Registered Office / Urse Plant
Finolex Industries Limited
Gat No. 399, Village Urse, Tal.-Maval,
Dist. Pune 410 506, Maharashtra, India
CIN L40108PN1981PLC024153

Tel +91 2114 237251 / 237253
Toll Free 1800 200 3466
Fax +91 2114 237252
Email investors@finolexind.com
Web finolexpipes.com

FINOLEX
PIPES & FITTINGS

17th May, 2024

National Stock Exchange of India Limited
Manager – Listing Department
5, Exchange Plaza
Bandra-Kurla Complex
Bandra (East),
Mumbai 400051

Scrip Code: FINPIPE

BSE Limited
Manager – Listing Department
Registered Office: Floor 25
P.J.Towers
Dalal Street
Mumbai 400 001

Scrip Code: 500940

Sub: Transcript of the Investors and Analyst call (Q4 FY2023-24)

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

Dear Sir / Madam,

This is further to our intimation dated 3rd May, 2024 and in terms of the subject referred regulation, we hereby submit transcript of earnings call held on Monday, 13th May, 2024, pertaining to the quarter and year ended 31st March, 2024.

The same has also been uploaded on website of the Company under Investor's Section.

Thanking you,

Yours sincerely,

For **Finolex Industries Limited**

DAKSHINAMURTHY VISHWANATHAN IYER Digitally signed by DAKSHINAMURTHY VISHWANATHAN IYER Date: 2024.05.17 17:32:11 +05'30'

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

Encl.: As above

“Finolex Industries Limited

Q4 FY'24 Earnings Conference Call”

May 13, 2024

MANAGEMENT: **MR. AJIT VENKATARAMAN -- MANAGING DIRECTOR -- FINOLEX INDUSTRIES LIMITED**
MR. NIRAJ KEDIA -- CHIEF FINANCIAL OFFICER -- FINOLEX INDUSTRIES LIMITED

MODERATOR: **MR. SOHIL KAURA – ICICI SECURITIES.**

Moderator: Ladies and gentlemen, good day, and welcome to Finolex Industries Q4 FY '24 Conference Call hosted by ICICI Securities. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during 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 call over to Mr. Sohil Kaura from ICICI Securities. Thank you, and over to you, sir.

Sohil Kaura: Thank you. Good morning, ladies and gentlemen. On behalf of ICICI Securities, I welcome you all to the Q4 FY '24 Post-Earnings Conference Call of Finolex Industries Limited. On behalf of the management, we have Mr. Ajit Venkataraman, MD; and Mr. Niraj Kedia, CFO.

I now hand over the call to management for their opening remarks, post which we will open the forum for Q&A. Thank you, and over to you, sir.

Ajit Venkataraman: Thank you, Sohil. Good morning, ladies and gentlemen. Welcome to the investor conference call with Q4 FY '24 and FY '24 Earnings Release. We thank you all for your continued support and interest in Finolex Industries Limited. The company closed the quarter on a very strong note with over 23% growth in volumes. This also led to increased profitability for the quarter.

On a full year basis, FY '24 reported another milestone achievement of record volume growth of over 3.3 lakh tons in Pipes and Fittings segment. Let me give you some of the performance indicators.

Q4 FY '24 highlights:

Total income from operations was INR1,235.42 crores or for Q4 FY '24, up 8.27% against INR1,141.06 crores Q4 FY '23. EBITDA declined by 3.91% year-on-year to INR 208.93 crores in Q4 FY '24 compared to INR 217.43 crores, in Q4 FY '23. EBITDA margin during this quarter stood at 16.9% compared to 19.1% corresponding previous quarter Q4 FY '23. The company reported a PAT of INR161.43 crores in Q4 FY '24 against INR158.35 crores in Q4 FY '23.

Now getting into segmental performance. Pipes and Fittings segment: -

The Pipes and Fittings segment revenue increased by 7.23% year-on-year to INR1,182.18 crores in Q4 FY '24, from INR1,102.11 crores in Q4 FY '23. Volume in Pipes & Fittings segment improved significantly by 22.98% year-on-year to 100,171 metric tons in Q4 FY '24 against 81,452 metric tons in corresponding last quarter. The EBIT in Pipes and Fittings segment also increased by over 47% to INR132.81 crores in Q4 FY '24 compared to an EBIT of INR90.32 crores in Q4 FY '23.

Moving to PVC Resin segment. Revenue in Resin segment stood at INR507.48 crores in Q4 FY '24 compared to INR501.29 crores in Q4 FY '23. Volume in the Resin segment increased 19.07% to 69,215 metric tons in Q4 FY '24 against 58,132 metric tons in Q4 FY '23. EBIT in Resin segment stood at INR66.63 crores in Q4 FY '24 compared to INR117.25 crores in corresponding previous year quarter.

The company continues to have a strong balance sheet with a net cash surplus of roughly INR1,820 crores as on 31st of March '24. It is to be noted that the subsequent to 31st March 2024, that is in April 2024, the company has transferred leasehold rights of 25.27 acres of land in Chinchwad, Pune and recorded a net gain of INR416.99 crores on such transfer. This figure is not included in FY '24 profits.

Let me now leave the floor open for questions. Thank you.

Moderator: Thank you very much. The first question is from the line of Ritesh Shah from Investec. Please go ahead.

Ritesh Shah: A couple of questions. The first is for Niraj. Sir, can you highlight first on working capital days. One is inventory? Second is credit days specifically for agri and non-agri, PVC and CPVC. And the number of days, what we are looking at, is this the new normal that we should lever?

Niraj Kedia: See, on receivables, as our component of non-agri grows, the receivables days will obviously slightly go up. So this is something that you can assume to be normal going forward also. Every time on every quarter's balance sheet end date, there may be some pluses and minus depending on that day of the year. But gradually, generally speaking, this should be a normal trend in terms of receivables going forward.

In inventory, actually, there was some build-up of inventory on the resin side. So that is what is leading to the higher inventory days. But that is, I would say, not a very normal kind of phenomenon. That should normalize.

Ritesh Shah: Right. And sir, on credit base, can you quantify how much -- I would presume for agri, it would be cash and carry, on non-agri basically for PVC and CPVC, how is that in the marketplace?

Niraj Kedia: See, we don't differentiate in the credit days between PVC and CPVC. And the credit ranges from 30 to 60 days.

Ritesh Shah: That was helpful. Two questions for Ajit, sir. Sir, payout is great. Cash on books is great. If you could highlight on the incremental capex for FY '25, '26 with the end use?

Ajit Venkataraman: So the planned capex for FY '25 is INR150 crores. And we are also exploring opportunities for expansion. So that will happen as and when it certifies.

Ritesh Shah: Okay. And sir, last question for you. Since joining, you would have taken a number of initiatives properly, the strong volume growth is one of them. Can you highlight like what were the key variables that you had on your yardstick? And where do you stand on it right now?

Ajit Venkataraman: So in terms of the organization, we would like to grow in the Agri segment, which is our strength, and we are also focusing on accelerated growth in the Non-agri segment. And this is taking roots, and we are seeing that success in various urban markets, especially. And this is growing on the back of the growth in the Building & Construction segment. And that is something which we have done, and we are also focusing on projects which is resulting in growth in the Non-agri segment.

Ritesh Shah: Sir, any other variables? Anything on supply chain, manufacturing, HR, operations?

Ajit Venkataraman: We have a good set of people who are running the operations. The management team is complete. And we have taken several initiatives. We have grown in all and our focus has been mainly in the Non-agri segment. We have been rationalizing our dealers' network. We have been growing in the areas which we wanted to grow. We have also been eliminating nonperforming dealerships. And all these have resulted in very focused efforts from the organization to grow the Non-agri segment.

Niraj Kedia: Plus Ritesh just to add, some of the things that we have done probably in the last year which is noteworthy is our "Plumber loyalty program", which went live. This is something that was a gap, probably I can say, for quite a while. And it is having good traction. We are receiving very strong feedback on the cities and the market where we've launched it. So hopefully, in a year's time, we will be a widespread launch of this program across India. That is something that we should keep looking at outward.

Moderator: The next question is from the line of Praveen Sahay from Prabhudas Lilladher.

Praveen Sahay: So first one, can you give the PVC-EDC and the PVC spread numbers for a quarter and the current?

Niraj Kedia: So PVC for the quarter was $785. EDC was $358, and VCM was $650. PVC-EDC delta for the quarter was $427 and the PVC-VCM delta was $135. Today, as we speak, there is a slight improvement in PVC. PVC has been trending around $800. EDC, on the other hand, has reduced. It has gone to $320. And VCM has more or less remained stable at $660. In terms of delta, the most recent delta that I can tell you, PVC-EDC is $480 and PVC-VCM is $140.

Praveen Sahay: And one thing on the capex side. As you have mentioned that 150 odd crores of capex for this year. And if I remember, last time also you had indicated that you're evaluating the plant's location expansions as well. So any color on the geographical expansion for the company?

Ajit Venkataraman: No, this INR150 crores, which we are talking about is for incremental capacity addition and maintenance capex. Any expansion in terms of capacity will be coming in addition to this. At this point of time, we are evaluating it.

Praveen Sahay: Currently, how much capacity of Pipes and Fittings you have, end of this '24?

Ajit Venkataraman: So the total capacity we have is 470,000 metric tons, out of which the fittings will be about 48,000 metric tons.

Praveen Sahay: And also, if you can give some color on the full year. Definitely, you are not giving the fittings figure but any indicative number for a full year, how has been -- because you had commissioned the plant as well. So how has been Fitting growth rate in the financial year FY '24 in the Pipes and Fittings segment? And if you can give some indicative contribution numbers as well.

Ajit Venkataraman: See, we do not split it up. But in terms of the fitting plant, which we had installed in March of FY '23, the plant is close to near-end capacity utilization. Capacity was set up for almost 1,000

-- 900 to 1,000 metric tons per month. And we are hitting close to that. And with the improvement in Non-agri segment, we expect that the fittings' contribution to the overall revenue would grow.

Moderator: The next question is from the line of Sneha Talreja from Nuvama.

Sneha Talreja: A couple of questions from my end. Sir, firstly on channel inventory, where does this stand now? Are we still seeing some of inventory increase or decrease? Or is this at a stable level?

Ajit Venkataraman: As long as the PVC prices are stable, we expect the channel inventory to be stable as well.

Sneha Talreja: And we are not expecting any major up move in the PVC crisis, given that there is anti-dumping duty talks also on. So some flavor there would be helpful.

Ajit Venkataraman: We have to wait and watch. It's not just anti-dumping duty. It's also going to be dependent upon the Middle East situation, which has been quite volatile. So we are constantly watching -- very closely watching this situation. And let us see how this situation emerges.

Sneha Talreja: Understood, sir. Sir, secondly, what would be your FY '24 agri versus non-agri mix? And any guidances there?

Ajit Venkataraman: So it is -- the agri, non-agri mix would be in the range of about 31% Non-Agri for FY24 versus 30% in FY23. For the quarter

Sneha Talreja: Understood. And any guidance there for 1 or 2 years? Where do we see growing?

Ajit Venkataraman: Our aim is to move this to almost 50-50 in the next 3 to 4 years.

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

Udit: Yes. Sir, firstly, in terms of growth guidance for next year, how does that move?

Ajit Venkataraman: So our expectation is that the growth will be anywhere between 10% and 15%. And that is -- that will be in line with what is expected for the industry over the next 4 to 5 years.

Udit: Okay. But sir, on the rated capacity of 470,000 tons, even if you're expecting a growth of 12%, basically on volumes and that is an 80% utilization. Does the plant allow that utilization? I mean, at peak what utilization can be reached?

Ajit Venkataraman: Our plants can take some incremental capacity as well. We can add to our existing capacity. But yes, definitely, over the next 2 to 3 years, we need -- definitely need additional capacity coming in and we are evaluating it at this point of time.

Udit: Yes, right. And you have said this, are you also looking out for any inorganic growth, or this will be purely that you want to go for a different region plant itself?

Ajit Venkataraman: It will be organic growth.

Udit: Okay. So upon that any new capacity, even if you have finalized the plan, say, next quarter, coming it on stream will only be in FY '27. Is that understanding, correct? Because 18 to 20 months will be the bare minimum time you'll require.

Ajit Venkataraman: Correct. That is accurate. And it will take -- but we do have headroom in our existing, and we can add additional capacity in our existing locations as well.

Udit: Okay, sir. And sir, lastly, on PVC Resin front, is there any new domestic capacity coming up? There were some talks of some major players coming in. But what is the...

Niraj Kedia: So there are talks. We see on emulsion side, there was some capacity addition last year. But on the suspension side, nothing has come up as such. And you are right, there are media news articles which keep coming, but we don't see any major capacity coming at least this year or the next year. Not something that is immediate in our view. But if something comes up, we will all get to know.

Udit: Got it. And sir, lastly, just one question on Q4 other expenses front, we have seen a decline of 9% on Y-o-Y basis. So what was the expenditure which has come down because that has given a good push to our overall operating margins?

Niraj Kedia: See, one thing is power was down because coal rates have kind of stabilized. So power has reduced. So that is one of the reasons. These are normal business expenses. Some quarters will be slightly high, slightly low, so that is not a major such problem with that. Nothing major has happened between this year Q4 and last year Q4.

Moderator: The next question is from the line of Utkarsh Nopany from BOB Capital Markets.

Utkarsh Nopany: Sir, my first question is regarding on your pipe margin. So we have seen a sharp sequential improvement in our pipe EBIT per unit versus what we have seen that the industry leader seen slight decline in the margin on a Q-on-Q basis. Can you please explain the reason for it?

Niraj Kedia: A couple of reasons here. In our case, if you see, we have the 100,000 tons of pipe this quarter. We have never done 100,000 tons in the past. So the benefits of scale have accrued to us in this quarter. And on competition, it's better that they answer the question. But what we are seeing definitely in the market is fierce competition and even pricing actions being taken by some competition in some markets. So that may be one of the reasons why you see this difference. But in our case, as I said, one of the major reasons is the benefit of scale.

Utkarsh Nopany: Yes. Because the reason why I'm asking the competition has, in fact, posted even much higher volume growth compared to what we have posted. And for that entire industry, the margin is coming under pressure, but that is not the case for us. So what thing we have done special, which has resulted into improvement in our margin, which is not the trend for the industry.

Ajit Venkataraman: Overall utilization has improved and also, to an extent, the product mix also helps in the whole equation. If you actually look at it from an EBIT per kg perspective, we did see a significant improvement, INR11.9 per kg versus INR5.09 per kg in FY '23. And various measures in terms of improvement in plant efficiency, in terms of overall improvement in volume itself helps in the whole equation.

Utkarsh Nopany: Okay. After March quarter result, so whether we would like to revise our earlier quite a bit per unit guidance of INR10 to INR12 per kg going forward?

Niraj Kedia: We have always said we used to be INR6 to INR8, and now we're comfortable in the INR10, INR12 range and that the target is in the next 2 to 3 years, we should reach the INR14 plus mark. What happens is-- on any given year, given quarter, depending on PVC prices, some of these may impact plus if you see this number has come in a quarter, which has been very high volume, so efficiency of scale has come. So we'll not like to revise our guidance very immediately. But INR10, INR12 continues to be our guidance for near future, depending on and subject to PVC prices.

Utkarsh Nopany: Okay. And sir, lastly, on the demand front, if you can provide some color, how is the demand environment for agri price in the current June quarter and can we expect very healthy double-digit volume growth in this June quarter compared to last year because of stable present prices?

Ajit Venkataraman: Yes, you're right with stable PVC prices, our expectation is that the agri demand will be in the high single digits. And you also look at it from the Building & Construction segment, you are seeing a robust growth in that segment as well, and we expect that to be in the high teens.

Moderator: The next question is from the line of Gokul Maheshwari from Awriga Capital Advisors LLP.

Gokul Maheshwari: So my first question is, sir, if I just broadly break up the FY '24 volumes, agri would be having a low single-digit volume growth and there would be more like 25%, 30% growth in the -- something in the construction, non-agri pipe. Is the broad indications, right?

Ajit Venkataraman: So yes, it will be -- agri will be in the higher single digits. And very similarly, in non-agri, it will be in the higher teens, yes. Both will be in those range itself. We did see a drop in agri volumes especially in Q3 and which has picked up quite robustly in Q4 and continues to be in Q1.

Gokul Maheshwari: Just a confirmation on the capex, which you were sort of reviewing for the capex group. Are you planning to expand any capacity in the PVC business as well?

Ajit Venkataraman: No, not in PVC segment. Most of the incremental capacity expansion will be coming in the Pipes and Fittings segment and also maintenance budget.

Gokul Maheshwari: Could be even beyond your core region, which is -- because your current facilities are in Western part of the country. Would you be open to even look at the other regions to set up a new facility in the pipes business?

Ajit Venkataraman: Yes, we are evaluating all options.

Gokul Maheshwari: And lastly, just as a data point, could you give an indication of the volumes for the PVC business, external and internal sales from Q4 and FY '24?

Ajit Venkataraman: See, FY '25, we are expecting volumes which are more or less similar to what we had in FY '23. And it might improve a little bit based on the -- last year, we did have some supplier issues, and that resulted in non-availability of raw material. And that situation is likely to improve this year, and therefore, we are expecting a little bit better volumes this year.

Gokul Maheshwari: No. My question was on Q4...

Niraj Kedia: So this year, we have sold roughly 14,000, 15,000 tons of PVC externally, balance all we have consumed in-house. So last year, if you remember, we had sold roughly 27,000 tons outside. This year, it is half. We just sold about 14,000 tons outside, balance 180,000-odd tons we have used ourselves.

Gokul Maheshwari: Could you give the number for Q4 as well.

Niraj Kedia: Q4?

Gokul Maheshwari: Q4, yes.

Niraj Kedia: Q4 external sales will be about 6,000 tons.

Gokul Maheshwari: And lastly, just on the margin front, when you mentioned that directionally, you should be touching that INR14 kind of a number, but with more proportion of non-agri higher fitting over time, these would be the primary factors to where your margins are higher and hence directionally, your margins should move up over the next 2, 3 years? Or is there any other factor?

Ajit Venkataraman: Yes. efficiency improvement along with these factors, yes.

Moderator: The next question is from the line of Praveen Sahay from Prabhudas Lilladher.

Praveen Sahay: I'm just repeating maybe. But can you give us some indication that out of your INR150-odd crores of capex, how much is the capacity region you are looking at? Because the question is how much the better utilization -- or the maximum utilization you can go up to actually because the FY '23, we had seen the capacity utilization has gone beyond 80%. So is it possible to run at 80% of the utilization or your -- how much of the capacity you are adding will give such kind of capex?

Niraj Kedia: So Praveen, instead of getting into numbers, let me give you some qualitative inputs. So this year, we will be adding some modular capacity in couple of our plants, especially in the mother plant. So that -- see, we can easily make 110,000 and 120,000 tons in a quarter, okay?

So from a capacity side, we don't see any constraint. We don't see any issues when the demand comes. And we have been catering to the demand. During this year, as Ajit was saying, and as you also would be aware that it will be difficult to kind of set up a plan this year. But on a modular basis, we will be adding capacity during the year. If you remember, even last year, in our pipes, we added 20,000-odd tons capacity. That was just by adding the [extruders and we'll can do the same this year also.

Ajit Venkataraman: And we are also looking at replacing some of the old ones with more higher output machines. So that does help in improving the capacity in a very modular basis.

Praveen Sahay: Second question is related to the PVC Resin. Definitely I get the answer that's why the volume for external sales is lower. So the way forward, you wanted to sell nearly around 26,000, 27,000 tons of PVC Resin externally. That is what you are saying?

Niraj Kedia: So Praveen, we would like to use as much resin as possible in-house. See, there are some customers whose operations are so to say, dependent on our grade of resin for our quality of resin. So we continue with those small quantities, but incrementally going forward, we will be using our own resin more and more.

Praveen Sahay: And the last question, sir, on the inventory loss or gain for this quarter or year, if you can give.

Niraj Kedia: No, there has not been any material gain or loss this quarter at least. In September, in the third quarter, there was some inventory loss because if you remember, prices went down by INR11 right after the end of September. So that is something that will happen. But overall, if you compare this with last year, where, in fact, entire Q2 profits ate up into the Q1 profit and fully half year was almost breakeven. So compared to that, this year has not been material at all from that perspective.

Praveen Sahay: Okay. And full year if you can just -- how much is the loss?

Niraj Kedia: Difficult to ascertain in our case, given that our integrated facility. But it is not very material.

Moderator: The next question is from the line of Ritesh Shah from Investec.

Ritesh Shah: Sir, you indicated 10% to 15% volume growth as the guidance in line with the industry. So can you please elaborate on this?

Ajit Venkataraman: We expect -- as I mentioned, we expect that the Agri segment will grow in the high single digits. And the Non-agri segment will be close to 20%, which is what we are seeing. And we expect that to be the trend over the next 5 years as well, okay? And that is how we are arriving at any -- between 10% and 15% volume growth.

Ritesh Shah: Sure. And sir, INR150 crores of capex is something which will take care of the capacity. I think on the prior answer you did indicate capacity is not a constraint. Is that a fair conclusion?

Ajit Venkataraman: Yes. At the moment, yes. Looking at 2 to 3 years ahead, no. We'll need to add capacity.

Ritesh Shah: Sir, second question is, I think there was a regulatory update specifically on paste resin. I presume we have some exposure over here. Can you quantify what percentage of our resin sales volume was under the category and what sort of benefit it would actually accrue to us?

Ajit Venkataraman: Can you repeat that question? Could not hear you properly.

Ritesh Shah: So the anti-dumping duty on PVC paste resin, I think it got notified recently. I presume they would have some exposure over there?

Niraj Kedia: So we make a very small quantity of emulsion grade PVC. This year, we made roughly 6,000 to 7,000 tons. It's a very small part of our business. Even historically, we have been making 8,000 to 10,000, 12,000 tons of EPVC. It is a different product. It is not used in pipes. It is used in some of the other industries like leatherette and medical equipment and all of that.

So there is an anti-dumping duty which has been notified recently. It used to be there earlier, Ritesh. And some years ago, it was taken away and now it has been reimposed. So on us, it does not have a material impact because our volume of EPVC is very, very low.

Ritesh Shah: Sure. That's useful. And last question on new launches. We see competition actually talk about OPVC as well as PERT, any particular thoughts on why we are not into these particular segments? Or do we have any intention to get into the segments?

Ajit Venkataraman: At the moment, we are just observing and evaluating these new products. The PVC demand is robust enough to us -- for us to focus at the PVC segment at the moment for us for Finolex.

Ritesh Shah: So we are not even looking at HDPE as a category?

Ajit Venkataraman: No.

Ritesh Shah: Okay. So no diversification basically from a polymer standpoint outside of PVC, would that be fair?

Ajit Venkataraman: That's right.

Moderator: The next question is from the line of Saket Kapoor from Kapoor Co.

Saket Kapoor: You alluded to the point of talks of setting up of the PVC complex by two of India's largest corporates. So sir, as we know the complexities of the same setting of a big project, and can you allude to the point why there are only talks, when -- what could be the key reason when we are importing PVC, we are import-dependent and we are unable to set up projects, and these are only on drawing boards. What could be the key reason why this has been the case for a very long time?

Niraj Kedia: It is a very theoretic and subjective topic that you have raised. And we may not be right people to answer this. But just to speak my mind on it. See, resin is also a very volatile business. Yes, India is dependent on resin and all of that is true. But commodity business is very volatile. The reason that we are also not expanding on the resin segment is because it is highly volatile. And in global market, the feedstock availability can become a challenge at times. So we can speak about ourselves. About others, I don't know. But these should be the main reasons.

Ajit Venkataraman: If all the feedstock is imported.

Saket Kapoor: Right. It is the integration part. Just to dwell on it, the big major petrochemical giants. Are they also in the same page as we are, or they have an edge over setting up a big PVC complex?

Niraj Kedia: We have -- we a small player in that parlance. So our problems are very small and different than some of the large players. And it may not be right for us to comment on their strategy.

Saket Kapoor: One more point on the chlorine requirements, sir. Correct me here, sir, what is our annual chlorine requirement and...

Niraj Kedia: No, we don't buy chlorine.

Saket Kapoor: Okay. So in that case, we are not in that value chain?

Niraj Kedia: Sir, we buy EDC, which is ethylene dichloride chloride, and we buy VCM, vinyl chloride monomers. We don't buy chlorine. So we convert EDC and VCM both into PVC.

Moderator: The next question is from the line of Hemang from Anvil Wealth Management.

Hemang: Congratulations on a great set of volume growth in PVC pipes. Sir, my question is on PVC capacity expansion. So are we planning for current year, like in FY '25 because we are running at 100% for the new plant, what we had set up in last year?

Ajit Venkataraman: No, no, we have a total capacity of 48,000 and we are approximately about 65% to 70% utilization. So we still do have capacity.

Niraj Kedia: Our factory that we set up in '23, March. That still has space to add more machines. So whenever if in the next 2 years or odd, when we are reaching a 75%, 80%, 85% of the capacity utilization, it's just a matter of adding machines. So the whole setup is there to add more machines there itself.

Hemang: And what was the breakup of agri, non-agri in fourth quarter -- in the current quarter?

Niraj Kedia: It was 71-29.

Hemang: Okay. And on the EDC side, have we shored up the EDC this time or we are transporting through the tankers from the port?

Niraj Kedia: So we have showed up some -- and some like last 2, 3 years, we have kept it open, and we'll be buying on during the monsoon.

Hemang: Okay. That is about 50% of requirement or how the split would be?

Niraj Kedia: The number I did not often in my head, but some part of our requirement we'll be buying during monsoon.

Moderator: The next question is from the line of Praveen Sahay from Prabhudas Lilladher.

Praveen Sahay: Sir, one clarification. 70% of the agri in volume terms, you said for a quarter or a value term?

Niraj Kedia: Volume terms.

Praveen Sahay: And how much is the value term?

Niraj Kedia: Value generally, we don't disclose.

Praveen Sahay: Okay. And one on the land sales. So you had 35 acresandsold 25 acres of land. So you still left with around 10 acres?

Niraj Kedia: Yes. Some 10-odd acres is left with us.

Praveen Sahay: Okay. Okay. And this time is that the sale value has increased drastically from the last time? Is it right sir? Or else some land...

Niraj Kedia: There is an improvement. See, we sold 35 acres, and we made a net gain of roughly INR376 crores then. And now on these 25 acres, we have made roughly INR417 crores. So definitely, there is an improvement. In the last 2 years, overall, if you see property prices in and around Pune have gone up. And this place where we had our office, that has also kind of improved -- the real estate rates have gone up there also.

Praveen Sahay: Any indication for this -- is that in the process?

Niraj Kedia: See, nothing as of now. But to add this was a large noncore asset that we had. And that's why the Board had asked us to kind of get rid of it. Now with these 10 acres, the problem is not so big. Or I would say -- it is not that large of a non-core asset.

Moderator: The next question is from the line of Karan Bhatelia from Asian Market Securities.

Karan Bhatelia: Sir, is it with respect to no addition to our SKU base and net dealer addition for the current year?

Ajit Venkataraman: The SKU, we have more or less same and we keep adding wherever there is a gap, but our product basket is more or less complete, yes. And in terms of dealers, we have approximately 900 dealers in our network. And we continue to add to the number. And we have approximately 24,000 retailers in our network. This is something which is going to go up and down depending upon the dealer performance as well. So we do add, and we do remove as well. So it's a combination of both. Yes.

Karan Bhatelia: And how has been the CPVC growth for us in FY '24. We've seen strong price cuts in the market. So how are we paid? I know that we've stopped giving volume numbers, but can you give '24 volume numbers as a whole?

Niraj Kedia: It is more or less in line. The growth in CPVC is more or less in line with the non-agri growth.

Moderator: The next question is from the line of Ravi Mehta from Deep Financial.

Ravi Mehta: Most of the questions are answered, just a small bookkeeping one. I wanted this mix of agri, non-agri. What was it last year?

Ajit Venkataraman: Last year, it was about 70-30.

Ravi Mehta: Okay. The mix you are saying.

Ajit Venkataraman: Can you repeat the question again?

Ravi Mehta: No, I'm saying this agri, non-agri mix of 70-30 in Q4. What was it last year, Q4?

Ajit Venkataraman: Last year Q4 was 69-31. And this quarter it has been 71-20. On a full year basis, FY23 was 70:30 and FY24 is 69:31.

Moderator: Mr. Ravi, does that answer your question?

Ravi: Yes.

Moderator: The next question is from the line of Nikhil Agrawal from Vt Capital.

Nikhil Agrawal: I wanted to know, like Q1 is normally a good quarter for the Agri segment. Are we seeing any slowdown because of the elections or anything?

Niraj Kedia: Not really. See, except in those weeks or in those days when there are active elections, we have not seen as such a major impact of elections on our volumes, markets have been strong.

Nikhil Agrawal: Okay. So are we expecting 20% plus volume growth in the Pipes and Fittings segment in Q1 as well?

Niraj Kedia: 20%, we'll get to know when the quarter ends. But overall, demand scenario is good. Overall, the demand pull is there, both in agri also and non-agri also.

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

Ajit Venkataraman: Thank you all for attending the call today. If you have any further questions, feel free to get in touch with us, and have a wonderful day. Thank you.

Niraj Kedia: Thank you.

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