is serving their demand, we have seen the major impact on volume drop because of this deemed export to U.S.A.

Rishabh Agarwal:

And so how would you think about your market share there? Like broadly, where do you -- like at a broad level, broad strokes level, what is, according to you, your market share in XLPE segment, in PVC segment, or even at a blended level?

Rajesh Kothari:

Yes. In fact, on the PVC, we have highlighted it in past. So I would repeat those numbers again, and we remain more or less in that zone. That is that in PVC, the market share is very low. Insignificant, I would say. It is below 10%, close to 5% or 6%. Now coming to XLPE segment. XLPE segment, in the Sioplas, high voltage, medium voltage category, our market share is close to 80%. And rest of the areas, the low-voltage Sioplas, our market share is close to 50%.

Then if we come to XLPE and semicons, our market share is one-third of the market. In HFFR, our market share is close to 15% at the moment, 15% to 20% of Indian market. So this is the total overall scenario. And last quarter's numbers does not reflect any change in our market share.

Rishabh Agarwal: Just last question, accounting-wise, from my side. Other income saw an increase, and generally, we have seen you guys say that other income also mostly forms part of operating income. So any reason for other income being, this quarter, INR10.8 crores? And what was the contributor to it?

Ddev Suranna: Arihant?

Arihant Bothra: Sorry?

Rishabh Agarwal: Yes, Arihant, the question was on other income. This quarter, we reported INR10.8 crores other income and we have...

Arihant Bothra: Yes, yes. It majorly comprises of interest income and exchange gain and losses. If you see overall, our balance sheet numbers are also visible over there. We have a high amount of, you can say, deposits lying under FDs as well as mutual funds. So the return on the same is highlighted separately over there as per the requirement of Ind AS.

While this is a temporary arrangement wherein, we are parking the excess balance to keep -- between the time bridge mismatches. So this is basically because of that.

Rishabh Agarwal: Understood. Thank you. These are the questions from my side. All the very best.

Moderator: Thank you. The next question comes from the line of Bhargav from Ambit Capital. Please go ahead.

Bhargav: Thank you for the opportunity. Sir, my first question is that if we look at the volume growth in PVC, it is extremely strong, upwards of 40% on a Y-o-Y basis. Now despite such a strong volume growth, the gross profit per kg, if we exclude other income, hasn't fallen much. So it's fallen by just 6% to about INR24.5 per kg.

Does this mean that even in PVC, we are actually reporting higher gross margins in terms of per kg as compared to the past. So is there any value-added stuff in PVC, which means that going forward, even if the PVC contribution rises, the gross profit per kg at the company level may not decline much. Is that assessment correct, sir?

Rajesh Kothari: See, as in various conferences we have shared that in PVC also -- PVC or other products, where the margins are low, we are trying to do our best to improve margin wherever it is possible by introducing new product or, what you call, difficult products to be made by our competition in India. And in that process, yes, PVC demand had been very strong, and demand from building wire segment had been very strong where people demand high-performance product.

So our PVC segment also had a share -- within this PVC compound group, we had higher share from better earning products compared to the lower earning products. That is why we have not taken such a serious hit to our final EBITDA despite PVC contribution being high.

- Bhargav:** And sir, when do we start getting demand from the newer players in PVC like Adani and UltraTech? And is it fair to say that year-end, again, the margins on PVC will be better than our existing customers?
- Rajesh Kothari:** Yes. With these new two customers, they are going for building wire segment. So their requirement will be of high-end products. So definitely, the EBITDA should be better than the average of the PVC compound. And we expect the demand because we are regularly in touch with their teams.
- So what we hear from them that they should be able to start the production somewhere in the first quarter of the calendar year 2026, or the worst case, first quarter of financial year '27.
- Bhargav:** Okay. Alright. Thank you so much for the answers and all the very best.
- Moderator:** Thank you. The next question comes from the line of Jyoti Singh from LIC Mutual Fund. Please go ahead.
- Jyoti Singh:** Thank you for the opportunity. Sir, first question is in terms of your guidance, if you can give, like how do you see your margins and volumes trending .How do you see the demand...
- Moderator:** I'm sorry to interrupt you, Ms. Jyoti, but your voice is breaking in between. Can you please go to a better network area?
- Jyoti Singh:** Is it stable now?
- Moderator:** It's still breaking, ma'am.
- Arihant Bothra:** No issues. I got the question. She wants to understand the guidance for this financial year as far as the volume growth and the margin profile is concerned.
- Jyoti Singh:** And how do you see the demand visibility in your end towards the end-user industry or the capacity utilisation going ahead?
- Arihant Bothra:** Sure. So when you see the volume growth targets, definitely, we are on track. We achieved roughly 190,000 tons in the last entire financial year. And this year, we have a target to achieve somewhere in the range of 210,000 tons to 220,000 tons. That is the overall target we are focusing on.
- As far as the EBITDA margin is concerned, see, our focus and our guidance has always been categorically clear in the range of 10% to 12%. And we, with the, we can say, blessings of God are at an average of 10% plus as of now, and we hope to be in the same queue only.
- As far as the demand factor is concerned, Kothari ji already highlighted that the second quarter remains comparatively impacted quarter due to monsoon. And this year being a heavy monsoon, it has been an impact, supported by U.S. tariffs. Otherwise, there has been an increase in -- there are chances of export, which we are also impacted in this particular quarter.

But going forward, we see a very strong demand as we see the domestic strong demand in this particular quarter also. And we envisage that with the demand which is there in these 2 quarters -- expected in these 2 quarters, we'll be able to achieve our given target. So roughly, you can say we'll be able to achieve our revenue in the range of INR2,850 crores to INR2,950-odd crores and margins will be in the range of 10% to 12% of EBITDA margin.

Jyoti Singh:

Okay. Yes. That's helpful. Sir, my second question is pertaining to, means I want to understand how is the nature of your order cycle with respect to your key customers in terms of how typically do you receive orders? Is it on a spot basis, like aligned with the immediate demand, or there is a lag period?

Arihant Bothra:

Generally, ma'am, what happens -- when we are dealing with big customers who are the leaders in the industry and then there are Tier 2 as well, most of the companies give us an indicative plan for the month at the start of the month or at the end of the previous month. Now the demand flows or rather order flows every weekly basis at the spot prices.

So whenever there is a change in prices, the next prices will prevail. So it is basically a spot order, but with an order planned, you can say, production plan or you can say whatever is the lifting plan is something an indicator is being given to us. This is majorly driven for the domestic customers.

For export, again, there are 2 types of customers. One, who give us an order or a plan for a definitive period, which can be 1 month, 2 months or max 3 months, whereas there can be customers who come on spot basis also. So in both the cases, when you talk about the planning for dispatch, it happens on the basis of dispatch schedule, while in case of spot orders, the pricing is spot.

In case of the, you can say, tenure order or period order, which can be 1 month, 2 months or 3 months at max, these are having some leverage in terms of tolerance of prices, because there can be increase and decrease in the freight rates and the prices of raw material. This is how practically the pricing and the lifting happen.

Jyoti Singh:

What is the ratio in terms of your spot versus your tenure orders? Is it more on the spot basis? Or is it more on...

Arihant Bothra:

More on the spot basis. You can say roughly 75% to 80% is on spot basis.

Jyoti Singh:

Okay. Then if you can give a guidance, like you said about this year capex, what sort of capex can we expect for the next 2 years, because we are majorly into the expansion mode. So what sort of capex are we expecting for the next 2 years?

Arihant Bothra:

See, ma'am, we announced roughly INR300-odd crores a year back for the entire capex plan, and we are on track for the same. Last year, we did roughly INR50-plus-odd crores, INR55 crores to be very precise. This year, we have committed for INR110 crores, maybe we will end up doing more than that.

Next year also, we have plans of investing more than INR100-odd crores. And this is only the pure capital investment in terms of physical assets which we are talking about. All these investments will need an additional working capital margin as well, which is over and above this.

So if we are talking about a capex of roughly INR300-odd crores, you should consider that there will be a margin requirement of additional INR300-odd crores also. So overall, the investment which is flowing into the business is approximately INR500 crores to INR600-odd crores.

Jyoti Singh: Okay. And you expect your capex in terms of your original guidance of INR300 crores?

Arihant Bothra: Sorry, sorry, I missed your words. Your voice is not clear.

Jyoti Singh: Can we expect FY '27 to be a peak capex period considering your earlier announcement of INR300 crores?

Arihant Bothra: So the peak investment year will be this financial year, next financial year as far as the current capex announcement is concerned. But since we are already on the capex mode and expansion mode, once this comes to a position that these are all running and the demand is envisaged, we may plan for additional capex also.

So that is a continuing program. We are just following, you can say, a path, which we have already announced and going ahead. Once we come to a point that it is -- see, PVC was never announced earlier, but PVC has been done. So in the same manner, as soon as we see a good demand for a particular product, we may add additional capex for that as well. So that is how -- it is a continuous exercise.

Jyoti Singh: Okay. Okay. Sir, if I may put in more one question. So basically, I want to understand if we can provide a road map towards your target of achieving INR5,000 crores by FY '30 revenue basis. So if you can just give me a road map on that, what sort of growth you are expecting?

Arihant Bothra: So if you see the road map, we have already guided that roughly 14% to 15% on a CAGR basis will be growing every year. And if you see the last 3 years, we have been growing at a similar pace of 13% to 15%-odd. And we continue to maintain that. And for that, whatever capacity needs to be added or physical infrastructure needs to be built, everything in pipeline is being done. If we are required to build a brownfield site, we are building those sites. If we are required to build a greenfield site, we are not shying away from it, and we are working on it.

Jyoti Singh: Okay. Lastly, just wanted to understand how do you see your new investments pertaining to 132 kV and 210 kV? How do you see the market demand for this particular product? Do you see the market -- demand particularly coming to products beyond INR16 EBITDA per ton in terms of kg?

Arihant Bothra: See, as far as the demand is concerned, it has got a good demand. And earlier, there were only a couple of players in the country. Now the number of players are increasing year-by-year. So definitely, the requirement for the same product in India will go up. We are on track. Only we

are delayed as far as the first testing is concerned, because we want to do it with an Indian player to take it global.

We don't want to do it on a global scale and then come back to India, because it will take more time than we envisage. So we want to do it here. And as Kothari ji highlighted at the start of the call that it is planned now in the first quarter of the calendar year of 2026. And hopefully, once that is done, we will be through with our 132 cable compounds.

Now once the trial is through, we'll plan for the additional capex for that, which is already in pipeline. And once we supply the 132 kV cable compounds for a couple of years in the market, we will be working on 220 as well. So 220 as of now seems to be going ready by 2029 or '30. But 132 is something which will be visible in the next calendar year.

Jyoti Singh: Okay. Thanks a lot, sir. That was really helpful. Thanks for the detailed answer.

Arihant Bothra: Thank you.

Moderator: The next question comes from the line of Vignesh Iyer from Sequent Investments. Please go ahead.

Vignesh Iyer: Sir, my question is more on HFFR product in near term. I mean, with the extended monsoon...

Moderator: I'm sorry to interrupt you, Mr. Vignesh, but your voice is not clear. Can you speak through your handset, please?

Vignesh Iyer: Yes, I'm on handset only. Hold on for a sec. Hello. Is it better now?

Moderator: Yes, sir, you are audible.

Vignesh Iyer: Okay. So my question is more on the HFFR part of it in near term. I mean, with the extended monsoon and this quarter being the first full quarter with the 50% tariff, I mean, how has the offtake been for this product in this first half of this quarter, I mean, the 45 days, if you could give some idea about it, because there are a few players who are on the export side of it.

They have been very cautious about how things are compared to last quarter, because last quarter was more of a mix of 25% and 50% tariff, but this being entirely a 50% tariff quarter, there seems to be some slower offtake on their part. So if you could share your insight on this part?

Rajesh Kothari: Yes, let me take this question. See, on the HFFR, the volume contribution comes not only from the export -- deemed export to U.S.A., but also from the renewable energy segment in India. As we explained in the case of earlier question that installation and activity for solar installation was also low during monsoon season. That has picked up already.

And we are seeing revival of the orders to U.S.A. also. So this quarter, the statement which we are making is that we see better demand for all our products across the board and also HFFR is based on what we have seen in the last 45 days. So the demand is coming back.

- Vignesh Iyer:** Okay. I mean the question was more on the lines -- not on the -- I mean, we will eventually get your guidance for the full year, but would it be fair to say that the quarter 4 would be having the major chunk of the volume and revenue for this year and quarter 3 could be more on flattish or a bit more than what it was last year same quarter?
- Rajesh Kothari:** Three and four, both are bound to be better.
- Vignesh Iyer:** Okay. Got it, sir. That's all from my side and all the best.
- Rajesh Kothari:** Thank you.
- Moderator:** The next question comes from the line of from Deeya from Sapphire Capital. Please go ahead.
- Deeya:** Sir, I just wanted to understand what our EBITDA per ton is going to be for Q3 and Q4 going forward?
- Arihant Bothra:** See, it is very difficult to quote the EBITDA per ton immediately on this basis. But yes, as I highlighted, it depends on the product mix as well as the export and domestic mix. So on a broader sense, we can say, in this particular financial year, we have been, on an average, been above INR15,000 per ton, and we hope that it will be continued for this entire financial year.
- We initially guided for EBITDA per ton of INR14 to INR16, but you can see, as the period graduates, we are doing better. For the first quarter, we were at roughly INR15,300. And this quarter, we have closed at roughly INR15,500. So we are improving. Product mix is improving.
- And now there has been lower intensity of monsoon, no issue as far as the rains and cable laying is concerned, things will improve from here. We see it from that perspective. Though PVC mix will be added, which will drag the average EBITDA, but we don't see it is going below 15 definitely.
- Deeya:** So hopefully, we can reach like INR16,000 per ton?
- Arihant Bothra:** Maybe. Yes,
- Deeya:** And the revenue for the whole year, can we expect it to be like INR2,800 crores, INR2,900 crores, or higher than that?
- Arihant Bothra:** Yes. We have already guided for a revenue of INR2,800 to INR2,900 already for this financial year. Rather to be precise, it is in the range of INR2,850 to INR2,950. So that is the guidance for this particular financial year.
- Deeya:** And grow by another 10% to 12% for the next year?
- Arihant Bothra:** See, on CAGR basis, definitely, we'll be growing at 12% minimum to meet our targets of FY30 at INR5,000-odd crores. We are on the same track. And hopefully if you see the percentages back calculated from 5,000 crores, it is roughly coming to 12% to 13% only from today. The volume is already growing at 10-plus percentages.

Deeya: And that you said like that you can achieve like 210,000 to 220,000 for FY26?

Arihant Bothra: Yes.

Deeya: And also the INR110 crores of capex, how much have we done by now?

Arihant Bothra: So we have already committed INR90-plus for this first half.

Deeya: All right, sir. And the remaining is for us to -- you'll be either doing that or higher than that?

Arihant Bothra: Yes.

Deeya: All right, sir. Thank you and all the best.

Arihant Bothra: Thank you so much.

Moderator: Thank you. The next question comes from the line of Saket Kapoor from Kapoor & Co. Please go ahead.

Saket Kapoor: Just coming to your reply, Arihant ji, you mentioned about capex of INR90 crores that has been planned for the -- that has already been spent for the first half?

Arihant Bothra: Committed.

Saket Kapoor: Because sir in purchase of plant property balance is INR22 crores and closing balance is INR14 crores, INR15 crores?

Arihant Bothra: So commitment has been done?

Saket Kapoor: Yes, commitment has been done and we have not spent yet -- not invested as of now.

Arihant Bothra: In that partial spend and partial advance would be there and including all that INR90 crores already has been committed for this financial year. When I tell about commitment, practically, I'm talking about already the purchase order being issued to the vendors.

Saket Kapoor: Correct. Got it. Now only the process we will follow and on milestone, the payment will be made?

Arihant Bothra: Yes.

Saket Kapoor: Sir when you have told about the EBITDA pert on trajectory of INR15,500 and higher, we are also factoring the other income component into it for this quarter also, sir?

Arihant Bothra: Yes. See, other income -- for presentation we have to do it separate Saket ji, but when you see the components of the same. When I talk about interest, at one point, I'm showing that I have a higher interest cost in this particular financial quarter and at the same time, I'm showing there is a higher interest income also. That means I have to borrow from someone and I have to pass that money at mutual fund or FD level.

It is because I have to keep my limits alive, because when you see the requirement for the coming future, we are talking about INR300 crores to INR400 crores of additional working capital requirement. So if I don't keep my working capital alive, then I will be suffering from cash flow mismatches. So to ensure that everything is in line, we have to do an arbitrage from both sides.

Saket Kapoor: Okay. Earlier, Arihant ji, you have also mentioned about some annual discounts which we used to receive. And then you also mentioned that we are now going to make it more linear. So what has been the impact of that? I think some RM you get discount annually?

Arihant Bothra: That is already linear. Quarter-on-quarter basis, volatility in margins is gone completely rather in terms of the RM side. When you see the margins which were there earlier when it was a substantial movement, probably you highlight specifically financial year '24. When you compare from that year, definitely, it has sustained quarter-wise margins which are there. It is only because...

Rajesh Kumar: Arihant can I come in here?

Arihant Bothra: Please.

Rajesh Kumar: Yes. See, Saket ji, it is -- this discount distribution by the suppliers is structured. Any blip, I would say, up or down happens in 5, 7 years, one. So 2023, '24 was a year when a new supplier came in, which we explained in one of our earlier conference call. And then you have seen the loss of linearity as far as the discounts availability is concerned, but rest of the time, you will see that discounts are linear. They are being passed on quarter-on-quarter, and we account for accordingly.

Saket Kapoor: And the RM prices and the availability, currently, there is no exaggeration in any of them?

Rajesh Kumar: No.

Saket Kapoor: Sir, when we mention HFFR will be the one where we will be upping our capacity on the higher side. So taking that into account, what would be -- in the total mix, how will this product look once we up our capacity to our desired level?

Rajesh Kumar: See, Saket ji what happens when discussions is done we highlight the products which are having low base. So HFFR had a low base and to achieve that skill for that we have to see capacity addition and according to that base you will see that it is happening multiple times, but in tonnage it is not that significant.

When we say 5,000 to 25,000 it is 5 times means it is 5 times, but that is why it is only 20,000 tons, whereas in XLPE, your base is already 150,000 tons per annum, even if you add 20% then 30,000 gets added. So the mix of the entire picture revenue picture and margin picture will not change significantly.

But yes, this product is a product of future and we have to build that kill is very important. So the commentary which is there and to highlight it HFR commentary we keep in front of you.

That it is a product of future, where scaling up the capacity is very important, because market size will grow and this product significance will grow.

Saket Kapoor: And sir Arihant sir have confirmed that utilization levels have been lower for this quarter because of firstly, the monsoon impact and then the U.S. tariff. So going ahead, our averages earlier used to be in the 85%, 87%, and exit of the year, they were 81%. What should be at close of the year? I think so you gave a number 210 as a base -- 210 as a total?

Arihant Bothra: Yes and along with that many capacity will be live. So seeing the percentage will not be the right picture. It is more important to see the absolute number.

Saket Kapoor: Okay. Sir, for H2 exit, what should be our total installed capacity?

Arihant Bothra: See, by end of H2, as of now, we are saying the capacity will be in the range of roughly 270,000 plus, because PVC 25,000 will get added. HFFR 5,000 will be added. In 238 we are standing and 30 are already added. 268 we will come and then there we are working on some other capacities for XLPE and other segments also.

Saket Kapoor: Okay. But to be very precise, these will not be margin accretive products, both PVC as well as -- HFFR is also not meaning in comparable to the highest margin product, Sioplas, these two will be only dilutive in nature. So we are confident that the margins you are saying it will be maintained going ahead?

Arihant Bothra: So HFFR is not dilutive in nature, first of all, let me clarify. As far as PVC is concerned, we are adding this capacity seeing the future demand. Out of this, the capacity utilization may not be as high as we see of XLPE, because those demands are not expected to be feasible in this particular financial year. It is expected to go live in the next financial year for my customers. So definitely, the demand will not come in this particular financial year.

It will be more of the current structured products which are going into the market. As Kothari ji highlighted, we are working on a few components of specialty in PVC also and then we are working on exports also. So that are a few products which are contributing to the comparatively better margins and better product mix as far as the current product mix is concerned, as far as PVC is concerned. Going forward, since more PVC will get added, house wiring will get added, margin profile may not be as high as we see in XLPE. But in the products of PVC segment, definitely, it will make sense.

Saket Kapoor: Right, sir. And sir, this U.S. tariff part has played out into its negative impact or we have readjusted with the same, or this will have a lagging impact going forward also, because tariff issue no resolution has come yet?

Rajesh Kumar: See till the resolution is not coming till then you cannot extrapolate or you cannot project anything. But what we are trying is that US is not only exported by India and outside countries are also doing and some of our certifications have come. So on the base of those certifications, we are trying to tap the customers outside India also, who are exporting to U.S. market.

So in trial we take some time of 4 months to 6 months so we are expecting that the tariff impact in last quarter it was severe and in this quarter what we see from our customers in India that they see that the impact will be less. They are hopeful of resolution either in the duty structure or from their customers' end, or whatever way, they see some better volumes this quarter. And in the meantime, another two quarters' time or maybe one quarter's time, we'll be able to garner new customers overseas market also for this product.

Saket Kapoor: Thank you for all the answers and a very detailed investor presentation, sir. It answers many of these questions and gives a lot of insight. So good job done by the team, sir and we hope for the continuity. Thank you, sir.

Management: Thank you so much.

Moderator: Thank you. Ladies and gentlemen, as there are no further questions from the participants, I would now like to hand the conference over to the management for closing comments.

Narrindra Suranna: Yes. This is N.K. Suranna. So I thank everybody for participating in this investors conference call. And I hope that our team comprising of Mr. Kothari, Mr. Arihant Bothra and Ddev, everybody has replied to the satisfaction of all the investors and I wish everyone good luck. Thank you very much.

Moderator: Thank you. On behalf of Ddev Plastiks Industries Limited that concludes this conference. Thank you for joining us and you may now disconnect your lines. Thank you.