

Astral Analyst Meet,2026

20th May,2026

Mr. Sandeep Engineer Speaks

I exactly remember this is my 20th analyst meet. So, 20 years have passed since we have been coming and meeting you and one person is not present who was present for 19 of my analysts meet Mr. Kejriwal Sahab. He always used to sit in the first row and ask the first question. So, I am missing his presence in this meeting. So exactly those 20 years when we got first listed and when we see this journey I will be talking a little bit on now I have little political speech like speeches. So I'll be speaking about more our vision, our journey, where we changed our roots, why we acquired certain companies and what are our future thought process of these acquisitions numbers sahab will talk business on pipe and faucets Kairav will talk so first when we were just a 50 crores company and when we first got listed and when we were in the first of the analyst meet and then the journey of Astral started with a new story in the plumbing in history. first to bring CPVC, first to bring PVC lead free and first to do many many things and still first to do many things in the coming years and exactly at the that level Kairav has just entered the college and my younger son Saumya was in the 10th and today they both are in business. He's more than 13 to 14 years. He's more 10 years in the business and taking care of things assisting me and Hiranand has been even more than them in this business in my whole journey together. One thing I would like to tell you is Saumya is was going to present and remain present give a presentation on adhesive and paints and remain present but he has a viral fever from last two days. So he had to drop out at the last moment. But if some of you want to meet him after first quarter, we would be happy to come to Mumbai and have one to one meeting with you in his presence on the plans he has for adhesive and Paints and how he runs that business.

So, when we came in CPVC in our journey with at that time of Godrej and then Lubrizol there were a moment when the whole market also supported me and took my first key decision was to leave Lubrizol and start our own CPVC pro product line. It was a great decision when I think today and go backward. But at the same time at that moment the market had questions that how could you leave a global giant in CPC and go and start your own product and when at that time that product was 70 to 80% revenue giver of estimate took that bold decision we succeeded and today we are the first piping company in CPVC globally to go backward and make our own CPVC. Now today also there are questions in the market. We answered a few in our meetings that are you sure of your technology because there are a lot of things we have in my 25 years of Astral more than 25 and especially the 20 years with the market the highest headwinds have come to us and when we are doing something different we have more headwinds because our competitor or our other manufacturer comes and briefs that Astral will not have the technology, will not make the product stable, will not be able to deliver, will not be able to make CPVC. But let me clarify that CPVC R&D started four years back exactly 3 years back. We have tried all the regimes of the world to make

CPVC. We succeeded, we failed, we succeeded, we failed. We are not magicians but we kept on doing our R & D at a pilot plant. At undisclosed location we put up this plant. Very few people had the access to this plant and the whole project went on and we stabilized the product of CPVC. We used it in tons and we have marketed the same product to the market using our own CPVC from the pilot plant. Today if you see the facilities to test CPVC or a polymer Astral as a state-of-the-art QC at its Santej plant which is equal to any big polymer manufacturers of the globe because when you make a resin or a polymer the key factor of a polymer is its stability on the long-term pressure test and these are the machines which give you all these reports and results. So, when we even made our own compound using the Japanese CPVC, we made we assure that we give the best of the best pipe equal to the global giants cup compound. So, we could make the plumbing products equal or better than that. We make the industrial CPVC equal or better than that. And we were the first one in India and a few in global level who made their own compound of fire protection and and got all the international approvals for that compound which then we converted into pipes. The pipes got all the international approvals and then we made the fittings. fittings got all the international approvals and today Astral as every product used in fire application internationally UL certified our brass fittings took almost 10 years to be certified by the UL for the use of fire sprinkler. So in this journey we had lot of these ups and downs in our polymer business. When it comes to new products and the the vision which we have now for 2050, I would not go into all these new products which have been developed in last two to three years and now which are with the market because Kairav is going to speak on it in depth. But one thing I would like to proudly say is we have brought a revolution in many of these products which are used in water. water why I'm saying water is that it's the building industry which has water is the sewage industry which has water is the recharge of wells which has water treatment of waste is also water and we are now also coming in products where you have subsurface drainages we'll be the biggest in that and we have water recharge products also coming in a short time so when it comes to the subject water we have gone most much deeper in it. And if you see there were people who were before us 20 years 25 years none of them had revolutionized the plumbing industry with the modern products and with the latest products and had kept on developing the products at new level which suits India which suits Indian market which suits in the pricing level where India needs it and which suits how the engine plumber or applicator can use it. So all these products are under development are developed or are under the production level. We have a very state-of-the-art product just introduced and which is actually developed jointly by us with the vision at Al- Aziz. There are PPP products taking over high-rise buildings today in India. Companies from Europe are coming selling this product and even giving the advice of laying the products. We have never copied that product. We have first time in the globe developed this product which suits how Indian plumber can use it very easily. And by just giving him a proper training, we don't have to go next time and supervise the site. But consultant and plumber both can easily subscribe and use. So this is a state-of-the-art product just launched in the market and it is a global patent which now Astral holds. In this journey when we are continuously developing plants, putting capacities, putting new products, we also ventured into acquiring adhesive company 13 years back. And this 13 years back the same question came to us. Why you are today is the

same question. Why paint? Why paint? Why paint? Why paint? Why adhesive? Why adhesive? Why adhesive? Multiple questions were asked but at that time I respect a few foreign investors who were with us. A Mitenbhai I cannot forget he's there from the very first meet with us. Sorry Miten Bhai. So, a few foreign investors came and gave us the strength that this is the right thing. You go ahead, we are with you because you must have some diversification and it's a good call which you have taken because there's nobody there at level two in this business and you have the chance of keep growing in this business. So, adhesive joined us we kept on working on it, kept on developing it and Hiranand bhai will share the slides that Saumya has prepared. What is our vision there? But I'll give you two vision statements there. We have always been growing in adhesive. We have lot of headwinds there also. But we are working like our pipe polymer business to go backward in this business and lot of work has been done at the right moment. In this year we'll be sharing all these things as they materialize and going backward two step steps three steps four steps level we will be also adding the margins and we will be self-sufficient and not dependent on the imports or not dependent on buying from somebody and this all homework is going on at a very high level at our R&D centers. So wherever we are in the business we are deeply involved and working on it. Now when you go in the adhesive business when we bought it was a six seven Percent EBITDA business and in multiple or two or three years we had kept on promising that we'll get into double digit and we delivered that. In between we had some tough times also. We made certain mistakes in our networking, in our selling patterns, in doing a Varun Dhawan pre we were very early for that but one campaign and in those same years we had a deep also here in the margins and I remember at that time also we were very transparent and conveyed every investor, every market, every analyst that these are the things and you give us three quarters, four quarters, five quarters and things would be back to normal. So, my idea before this is that we have always been very very transparent in our way of working, communicating and not over delivering or not overcommitting also. And today adhesive is growing at a good pace. The vision is to touch 2000 as fast as we can and we are sure that in next 3 to four years we'll be touching 2000 plus in Indian revenue not UK will be separate. Secondly UK had its own issues. We had been communicating our promoter who was with us cashed out most of it and then there was a bit of mismanagement done but as we committed in last two calls UK is back on track. It is in positive EBITDA from last two quarters. This quarter it is excellently doing well. The US is also last four months giving a very good result on sale and bottom line. So, this year UK business will be growing giving 8 to 10% plus EBITDA and at the same time adding more products and technology to the portfolio. Faucets I think Kairav will discuss much detail but one thing I would say that faucet is growing at 25 to 30%. Faucet we are establishing ourselves. All ourselves are going to actually projects. We have a huge order book of projects and we are much on track in delivering growth in this segment and it is giving a good brand extension to Astral. Paints had two rationals. One rational was Paints goes with construction chemicals and this is the first year after our acquisition of Resinova we have crossed 100 crores in construction chemicals and around 40 crores plus has come from the paint segment distributors dealers and painters but that rational is working. Our focus this year in paint is delivering a top line which has happened. We had a few corrections because our promoter who was with us was there with us in last

fiscal up till the middle of the fiscal. A lot of decisions on the south were in his he and his team were taking. So that also we have taken over. We have added new pockets Gujarat, Rajasthan part of Maharashtra and slowly opening part of MP. So there also we had depots, stocks and many of these costs were added which now we know we are in control. We will be in control and we will be actually delivering a growth number and we are targeting to reach 1,000 crores in next 3 to four years and even cross that. So that's our focus area of paints to deliver a growth as fast as we can and that is happening actually and to be EBITDA positive and paint is something is similar which gives us pains. It gives us pains in discussion it gives us paints equally in seeing how to grow it. The similar pains we took in past when we changed the CPVC from a reputed compound supplier to our own. We had taken enough paints. We had taken paints in launching and delivering in our adhesive business and we committed and we grew and we have taken enough paints and going more deeper in faucets and we are here also very consciously understanding and moving forward. So my submission is that as a promoter you may not be wrong in your angles of seeing numbers bottom line growth non-growth everything because Kairav goes in deep and explains me okay you have to see this you have to see this and I say I see as a promoter I see the future after five years and I see the future after 10 years. So as a promoter we are understanding to keep Astral a float and keep all the Astral businesses at float and we are having a vision in five years where Astral should reach in every business in its all its commitment and keep the growth process on and at the same time we also are not looking at any other segments now than whatever the four segments we are in. And then lastly the water tank also is giving good business growing at a very fast pace and I think Kairav will talk on that also. So thank you everyone to be with us. I think the screen is quite big and looks like a big function but I assure you that the journey of Astral will continue at the same pace with same confidence and the same future perspectives as it has happened over the 20 years of Astral's journey with this market and almost 27 years since it inception. So thank you very much all of you. Thank you.

Mr. Kairav Engineer Speaks

Good afternoon, everyone. So basically I'm going to talk about something that we have developed internally that is known as vision 2050. Now what is vision 2050 is basically we are going to talk about you know products that are first in India relatively low competition predominantly imported and sold in India and products that have a good future considering how the Indian construction industry is evolving especially in the metros and the tier one cities. So, these are some of the products I'm going to cover. So in in the water business in piping and bathware basically in piping side we've launched eight products largely eight products are in active R&D. we are focusing on PP drainage systems, advanced plumbing which is the PEX aluminium PEX composite pipes infrastructure products like HDP along with our Al- Aziz fittings EF drain which is electrofusion drainage system HDP drainage system we are also going to focus on CPC backward integration this year um export momentum because we've launched these products export momentum has been really good for us. we've doubled our export volumes YoY and we now export to 40 odd countries. we have the highest quality certifications amongst any piping player in the country. We have more than 70 QC certifications and we have the largest product portfolio as of today in the

pipingside with more than 56 products. On the bathware side, we are growing at 25-30% sort of CAGR. quality has been proven. We've had no major complaints, no material return from the market. repeat demand is there. Brand acceptance is growing. We'll focus more on brand activities for this product once we reach a certain scale. We have more than 100 exclusive stores nationwide now that focus on selling our bathware product. project pipeline is more than 100 crores as of today and we have three new premium items that we launched this year that I'm going to cover. So when I talk about vision 2050 what I want to largely talk about is the shift of polymer from vinyl chlorides to polyolefins. It does not mean that vinyl chlorides are going to go away. Vinyl chlorides form a massive chunk of the market and are more affordable and will continue to remain. But considering the fact that you know plumbing requirements are changing especially in high rises new systems are coming up. So from your standard SWR pipes the shift is happening to the PP drainage pipes. for that we have three drainage systems. Now we have silencio drain pro and SWR pro. Then for your conventional infrastructure systems especially in water supply uh it's moving from metal to HDPE and OPVC systems and your concealed plumbing. CPVC is not going anywhere but there's a lot of consultants who are recommending the use of PEX composite pipes in the concealed plumbing side. So why we feel that you know PP drainage will be the next game changer for Astral? First of all, all PP products have a certain acoustic performance as compared to PVC. They have active noise dampening properties. Then PP can handle hot water up to 90° whereas PVC can only handle up to 60°. PP products have a larger life structural longevity as compared to PVC almost double and impact strength of a polypropylene drainage pipe is four times that of PVC pipe. So the breakage at sites or the breakage in transport is a lot less and this war is a one-off scenario but overall PP remains stable when it comes to pricing as compared to PVC. So it's at the project level it is very widely accepted because the price changes are infrequent and we can give a price support to a project for you know 12 month validity or 15 month validity also and the dealers distributors are also liking to stock this product because they know that the volatility is not there. So even if they're keeping 10 lakhs 15 lakhs 20 lakhs of extra material they're not going to face any losses. So these are the three products that we have for our PP drainage. Silencio is our oldest product uh which is 1.9 density product. it is largely it is a high-spec product. It is mainly used for cast iron pipe replacement in buildings. Then we have drain pro which is our mid-tier product 1.4 density. it is also a three-layer PP pipe. slightly more affordable than uh Silencio also widely used in projects and the lowspec product which is SWR Pro is 1.1 density PV piping system and it has been designed keeping in mind that we want to make this a retail product so we are thinking of replacing you know the traditional PVC SWR pipes that are being sold in the retail market with our SWR Pro pipes which are the PPSWR pipes. So that product has been designed specifically keeping the retail trade in mind. So when we talk about innovations, we've got in PP drainage, we got three products. in the plumbing, we've got the PEX aluminum PEX product. our PEX line is one of the most advanced lines in India. we just got the machines in last week and uh by September we should be up and running. The line should be in production. It's a fully automated line, very high speeded line and a single line can take care of about 350 to 400 odd crores of top line. On the infrastructure side, we've got OPVC, we've got HDPE along with our AI- Aziz presto fittings. We've got

channel drains under the brand name of channel pro. And then we've got power drain which is our subsurface drainage system. We are one of the largest subsurface drainage system providers in India. And this particular system has been installed in a lot of landmark stadiums as well like Dharamshala stadium has it for ground drainage. The Narendra Modi stadium in Ahmedabad has it for ground drainage. It's also used in projects where you know you have a very high water table. So it's also used there in case of any leaks or any water or moisture coming into the basement side. And lastly on the fire side we've got Fire Pro which is again our old product but it's getting massive traction now. Last year we've doubled our sale in fire pipes and we are looking to double that sale this year as well. So acceptance has come in all the certifications are in place and fire pipes are also now picking up traction. These are these are the two products that we are very bullish on. One is the EF drain product which is the electrofusion drainage system which competes directly with the gabit system that is being sold in uh metros right now and we've had we've had some innovations done on the fitting side. We've got patents applied for it. we are India's first and globe's first for this particular system the way we've designed it especially on the fitting side and PEX again not many local players have PEX except for a couple of them no one makes PEX aluminum PEX in India so we've got an early mover advantage with our PEX piping system as well these are the latest site photos of our CPVC And structures are coming up, machineries have been ordered, machineries have also started arriving in. I think Hiranand Bhai and by I think we should be installed. Everything should be installed around September. By December. Yeah. So by December trials will start. So like I said 70 plus quality certifications 56 products eight products in R&D. So we've got we've got a lot of things in the pipeline lot of innovations coming up and that is the reason why we've expanded our distribution last year and the year before that. Last year itself we've added 20% more channel partners which has been the largest increase. We've been taking channel partners from all of our competitors only on the fact that you know we are innovating at a pace which our competitors aren't and the distributors are well aware that if they want to sustain in this changing environment especially with these new technologies coming in they have to align with brands that are ready to provide this to them. So we've added 300 new distributors last year, 7,000 retailers, 100 plus geographies we covered which were not under the coverage of our network. So 20% channel partner growth like I said export volumes have been doubled by YOY export now exporting to more than 40 plus countries. We've got a local office also in the UAE now and we've been actively participating in a lot of prestigious international shows. We we're doing last year we did ISSH Frankfurt, big five Dubai, Big Five Saudi, Big Five South Africa. This year we did if in Munich a couple of weeks back and we'll be doing a lot more of these exhibitions this year as well. One more innovation that we did last year we had a we did our R&D and then we've set up a system and an app where we're printing two unique codes on every pipe on every CPC pipe that can be verified at the market level by a layman to ensure whether this is a real product or a counterfeit product. And not only does it show whether it's a real product or a counterfeit product, but it also shows the batch number, which plant it was manufactured and from which distributor the materials came. So it makes us very it makes it very easy for us to track you know any sort of product complaints also any sort of market infringement between our distributors, any sort of territorial infringement

very easy for us to track. So this is something which none of our competitors have. it took us about two two and a half years to develop this but it's been running successfully. Now like I said on the bathware side we've got 25% uh channel partner growth. 80 new distributors have been added about two and a half thousand new retailers. We've expanded into 375 geographies that we are not present in. we've added three new premium products that are on display. and we've got about 100 crores of orders in the project pipeline. We just recently in April upgraded to SAP HANA and because of that these are some of the innovations that we're bringing in for our channel partners as well. we bringing in a net price transparency. we bringing in a portal sync from 4 hours to 15 minutes. So suppose a distributor earlier used to transfer the money the payment used to take some time to be reflected and then once it got reflected into the system you know he would be able to place the order accordingly. So now we are reducing that lead time. We're also giving we are going to be the first company in our segment to give a realtime stock detail to our distributors. So a distributor can now see whether my factory has one lakh elbows or two lakh complings before he takes a big project order. If he has some urgent requirement, he can check at his end and tell the project people that you know he would be able to supply or it would take some time for him to supply. We are also doing live order tracking. and we are also doing we are also increasing the time to process credit notes to our distributors. So, the faster we process credit notes, the better it is for our channel partners. And within our loyalty program app, we are adding uh QR code style redemption instead of a manual entry. We are improving the redemption time. we are giving a realtime DMS visibility to our partners and we're also upgrading our ALP portal and the app. So we're trying to make it more user friendly. Trying to add some more localized schemes something we can tweak at a local level. If you want to give some bonus during say Durga Puja in West Bengal or during Ganesh in Bombay you know we can tweak schemes and promotions accordingly. So large! this is what we are focusing on innovation backward integration expansion for the export geographies distribution depth and we're focusing on continuing the momentum that we've built up on the bathware site I think that that covers my presentation.

Mr. Hiranand Savlani Speaks

Hey, good afternoon everyone. So this presentation actually belongs to Saumya but unfortunately Saumya is suffering from the viral infection. So he communicated today morning that you have to do this presentation. So I might be missing something which his vision was there for the chemical division of Astral on this adhesive and the paint business. So, so far we have seen that we started our journey with the plumbing. So, our first focus was to the plumbing side of the business and then we started the second inning that is the our building the chemical division. We started with adhesive and the sealants and then we enter into the paints business. So last decade you are seeing the consistently we are delivering the double-digit growth in the adhesive and the sealant business including UK and the India both put together in fact India CAGAR will be more than 15%. That is because of UK our we have written a double digit otherwise the India operation is doing much much better than what it delivered all put together. We have introduced multiple categories into that. We started with the silicons epoxy and then building chemical this true build products and then multiple new products we

introduced into this adhesive category. Today we are working close to about nine different different chemistry. Then we started with this M&A activity also we acquire this Seal IT and the Gem paints. So make it a complete portfolio of our adhesive and sealants and the paint will all put together. So now our focus is to expand the more geographies. So now we have entered into the Middle East market and you'll be surprised to know that today in the Middle East market also our products are selling on online portal also as well offline also. So we operated lot of distributors over there in Dubai and the neighboring UAE cities and they are selling our adhesive products and not only that but we have started focusing on the R&D side also and now to the backward integrations also. Shortly we are going to enter into the lot of products which are backward integration. Particularly in UK we have acquired one technology from Switzerland and there we are focusing onto the hybrid sealant and all and that raw material into the backward integration which are going to help us to the new technology as well as better products what is available in the market at least in Indian market very few products are available. So that is going to be unlocked shortly in India. So far we have not introduced these products into the Indian market but we are going to shortly open up into that also. So our focus will be on R&D manufacturing and the distribution side. All put together we are targeting into that division. So you all know that India is continuously growing into this segment and this segment is the flagship segment and very few credential players are there which are into B2C kind of businesses and in which our businesses are there. So we have a high high expectation into that. So we have a different different vertical like we are into the construction cycle also we are into high performance material side also we are into repair and renovations also and similarly into adhesive and the sealant segment. So these are the four different different vertical in which are that that is covering most of the geographies in which our focus is there how we are driving to growth into this categories. So first is the brand equity. We all know that the Astral brand is very well-known brand in the country. I need not to say but we have got multiple awards for the best quality brand, best brand of the India, best fast growing brand of the India, multiple awards, national branding. So that loyalty is going to help to grow this chemical business also. So that is what we are banging on and we are trying to see that how best way we can engage the brand equity of Astral to this business vertical and grow this business vertical. So we are adding up the specialized divisions into that multiple divisions we are targeting into this and which will come into the later slides. So I'm not discussing now and then the backward integration which I said that now we are giving more and more focus into the backward integration because we also know that in future also any challenges will come if you are into the backward side of the business your margins will be protected and your growth will be assured and that is what we are targeting into the CPVC also that is what Sandeep bhai discussed in detail so I'm not going to discuss much and same philosophy we are working into the chemical divisions also and we are focusing into the backward integration digital that is the future of India. Everyone is talking about AI and all. So we have already started working on that. We have spend a sizable money into the digitalization for all our vertical. It is not restricted to chemical but what Kariav discussed into the piping vertical also. So we are spending lot of money into the digitalization. So more and more transparency will be there. You will be surprised to know Astral is the first company I can say the fastest company in the country which

is giving and processing the credit note for the distributor. If you ask any pipe company that normal timeline of credit note will be 3 month, four month, 5 months many time for different different schemes quarterly scheme monthly scheme maybe a specific event schemes also. But we are the company which is giving the fastest credit note to our distributor because we understand that for any distributor the working capital is the key. If they are not getting the right working capital they can't grow. So we always take care of our partner and we are trying to see that whatever best we can help them out so that they can should not face any problem into the working capital and that is why this technology play very very important role. So backward integration this digital side we have just recently completed the implementation of HANA. So there we have spend a lot money and which is the highest version of SAP that we have recently implemented. of course any any new software challenging time will be there for the beginning of the period. So we are also having lot of think problem at the beginning of the journey but we are confident by June everything will be set and all distributor will be up and live and they can take the advantage of this digitalization. Plus M&A side activity will continue and in the coming time also we, will be doing that kind of activity. If we get a good opportunity or right opportunity at a right valuation we are always ready to take and grab that opportunity. These are the scale from where we started our journey in 2014 and today you can see the scale what we have achieved in this chemical division. So we have a more than 3,000 distributor. When we acquired Resinova, we were hardly 200 distributor. So today we are having the corpus of 3,000 distributor working across the country. More than two lakh retailer which is a huge number which is a huge number in a span of 10 years or 12 year more than 70,000 active professionals are associated with our ecosystem and we are having 34 warehouses and continuously which we discussed we are growing at a double digit mark and we are having the highest certification of our plan which is the giving the confidence of the customer or maybe you can say the dealer distributor that we are having the highest certification of our product or plant. So, ISO 9,0001 14,0001 45,0001 all this certification we are having for our all the chemical products. So, 1996 to 2014 was the plumbing era where the focus was on the plumbing side of the business. 2014 to 2024 was the diversification into the chemical division. It may be a sealant, adhesive and the you can say paint and now we can proudly say that our platform is ready. Now we are going to take a big leap from here on and you will see in the coming next 3 to 5 year our this chemical division is going to give you a one of the fantastic growth which we have originally planned but you know any any new acquisition or any new vertical take its own time to set the platform but now we can say that we are ready to take a next level of leap and which you will be seeing in the coming times in the coming quarter or coming years the numbers will be reflected into that all these presentations are available on our website. So do you need not to worry you need not to take photographs all are available on our website as well as stock exchange website. So we are going to shortly put up that might be my team have already uploaded on the website. So these are the main focus area into you can say adhesive and the sealant side. The first is the bonding and the gap filling. Secondly is the waterproofing. Waterproofing is the area which is growing very fast in our country and that is where our focus has increased and you can see the product here live also. And then tiling and flooring that is also the fast growing product in the country which

is moving very very fast at a very very rapid speed. It is growing coating and finisher and then the plumbing and drainage because we are selling lot of solvent into our chemical division also. Beside what we are selling into the piping division also because pipe division is also selling the solvent for joining the pipes. Here we are selling the solvent and epoxy for the joining purpose and repair and DIY. So these are the broader category in which we are right now there this is the snapshot where you can see clearly that these are the 15 place in your home every home I can say or every building whether it is a hotel whether it is a hospital whether it is a home whether is a you can say villa or flat everywhere these kind of products are required. So these are the 15 categories of product where it is going to be used. We have put up in 3D picture whereby you can see that where these products are going to be applied.

Mr. Kairav Engineer Speaks

I'll just a lot a lot of you are taking pictures and writing stuff down but don't worry we'll upload this.

Mr. Hiranand Savlani Speaks

Yeah that is what I said that we already upload. So don't worry for because picture may not be coming right also but you can download from our website. So now we have taken a further one step ahead because end of the day you know initial journey will be a different level of journey and once you reach at a certain scale the brand play its role and that is where the role of the brand ambassador comes. So we are happy to say that we recently appointed Mr. Ranbir Kapoor is our brand ambassador for our bond tide brand and I'm sure you must have seen the film of uh which we have recently released with for white glue. So and that is how we are targeting to reach to the now end user. So far major chunk contributor were the intermediary maybe distributor maybe dealer or maybe influencer. Now our target is to reach to the direct consumer. That is why we have signed Mr. Ranbir Kapoor for our branding activity and that is what one of the expenditure which we spent 16 crores Rupees in last quarter. That is why you might be many people were worried about what happened to the margins of adhesive. Actually nothing has happened that is of one of the special event we did that is why we spend 16 crores Rupees. Secondly, we are seeing the big bang expansion is going to come into our this waterproofing side that that is the fast growing that the true build. We have relaunch with a completely revised new packaging and all this thing and we have given a very aesthetic look also to this kind of packaging and all and that is how we are going to relaunch this product into the market which our expectation of graph from this CC product construction chemical is very very high and which is going to deliver in the coming time. So paint I think now we are set. couple of year challenging time were there because you have to clean up the books of account of the previous company you have to set your system you have to implement the SAPs all the things whatever needed we have completed now and not only that we have now opened up the five new states also where we spend a lot money into the you can say the branding activity particularly calling the dealers to the five-star hotels and doing the lot of presentation of the paint product how how we are differentiating ourself in the paint. So it is very difficult for a new brand to convince the legacy brands. Challenging the legacy brand is always a big big challenge but we are lucky that we

are now getting into the right direction and that is why you can see first time after acquisition we have delivered 23% growth into the paint industry for the full year and the last quarter it was 31%. And next year we are expecting more than 25% growth into the paint because now all set because we have appointed dealers, we appointed our team, we have open up our distributor dealers. So now every everything platform is ready. Now we have to see that how fast we can grow because market opportunity is very big and our expectation graph is also very high and that is why we have entered into the paint business. But the coming time will prove that how success we are there. So we are confident that we are going to deliver one of the best number in the coming time into this category also. Secondly, now we all know that the modern trade is the needed in this environment because without that you can't grow because online e-commerce businesses and all are growing very fast. So we have first time taken the entry we appointed a separate division we have appointed the people over there to focus into the online sale and that is why you can see now in many many plot platform you will see the adhesive products are available online also and we are getting a very very good response into that UK sandeep bhai already discussed again I am repeating that lot of challenges were there for last one and a half year particularly with the exit of our old partner we he was with us for more in 10 year and now I think new CEO has taken charge from the old partner and things have started moving into the right direction and which I think we communicated in the previous call Q3 call also to all of you that now we we are almost set so from here on you will see some improvement and which I can very proudly say that last quarter we have delivered 22.9% growth in bond product in UK and not only that but we were into the negative Zone of EBITA we have converted into 6.5% positive EBITA so that side also I think things are moving into the right direction and we are confident that now in the coming year FY27 we will be growing at least minimum double digit kind of growth in a economy like UK growing double digit is a big number but we are confident that now we will be able to do that also so these are the five pillar on which we are working. So it's not that thing to discuss much into this size. So this I think I have covered up. Yeah. So next five year what is what we are thinking? We are thinking that the foundation is already built. Now no need to do anything extra which whatever we wanted to do into the adhesive or maybe sealant business or maybe paint business whatever needed to be done we have done everything. So now I can say the foundation is ready platform is ready now the time has come to scale. So that is where our focus will be there in the next 5 year. Now we will be scaling very fast from here on into this vertical and which you will be seeing in the coming time. Thank you so much.

So basically, in the piping vertical what we are seeing the industry outlook for the next year. So we are expecting that the industry should be growing somewhere around 8% kind of volume in FY27 unless something abnormal happen in the country or maybe at the global level or maybe on the war front it's a difficult thing to predict but otherwise, we are expecting because last year was weak and so that's why we are expecting that this year should be better year and at least we are expecting that industry should grow 8% kind of volume. If industry is going to grow 8% then I think in value terms minimum 10% kind of gap will be there. So 18% 10% plus I am telling you the reason is that the polymer did the bottom in the last year and from there to today the gap is between 12 to 13% kind of level but I'm not considering 10 to 13% for the full year but at least

whatever our limited understanding is that at least for the this full year 10% kind of gap will be there. So value and volume gap will be 10%. So if the volume growth will be 8%, then the value will be 18%. So that kind of gap is going to be there in the coming year that is in FY27 which is a very very big number and I'm sure you all know that what kind of problem piping industry was facing for last 3 year. The biggest challenge piping industry was facing that they were missing the top line. Volume growth was there in our press release also we have delivered that last six year our volume growth was 14% CAGAR but the missing part was the topline growth because polymer was continuously last three year coming down down down and last year was the bottom so because of that all our overhead rates were going up because you can't control the overhead beyond the point because in our country inflation is there it is unfortunate that in the polymer there was a deflation otherwise all other costs were on the inflationary trade So because of that always there was a challenge that your overhead rates are going up. Many time analysts were complaining many times people were complaining that your topline growth is not coming but your overhead rates are going fast. The reason was deflation into the polymer cycle but now this is the first time after 3 year we are seeing that now there is a regular inflationary trend will start and this year we are expecting at least 10% kind of inflation will be there. So that is going to give us a big advantage into because our top line will be high and the overhead will be increasing at a limited level but the top line will be growing faster level. So that is going to contribute a big in the FY27. So polymer cycle is still we are not expecting to be a stable kind of cycle. Still volatility is going to be there. Till the war kind of situation is not going to be completely settled down. We are of the view that polymer is going to be remain on a volatile side and more on the upward side than the downward side. Whatever today the price is there we are expecting even yesterday's my interview also on the NDTV I communicated that we are expecting the polymer price to go up and luckily yesterday evening only Reliance announced to rupee price rise so it was a coincident but we are expecting from here on also polymer price has to go up only and particularly post this 30th June on 1st of July that duty effect will go away from the system so that 7 and 1/2 8% kind of duty is there which is going to come back again on the polymer which temporary government has withdrawn for 3 month so that will also increase the polymer price so because of that polymer is going to be more costly and today also I'm sure all public domain companies are there whether Reliance is there whether DCW there or Kemplast is there you talk to them all are the listed player all are bleeding no one is making money in this environment at 80 82 rupees 83 rupees price what they are selling Everyone is making losses. So this losses kind of scenario cannot sustain for a longer period. Temporary that is fine but long-term it is not going to be viable for any any industry. So definitely they have no choice but to increase the price and that is what exactly happening on the ground. So prices have started increasing but this vitality will be still there but ultimately on the upward side. So that is good for the industry. Government spending of course right now lot of announcement is that lot of infrastructure spending announcement government has done but it is all are subject to very difficult time for the government also in this kind of environment how much they are able to spend money into all this kind of infrastructure project or maybe Jal Jeevan mission or maybe pradhan mantri awas scheme multiple pro construction related announcement government has done but that is subject to how

much they are going to spend Budgetary allocation is very very high but actual spending we have to see how they are going to spend based on that it will be decided. The big thing which we are seeing on the ground that bigger players are going to get more and more bigger and that you can clearly see in this number of the last year that the smaller companies are getting butchered in this environment because if the polymer prices are going to go up from here on then there is going to be a big challenge of working capital to the smaller company and that is going to be a pain for the smaller company to fight against the bigger player and particularly when there is a two-way volatile up and down up and down in that kind of environment it is going to be a more challenging for a smaller company to survive. So we are clearly seeing there is a shift taking place and that is why you see the bigger players are growing very fast. Last quarter you can see Reliance had declared in their presentation that polymer PVC were down by minus 10%. Again that you see the numbers of all the organized good companies everybody has given a fantastic number. So smaller players are losing the share and bigger players are getting the advantage out of that. So what will be the revenue driver for next five year for Astral? Number one biggest thing on our list is the backward integration of CPVC which is going to be a game changer for Astral and I'm repeating this word game changer for last almost 6 month that this is going to change the parameter of Astral if you remember go back to 2014 -15 at that time we came out from the Lubrizol from the compounding and we went one step backward and we did our own compounding at that time Our margins were 12% EBITA. We increased from 12% today to 16 to 18%. So almost four 5% improvement in the margin we did because of that backward integration. Now we are going further backward integration which is more better backward integration because regine manufacturer all you see all the listed player again whether it is epigral whether it is a DCW you look at that number they all are working between 20 to 30% kind of EBITA margin. Now if that kind of margin will be there definitely it is going to help Astral in a big way and the best part of for Astral is that we are not committing too much money into the capex because our technology cost perhaps the cheapest in the country I'm using the word cheapest if you see the kind of capex commitment which the big players are doing including Lubrizol which is almost five time what we are spending so our cost is going to be always lowest Not only capex will be lowest but our cost of manufacturing will also be going to be lowest. So that is going to us a big advantage in the coming time. Of course another two three quarter we have to wait because our plant will be ready by December. Kairav bhai has already shown you that our couple of shades are getting ready but the plant is very big. So it will take some time. So hopefully by October machines installation will be there. So November, December we are expecting trial should start and Q4 we should be ready for the commercial production but end of the day it is a chemical plant. So maybe one or two month can be here and there. So safely you can project in your number for the next year full year and I have given you the trajectory of the other player from that you can do the backward calculation what kind of profitability it is going to generate for us. Second thing is that new product launch. Astral is the company where our tagline is where innovation flows. So we keep continuously investing into the R&D and try to see that how best way we can bring new products on to the table. People will follow Astral. People will do copy for Astral but copy doesn't have a brain. So most of the players have done lot of copy of Astral

but there they have miserably failed also and there many project they have got blacklisted also. I need not to mention the name of any company but this is what happening on the ground. So we always spend a lot money into the innovation and that is where our winning strategy that that is where you will be always having question mark why astral margins are high. So we we spend lot money into innovation and try to bring new products onto the table so that we can take the first war advantage and get the better margin compared to what the other players are there because we we don't want to sell the product. We want to give the solution to the builder or maybe to the contractor. When we go approach to the builder or we approach to the contractor, we sit with them and ask them what is your problem? We are here to solve your problem. PVC and CPVC everybody can sell but every product is not like that. So if you are going to give the solution to your customer definitely customer will not be minding giving you 2 3% or 5% extra premium because he also want the solution out of the problem. So astral team is working on that side. Third thing is the value added product because we continuously try to add in our basket the value added product. It can be a valve. It can be a you can say train pro. It can be a silencer. It can be multipro. It can be packs. Multiple products we are going to launch. I've already launched few of them or now SWR Pro also all products are going to generate the better margin than what is our current margins are that. So these all-value-added product contribution is continuously going to help us to sustain our margin. Fourth is the decentralization. I'm sure you all are aware that last year we commissioned the Kanpur plant and the Hyderabad also. So with that we have taken the big bang entry into that geographies and today we can say that we are getting a good market share into that geographies which was missing earlier and particularly in a product like PVC if you are far away from the market logistic is not going to help you to gain the market share but now because we are into the market we are into the you can say near to our distributor or near to the project so that is helping us to gain the market share. brand Astral is very strong across the India pan India but you know in a certain categories of product you can get a premium up to certain level beyond the point it is going to be a pain so there if you are near to the market logistic cost help you in a big way and that is what exactly helping us out and that is why you can see the utilization of plant in the last quarter Q4 our capacity is 4 lakh something and we have sold 84000 Matrix almost more than 80% utilization. So that is what the benefit we are getting and that is what we were continuously telling in every our communication that Astral is continuously spending money on capex but the real fruit will come at a later stage when the utilization will start and now utilization has already started. So you can see the number of Q4 how fast profitability is going to give us the benefit of what we have spent in last 3 years. Then SKU depth I think we have published in the press release also that we have increased the SKU in a big way because we also know that we want to be a complete solution company. So we have to continuously aid the SKU. So we have added almost close to about 1,800 or something sorry 2,200 kind of SKUs in the last year. So 6,900 something SKUs were there. Now we are at 8103. So we have added a sizable SKU. That benefit also you will see in the coming time because now recently we have added last year. So this benefit will be available in the coming time. Bathware continuously growing at a fantastic run rate. We I have repeatedly said that bathware is a category which is not going to give you a big bang growth

immediately because it's the aesthetic look product that consumer has to take the decision. So changing the mindset of the consumer always take time. But we are very happy to say that consistently this this was the last third year we completed and we have reached close to one crore sale or more than 150 crore which perhaps the very few brand have achieved in the 3 years journey. So we are growing very fast in this year also we are expecting we'll continuously going to grow at this run rate 25% plus kind of run rate and we are going to grow very fast in the coming time into that category also so FY27 we are expecting that the volume should be in the range of 10 to 15% and the value I'm sure will be depend on the polymer but what I communicated earlier the gap is very wide today volume and value wise 10% kind of Gap today is more than 10% but we are expecting 10% kind of run rate will be there for the full year. So if that is going to be there what we are right now seeing then it can be even 25% also if 15% volume growth comes if 10% bottom even if come then also value growth will be 20%. So next year value growth is going to be very high which is going to help us to improve our margins also. Now coming to the adhesive side I think majority we have discussed so I will quickly uh go through into that we are expecting the industry to grow 8 to 10% kind of run rate and we in India we are targeting to grow minimum 15 to 20% kind of run rate UK we are going to grow at a double digit and paint we are expecting to grow minimum 25 to 30% kind of run rate for the FY27 both industrial and decorative paint industrial growth is slow but our growth is going to be very high. The reason is very simple. Our base is very tiny, very small. So on that growing 20 by 30% is not going to be challenged. Not only growth but we are going to be a positive EBITA company next year. So whatever the spend we wanted to do we have completed. So next year will be a positive EBITA with a 25 to 30% kind of growth. Construction chemical demand is picking up very fast. So that is going to contribute big way into our growth. Same thing UK we already discussed that now change has taken place. So we are expecting that UK is also going to give us the double digit growth and same thing with the export market. It can be a Middle East, Africa and Europe. All the three geography we are going to export our product and the best part is that we are working with the our own company Bondit UK company and they are also working for adhesive divisions few product to market into the UK. So we have almost we are getting ready. So hopefully in a quarter or so we are going to start exporting few of the flagship product of Astral adhesive Division to the UK market and that is going to help us in a big way and we we know that that market is are very very mature market. So we can get a very good growth from that geographies also. So what will be the revenue driver for this our adhesive and the paint business? So brand investment we already discussed we have signed the brand ambassador continuously going on. We are very happy to say that we already reach at the 13,000 town which is not a small number 13,000 town we already reach and our vision is to cover 20,000 town. So another 7,000 we are going to shortly try to cover as fast as possible. So distribution wise we will be present across the geography pan India bases. Rural penetration we are increasing very fast under our new flagship launch of new Bharat initiative. That new barat initiative is giving us a very very encouraging number in the beginning of the journey and we are expecting that is going to help us in a big way in the coming time. True build is the fastest growing right now product because this all waterproofing and all are moving very fast. So that is going to help us in a big way for the growth journey. UK US we already discussed

FY27 we are targeting at least 15 to 20% kind of growth into this category as a whole. So UK, US, India adhesive paints all put together we are targeting minimum 15 to 20% kind of minimum growth. I'm telling you it can be high also. So what will be the next year's option value? One is the piping business. The biggest thing is the decentralization and the backward integration. This is what we are targeting adhesive also the pain of margin of UK is going to be go away. So that is going to help us in this year. This full year we are expecting 8 to 10% kind of margin. So that is going to help us in improvement into the margin. The biggest of the biggest is the CPVC region. If our plant is going to settle down by December, it is going to completely change the dynamics of Astral. So the growth parameter will be completely changed when this plant will be ready. So we are expecting by December you can consider safest by January, February, March commercial production should be ready. But next full year you are going to get the big advantage that is going to be 40,000 metric ton. If everything goes right and the result what we are expecting we are going to increase from 40 to one lakh in the next phase and that next phase will not take much time also the reason is that we are having everything ready with us utilities we have put up as per the one lakh metric ton similarly government approval is one lakh plus so that is not going to be a problem all infrastructure whatever is needed for one lakh we develop everything with this 40,000 so only shade is going to be there. So it is not going to take much time. So maximum in a span of 9 months we can do that part also. But that will be the second phase bathware where we already discussed and the last is that the expansion into the Middle East geography where we already put up our office in Dubai and we are targeting to grow into the online platform also e-commerce and online. So all put together we are very very bullish on the next year number and we are confident that next year we are going to deliver one of the best number which we are known for that last year number also if you can check number we have delivered what we have guided across the board I think whatever we have given the guidance we have achieved that guidance even piping also as well as the adhesives also so these are the few financial number I'm not going to take much time because all this numbers are in front of you. So no need to much discuss about this thing. Balance sheet side you can see the consistency is there. Working capital cycle is more or less stable. We are not changing anything on the quantity. We are trying to improve that side also. So you can see receivable days also improved. Working capital cycle days from 37 to 24 days. So substantial improvement into the working capital cycle also. So this is the cash position. You can see a hefty cash position is there on the balance sheet is 790 crore are there. This is the basically piping is contributing 72% and paint and adhesive is contributing 28%. These are the plumbing number. Similarly plumbing side also you can see the working capital cycle is very well under the control. All these numbers will be available with you. So I am not discussing much similarly paint and adhesive with that. Thank you so much.

Now we are opening the floor for Q&A. any questions? Yeah.

Attendee:

Hi sir Pravin from PL Capital. so first question is related to the CPVC backward integration.so how much is the CPVC current contribution with this backward integration? Do you believe this contribution to increase in the piping segment.

Mr. Sandeep Engineer Speaks

So, the voice was not clear but what I think you are telling us that how much percentage of CPC will be in house.

Attendee:

Yeah.

So question is how much is the current CPVC contribution?

Mr. Sandeep Engineer Speaks

Total total number we are not giving because we have lot of competitors eyeing on our total number of quantity CPVC we use but this plant is around 40,000 to 45,000 KT plant and we'll be replacing almost 50 to 60% around that usage of CPVC in next fiscal >> so this plant can be upgraded to another 45,000 KT with just adding a few balance equipments. Some of the equipments which we have bought are going to take care of the next expansion. So next expansion we need not to change everything. We just have to add a few equipments to ramp up the capacity to double level.

Attendee:

And with these

Mr. Hiranand Savlani Speaks

with first phase first phase we have to still be dependent on outside because first phase is not going to take care of our 100% requirement because CPVC is 40,000 15% to 17% compounding addition will be there. So, compound will be maybe 55 or sorry 15% more. So almost you can say 46,000 to 47,000 metric ton will be there and we have to also see how much utilization is taking place because end of the day it is a new plan for us. So first uh phase we have to be dependent on outsider also will not be taking care of our full requirement but one the second phase will be then we will be self-sufficient.

So with these backward integration do you believe this CPVC contribution in the piping segment to increase?

Mr. Hiranand Savlani Speaks

It is going to increase substantially.

Mr. Sandeep Engineer Speaks

No CPVC is growing. So in the piping segment the contribution and our market share will increase substantially but at the same time the pricing advantage also will be there for us to grow and increase the market share.

Attendee:

Right second question is related to the export. so definitely not a near-term the in the future how much is the export contribution you are looking at in the next uh 3 to 4 years

Mr. Sandeep Engineer Speaks

sport won't be so so huge the way we are growing and the way the export is growing but the contribution number level will be much lower than all other businesses .

Attendee:

and also, if you can give a capex number for a future FY27.

Mr. Hiranand Savlani Speaks

so this year we are targeting somewhere around 300 cr. Last year we spent I think 360 crores or something.

Thank you sir.

Attendee:

Hello. Hi. Sorry. Can I go ahead? Hi. This is Rahul Agarwal from Eeki. Sir, just one question. We we talked about growth next 3 to 5 years but in terms of capacity increase both for adhesive and PVC and CPVC. I think given where we are right now next year, we should be utilizing 70% of our plastic plumbing capacity. it also means that there are two things here. One is your EBITA last year fiscal 26 was about 1,000 crores that turns into your net profit in 3 years is how I see it. There's lot more of free cash flow generation which is happening almost 600 to 700 crores a year you already sitting on 800 crores of cash March 26. So just in terms of thought process of can we accelerate growth here for both adhesives and plumbing businesses and how do we support it with capacity expansions those were you know just the one question on capacity.

Mr. Hiranand Savlani Speaks

So see capacity is already we are having. So capacity is not the constraint today but we have to see how the growth is coming because one by one step we can go. We can first time in the history you have seen that Astral has put up so many plant in a shorter period otherwise you see every year we were putting one plant but first time it has happened that the three four plant has come in last two two and a half year time. So we are aggressively putting the capacity but we don't want to unnecessarily spend too much because we are having cash with us. So we are waiting for even acquisition opportunities also that if any good opportunities available we can park our cash over there also at adhesive also we have enough capacity pipe also we have enough

capacity and the best part is that we have completed the construction of all the new plant but the machine installation has not taken place fully. So we have still room to increase the capacity sizably. So at least I can say one lakh metric turn we can increase by just adding the machine. So capacity never going to be a constraint to us in the at least near term 2 to 3 years. Then of course we have to aid looking to the growth projections which we are putting up or maybe backward integration once we'll be ready then we are going to be more aggressive into the CPVC side but in spite of that also today also we don't see any problem and machine installation will not take much time maximum 3 month you can get the machine delivery.

Attendee:

So how do you think about capital allocation in terms of you know this cash in the balance sheet

Mr. Sandeep Engineer Speaks

at present for this fiscal there are also surprises coming globally it's better to keep some cash if certain opportunities come if polymer is on a higher cycle and we can get at a cheaper cycle or there is another as he said there are investment opportunities coming by the way of M&A or certain things where it makes sense for these four portfolios within these four we are not going to surprise you with something different there is something which can make give value and add value to the top and bottom line these all can be explored so at present this year whatever the addition things are there we'll be keeping the cash there on the books

Attendee:

all right thank you so Much

Hello. Yeah, my name is Manish Sostal from Nirmang Securities. My question on the distribution and the marketing efforts of our new businesses. So first is what is the our distribution depth right now and 3 to 5 years where the distribution can increase so that we can utilize our capacity appropriately and the overall ad spends in the business.

Mr. Sandeep Engineer Speaks

pipe for the new businesses.

Attendee:

New businesses

Mr. Sandeep Engineer Speaks

So new business is especially the first is faucet. Faucet is covered by new distributors or new channel partners as well as our existing channel partners of plumbing. So at present we cover most parts of India. Adessive also we cover most parts of India and addition of distributor and dealer is a continuous process which will go on for any company lifelong and it's continuing. For paints we are focused on three major states

in south Karnataka, Tamil and Kerala and Kerala and in the west we have opened Gujarat completely Rajasthan completely and now part of Maharashtra we have opened and part of MP we'll be opening at after two fiscals. So at present we'll be focusing for at least one and one and a half years on these regions consolidate them and then open the other regions.

Attendee:

and on a yearly basis how much money we are spending on marketing for the developing these businesses.

Mr. Sandeep Engineer Speaks

every business has different spendings because

Mr. Kairav Engineer Speaks

roughly around average 1 and a half 2% maximum.

Attendee:

I'm talking about new businesses

Mr. Kairav Engineer Speaks

new business yeah new business also we are not spending overspending on marketing

Mr. Sandeep Engineer Speaks

But there are the marketing of every business is done with a different channel. You don't follow the same channel which the pipe follows, the faucet follows, the adhesive follows and the paint follows. So the expenses which are there coming on each channel is always a different ball game.

Attendee:

Thank you sir.

Attendee:

Hello. Hi sir, this is Keshav from HDFC Securities. As I understand the channel inventory might be elevated at March end. So surely the sales would have been impacted in Q1. Can you give us some sense on channel inventory now and how has been the plumbing volume sales in Q1?

Mr. Kairav Engineer Speaks

Channel inventory right now is all-time low. People who bought it in March, bought material in March have liquid, largely liquidated in April and in the first 15 days of May. And now as you see there have been two price rises in PVC and further PVC imports are being seen at a 10 to 15 rupee gap also with the fact that you know duty is going to come back from the 1st of July. So restocking has started and we are seeing a good

traction since the last 7 to 10 days. So hopefully this continues and you know we can try to deliver a decent volume number even in Q1.

Attendee:

Got it. Some book piping question. How much was the inventory gain in Q4 and what was the paint loss in Q4?

Mr. Kairav Engineer Speaks

I think inventory gain was not much.

Mr. Hiranand Savlani Speaks

Inventory gain was very negligible. The reason is that our company is more dependent on CPVC and the CPVC price rise none of the play took place taken in the Q4 whatever Astral has taken place that was on the 22nd of March we have taken some price rise so practically we were not getting any big benefit out of that PVC yes to some extent some gain was there but the amount will not be much maybe 8 to 10 cr kind of level But not a big number sir.

Attendee:

Paint loss.

Mr. Hiranand Savlani Speaks

Paint loss I think this quarter you want.

Attendee:

Yeah, this quarter

Mr. Hiranand Savlani Speaks

6 cr.

Attendee:

Okay thank you. That's it.

Mr. Sandeep Engineer Speaks

But if you see I don't know how you analyzed it. It's your problem but it is a history quarter sale as well as done in the history since inception. Tonnage wise if you see we have oversold the capacity which we have installed. Our tonnage sale of this quarter has oversold the in capacity installed. So you can imagine how much inventory also lying in the stocks also have been liquidated. So this is I don't know whether anyone has made a note of this or tried to understand the whole way the things were present maybe understand it properly or hastily and we are the highest amount of growth giver on installed capacity in the whole of the segment and selling every product. We have sold silencio at a level which is way high. We have sold our fire at a level which is way high and all the products have been justified in sales per se in the last quarter. So we

have overdone the installed capacity sale in this quarter and so for me it's a great achievement but I don't know somehow it reflected in a wrong decision or wrong way something different but I think it's a great achievement for Astral as a company.

Attendee:

Sir Ramesh Bhojwani from Mehta I have to compliment you on acquiring and taking over gem paints. I will go back little bit in time. Prior to coming to capital market, I was into industrial chemical selling. I as a distributor I was catering to gem Paints requirement of pentathlon. That time the gentleman scaled up consuming Penta from 1 ton to 4 tons. I think to today when we are standing the consumption may be 40 tons or even more. So that is the scale and size and the gentleman who was owning and running gem paints was the chief technical man from Asian paints.

Mr. Sandeep Engineer Speaks

I know I know I thank you very much for this is the first guy at least appreciating my this investment.

Attendee:

Yes.

Mr. Sandeep Engineer Speaks

So I will be thank you and meeting you after that.

Attendee:

Definitely

Mr. Sandeep Engineer Speaks

Definitely and I think I have not called you also otherwise somebody will think that why is praising but thank you very much I feel proud of you.

Attendee:

and Gem Paints

Mr. Sandeep Engineer Speaks

every business is a entrepreneur takes is a challenge

Attendee:

yes

Mr. Sandeep Engineer Speaks

and every business entrepreneurs takes is intuition and if he taken it in the right way you have to give the entrepreneur his time to see whether what level he reaches and this time should be at least four to five years and we are continuously whatever businesses are taken we are just focus focus focus and we are assuring you that every

business has the same focus we are lucky that the whole family is there and we are all contributing in our right way to take these things at a next level so we are working on it thank you we'll meet afterwards

Attendee:

definitely thank you.

Attendee:

Hi sir, this is Varun from 360 world. I have a question. so on the adhesive side, what is the kind of cost inflation you are seeing right now and is there possibility of any margin pressure on the adhesive side?

Mr. Hiranand Savlani Speaks

So, I think that's not much pressure on that except white glue and there the web price is abnormally high but otherwise it's not that high and whatever price rise we needed to take place that we have taken the price rise and few price rises we are planning to take in Q1 also. So I don't think whatever the price inflation is that we are passing on to the market and that is the reason you can see our margins are still stable our margins are not deteriorated in in Adhesive whatever you are seeing the margin drop that is mainly because of the 16 cr rupees one of the event of brand ambassador otherwise if you add up we are in the same Zone what we used to be there in last 3 year so we normally working between 15 to 17% kind of June today we have completed with 15.1% adhesive margin for the full year so we are in the very well trajectory and whatever the price escalation had taken place we are passing on to the market .

Attendee:

and sir given that we are looking at 20 to 25% revenue growth is it fair to assume that margin expansion on pipe segment is quite possible next year

Mr. Kairav Engineer Speaks

yeah pipe pipe margins will will expand next here.

Attendee:

Okay. And sir, last question on the bathware side like we did so much of brand campaign for the adhesive. Is there any plan for the bathware as well? Like given that it's more of a B2C kind of project?

Mr. Kairav Engineer Speaks

Yeah, we are we are planning but see first we are focusing on reach. So first we are ensuring that you know my exclusive dealers, my distributors, my showrooms everything has to be in place. My product launches have to be in place. I need to have my service where whatever geographies I'm opening I need to also have my service in place because in this segment you know if you're doing advertisement without penetrating the market then your money will be wasted. So we are just waiting for the

right time to start doing. We we already do some brand building activities. We have a lot of product displays at we have tied up with PVR. So a lot of PVR cinemas have our product displays. Then we are doing a lot of in the ads. We we are doing displays across certain airports in in India. So we are doing some sort of brand building activity and brand recognition activity. And today for the first time we as we were sitting here we just cracked a 4 crore order versus colar in Bangalore. I just got the message from the team while we were sitting. So that shows that you know we are getting good acceptance in the market as even against brands like Coler.

Attendee:

Okay that's it. Thank you, sir.

Attendee:

Hi sir Sharan here from Dat Capital. uh just to get a sense that now we are saying that FY 27 10 to 15% plumbing volume growth and obviously from the Q4 the CPVC backward integration will kick in so is it fair to say from going forward FY28 let's say now we are talking five year and may be a 2030 target so this growth rate will keep on increasing because the backward integration so we have both the options volume growth and the margin also.

Mr. Kairav Engineer Speaks

yes yes yes. So once the backward expansion kicks in, we will have a accelerated market share gain as compared to our competitors and margin expansion can also happen around 200 bips.

Attendee:

Okay. And sir we have said that for entire adhesive 15 to 20% kind of a volume uh revenue growth for F27 specifically India adessive what kind of a number one can look at for this year.

Mr. Kairav Engineer Speaks

India adhesive I think it will grow between 15 to 20%. Value terms

Mr. Hiranand Savlani Speaks

so India you can consider 20%. UK will be 10%.

Attendee:

And in terms of the margin for plumbing would be close to a 20%.

Mr. Kairav Engineer Speaks

Plumbing plumbing margin will be between 16 to 18%. So that whatever margin guidance we've been given we'll follow the same guidance for this year.

Attendee:

Okay.

Attendee:

Hi sir this is Han Choxy from Daven Choxy. first of all thank you for a wonderful presentation on each of the individual businesses you have covered and uh congratulations for a good year in tough challenging times. and best wishes for the next 5 years. also great presentation on the 2050 vision which you have put across. you know you know you have always been ahead of time as far as understanding the polymer and the chemistry is concerned. You know shift from vinyl chlorides to polyolefins or standard PVC to polypropylene. do you see this industry accelerating faster than normal in the PVC and

Mr. Kairav Engineer Speaks

so I will tell you what has happened is PVC is not a bad polymer but the problem with PVC is that the type of processors that we have in this country who are processing PVC the only downside to PVC is that you can add filler okay and considering the fact that you know you have 6,000 or 5000 6000 thousand people who manufacture pipes in India from a single extruder to someone who has you know two 300 extruders and this entire industry is to be blamed for the quality problems that have arose in this particular product in PVC product and because of that our consultants and contractors and developers are looking started looking for alternates to PVC and that is where the polyolefins came in. And the beauty of polyolefins is that you cannot mix something like a calcium carbonate. You cannot do any any sort of you know mixing or any sort of play with the polymer. So back of the mind when the contractor or the consultant buys this product they know that they are buying quality. So this if people continue playing with the quality of PVC then this acceleration can be faster also the move could be accelerated to the PP side of the

Attendee:

so do you see increasing pricing coming because you mentioned clearly in the presentation that there is less price volatility in the polypropylene products.

Mr. Kairav Engineer Speaks

PP PP in general globally is is a stable polymer. So even if the demand goes up I don't think there will be any sort of a volatility. So this war was a one-off event where the PP prices shot up. But if you look at the past 5 to 6 years there is hardly you know every 6 months maybe one small price rise here or there. So wherever we want to do commitment for the project supply, we can do easily 12 to 15 month sort of a price commitment with our contractors or builders

Attendee:

and if this is the case, do you see a further reduction in the working capital in the because of the polypropylene as a product?

Mr. Kairav Engineer Speaks

No, because polypropylene also it's easily available locally and we are using the local grades only. So there are lot of local players. So I think the payment terms and all don't change much.

Attendee:

right. Thank you so much. All the best.

Mr. Kairav Engineer Speaks

Thank you.

Attendee:

Hi Nitin here. last two and a half years whatever capex we have done that has not started fully reflecting. So can you share what's the asset turn or what's the turnover which has come from those 2 and a half year capex right now and what is the max potential out of that? That's the first question and second is to move from 40 to one. You said there is lesser investment required. Can you please quantify that and thereafter what will be the asset turnover at a full maximum potential so or best of the margins if you can share those things? Thank you.

Mr. Hiranand Savlani Speaks

So there were two reason why the asset turnover was low in the last 3 year. Number one that the polymer prices were continuously dropping. So because of that we were producing but we were not converting into the value growth. So that was one of the reason that the asset turnover was low. Otherwise in our industry motor you can consider 3 to 3.25 time asset term is easily doable. But we were almost in the range of 2 2.1 2.2 kind of level because the polymer were low. Secondly we were continuously not we were we are today also we are continuously on a expansion path. So what happened that before you utilize your previous capacity you are adding the new capacity. So the graph which we are showing for the capacity utilization will continuously showing you that it's a 60% utilization. But if you see the previous year what was the capacity and the current year utilization we can go up to 80 also 85 also. Many of plants are working at even 90% utilization also. So the moment one point will come where the capex cycle will stop for couple of year then the real asset turn will be known to all of you. So but normal circumstances I can say three time will not be a big challenge and now because polymers are going up and which is going to be a trend in the coming time. So in that case I think three time asset turn will not be a difficult task to achieve and which you will see in the near future because this year alone I told you that right now the grow gap between the previous year base and the current year base is more than 10%. The PVC price of last year if you consider Q1 was somewhere

around 73 kind of level 73 74 kind of level and now this time it is in the range of cluster reliance price was 87. So you can see what is the different so almost 15% kind of gap is there the base effect itself. So that will improve the asset turn also.

Mr. Sandeep Engineer Speaks

Let me also bring to notice everyone that what we were going building 4 years back a plant say in 50 crores. Today the same plant, same capacity with the new land price, the new construction price, with the new machine price is almost coming to double or even more. So the capacity remains the same, the output remains the same and then you have to get the justification of the capital. So I was with somebody I don't know and I cannot make a statement but says that whole mathematics will change in four five years of the payback period the asset turn because the cost of asset to create the same capacity the costs have gone way higher. It's good also in some sense because the new competitor tomorrow pits in. He has to make huge investments to get the same capacity levels.

Mr. Hiranand Savlani Speaks

So secondly our objective was not to increase the capacity but our objective was to decentralize the thing because we wanted to gain the market share. So there it was necessary to put up the plan in the new geography. Though we were having the capacity but in spite of that we spend money to go into that geography to take the market share. We could have taken the market share from distant location also but in that case the viability was not there because the kind of logistic cost is there and now you see the way today also newspaper I was going through that we are expecting 17 rupees price right into the diesel. Now the logistic cost is going to be more costly. It is not going to be only on the my final pipe price but it is going to be effective to every my raw material also. So logistic cost is going to be very high only in the coming time. So in that case decentralization was need of our and that's why we spend lot money to complete the capex and we are today happy what sandeep bhai say that if I do today capex my cost is much much higher than what I have completed 2 year or three year before. So everything is inflationary whether land building cost all ancillary everything is getting more costly.

Attendee:

Yeah. The second question was on CPVC 40,000 what is the total investment as on debt and to move to one lakh what will be the total investment?

Mr. Hiranand Savlani Speaks

I'm not getting your question. Okay. Okay. So you are asking the second phase capex for the CPVC. It will be much much lower than what we have because land is already there. Utility is already there. Power connectivity is already there with us. All the approvals are ready with us. So all plans are approved. Everything is ready. I have to add only the shade and the reactor only.

Mr. Kairav Engineer Speaks

so for for current 40,000 we have we've invested around 120 crores. Yeah. So the next next 40 will be around around you can say 50 crores give or take.

Attendee:

Thank you. Yeah.

Attendee:

Hi sir. This said Utkash from Anand rathi. so sir like if we see in FY26 our EBITA margin for the pipe division was 19.6%. Okay. And we are saying that we are expecting the revenue to grow at around 20 25%. And our overhead is not likely to grow at that pace. So why we are giving such conservative guidance of 16 to 18% for FY27.

Mr. Hiranand Savlani Speaks

So this is the standard guidance which we are giving for since last four year that this is will be the trajectory but continuously we are delivering more. So you can account in your projection I don't deny that part but we are going to be conservative. The reason is very simple that we are working on a highly volatile environment.

Attendee:

Exactly.

Mr. Hiranand Savlani Speaks

You can see the polymer prices are increasing 40 to 40 rupees in a single month and going down 40 to 40 rupees in a single month. In that volatile environment maintaining that margin is always going to be a challenge. So that's why we don't want to unnecessary just for a sake of saying we say you that we can deliver 20. We will try. We don't deny that we are not going to deliver. We will try and particularly post backward integration definitely it is going to be high but unnecessary we don't want to give you too much of guidance then next year when we comes you say that you told 20 and you have deliver 18 only also

Mr. Kairav Engineer Speaks

also our focus is going to be the volume growth also so we will try to give the industry leading volume growth this year also compared to the competition now sometimes you know you if you are sitting in such a volatile environment and you want to give that volume number and you want to increase your market share sometimes the EBITA level somewhere you have to sacrifice some sort of a EBITA that is why we give such a range you know from 16 to 18 doesn't mean that we will only work within that range we'll try to deliver more

Attendee:

hello yeah hi this is Namit Aurora from Ingrowth Capital yeah oh sorry

Attendee:

sir I have another question another question is on the return ratio side so if you see our product mix is quite superior compared to any other listed plastic pipe company. we are also generating the highest EBITA margin but on the return ratios if we compare with the industry leader uh it is consistently on a lower side. So can you please explain the rational why our return ratio is consistently on a lower side compared to the industry leader.

Mr. Hiranand Savlani Speaks

So two things one we did lot of capex in last four year okay we have spent more than 1500 cr into the capex side

Attendee:

but sir that is the case with the industry leader also their capex rate has gone up by 5x in the last 5 years

Mr. Hiranand Savlani Speaks

let me complete so we have spent a lot money into the capex side but our utilization is low because I told earlier also that our objective was to decentralize we could have hold that capex also because we were having the capacity but in spite of that also we spend money just to decentralize with the future vision that we want to grow the board market share that is why we spend money into the capex otherwise it was not needed so that was in a accounting say language I can say it was extra capex for also not needed also

Mr. Kairav Engineer Speaks

also not all all the capex goes into increasing the production in the plant lot of money also goes in R&D and the type of innovations that we are delivering and the type of products we are working on also takes away some money you know every year from us. So we also have to focus that you know when we are saying that we are doing capex doesn't mean that you know all the capex is going after the fastmoving product or the product that is selling in the bulk. Sometimes that capex could be in the form of a PEX aluminum PEX machine or a machine for my polypropylene drainage pipes. These are all 25 30 40 cr 45 cr this these are high very expensive machines. But if you look at the tonnage that is being generated from these machines is much lower. If I put in 25 crores, I can put in 25 extruders of PVC then tonnage will look very good. But that is not our DNA. Okay.

Mr. Sandeep Engineer Speaks

So the the factors which are there prevailing have accelerated the amount of money which we need to invest. Building we had to take that because we want to be in the business. Now you come to corrugated pipes. The things which we do and we are a 20 years old baby. We are consciously deploying. This will give you excellent growth and result for sure.

Attendee:

Okay. Thanks a lot, sir.

Mr. Hiranand Savlani Speaks

I can give you an example that in Ahmedabad land Last year.

Mr. Sandeep Engineer Speaks

Last question. one to one we can always

Attendee:

Sure. thank you Sandeep Bhai this is Namit Aurora from Ingrowth Capital. I have one question for Kairav bhai. you shared about the win against Coler. Congratulations. So walk us through your vision for the bathware category. in terms of product positioning, how are you competing and what are some of the reasons you are succeeding so well?

Mr. Kairav Engineer Speaks

So Bathware basically we have four categories. So Gloria and Premier these are our two lower-end categories where we compete with the likes of Perware. Then we have Imperia category where we compare compare and compete with the likes of say Hinduare or Sarah or Jaquar. Then we have the Celestia category where we compare with the likes of Coler. So we have four distinct categories in which we have a number of SKUs that are comparable to the brands we compete with. With regards to the vision for Bathware, we will continue to grow at a 25 to 30% CAGAR for the foreseeable future because our base is low and after a certain point we will start doing some sort of marketing and some sort of brand push and we will create some sort of a consumer demand for this product. So there are a lot of plans for this product line.

Attendee:

thank you very much. My final question is on the paints category. when the new entrance came there was a lot of aggression and maybe some degree of irrationality. are you seeing things settling down in terms of competitor behavior in the paints market?

Mr. Hiranand Savlani Speaks

Yeah, definitely last couple of years the industry was passing through a big tough challenge but I think now to some extent it has improved and I think the big player have also given us some indication that they are also going to withdraw certain extra discount which they offer to the market and that is going to make the industry more healthy. So that is a very very positive things for the industry per se and particularly being a newcomer like astral which is a challenging brand for that category for them it is going to be a really big bonja. So I think that is why we clearly say that the next year we are confident that we will be a positive EBITA company and on certain scale will pick up it is going to generate a good return because end of the day historically you see last 20 year this industry has given one of the best return last three year you live it the challenges were there prior to three year if you see every industry player in this category has given the best return to the investor. So we are very positive on that side.

Attendee:

thanks a lot Hiranand Bhai and all the best to the entire team

Mr. Hiranand Savlani Speaks

I think we can take a last question.

Okay. Okay.

Mr. Sandeep Engineer Speaks

So thank you everyone.

Mr. Kairav Engineer Speaks

Thank you everyone.

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