



“Epigral Limited Q2 FY ‘26 Earnings Conference Call”

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MANAGEMENT: **MR. MAULIK PATEL – CHAIRMAN AND MANAGING DIRECTOR, EPIGRAL LIMITED**
MR. KAUSHAL SOPARKAR – EXECUTIVE DIRECTOR, EPIGRAL LIMITED
MR. RAKESH AGRAWAL – CHIEF FINANCIAL OFFICER, EPIGRAL LIMITED
MR. MILIND KOTECHA – INVESTOR RELATIONS – EPIGRAL LIMITED

MODERATOR: **MR. MEET VORA – EMKAY GLOBAL FINANCIAL SERVICES LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to the Epigral Limited's Conference Call hosted by Emkay Global Financial Services Limited.

As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Meet Vora from Emkay Global Financial Services Limited. Thank you, and over to you.

Meet Vora: Thank you. Good evening, everyone. Thank you for joining us on Epigral Limited's Q2 and H1 FY '26 Results Conference Call. We would like to thank the management for giving us this opportunity to host them.

On this call, we are joined with Epigral's Management, represented by Mr. Maulik Patel – Chairman and Managing Director; Mr. Kaushal Soparkar – Executive Director; Mr. Rakesh Agrawal – Chief Financial Officer; and Mr. Milind Kotecha – Investor Relations.

I would like to invite Mr. Maulik Patel to initiate the proceedings with his opening remarks, post which we will have an interactive Q&A session. Thank you, and over to you, sir.

Maulik Patel: Thank you, Meet. Good evening, everyone, and welcome to the call to discuss Epigral's Quarter 2 FY '26 performance. I believe you had an opportunity to view the Earnings Presentation that was released earlier today.

The chemical market is currently exhibiting divergent trends, while some segments are recording robust growth, others continue to face challenges, while a slower recovery attributed to factors such as early and prolonged monsoon season as well as persistent geopolitical uncertainty.

Despite these headwinds, Market outlook suggests that the chemical industry is poised to deliver better performance in the second half of the year compared to the first half, supported by improving demand fundamentals and the gradual recovery across key sectors.

In Quarter 2 FY '26, our sales volume saw marginal growth of 2%, while revenue declined by 4% due to the reduced realizations in certain product categories. Volume performance was impacted by an extended monsoon, subdue demand and ongoing maintenance work at the plant.

As a result, both value and volume declined in H1 FY '26. With the conclusion of the monsoon and the completion of the plant maintenance activities, there are early signs of demand recovery, and we anticipate volume growth in H2 FY '26, positioning the second half for the stronger performance compared to H1.

Despite subdued demand and lower capacity utilization in H1, EBITDA margin was maintained at a healthy 25%. As plant utilization improves in H2, further overall improvement is expected.

Our CAPEX projects of doubling capacity of CPVC and Epichlorohydrin and 19.8 Megawatt of wind, solar hybrid power plants are moving as per schedule and are expected to be commissioned within the timeline and the budget announced.

We expect this to strengthen our diversification and reach 70% revenue contribution from derivative and specialty business. This expansion along with Chlorotoluene value chain, which got commissioned in March 2025, are expected to drive the growth in FY '27 onwards.

On the future CAPEX side, we have moved a step closer to the new project at the current complex, and we would be freezing it soon. Once approved by Board, we will announce the details. This project will strengthen our integrated complex and add to the value chain.

Second project is at the new land at the evaluation level at various stages, and we are working on it and should be able to freeze it soon. This new project will be sizable to drive the growth beyond FY2028. This new project will be in line with the company's strategy, which is import substitution products where demand is expected to grow to the double-digit percentage for a longer period and where we can generate good ROCE.

We are pleased to announce that the Board of Directors has appointed Mr. Rakesh Agrawal as the Chief Financial Officer of the company. Mr. Rakesh Agrawal brings over 29 years of extensive experience in finance and accounts, having previously led the finance and accounts department in his former organization. With his rich expertise and leadership, we look forward to his valuable contributions as we continue on our growth journey at Epigral.

In line with this plan, the team remains focused on scalable, profitable growth and strengthening our integration and driving value for all stakeholders. We are advancing with clarity on milestones, capital efficiency and discipline execution to deliver sustainable growth as we expand capacity and capabilities.

I now hand over the call to Mr. Milind Kotecha who will take us through the financials.

Milind Kotecha: Thank you, sir. Let me take you through the Q2 numbers. Overall plant utilization stood at 78% versus 73% in previous quarter and 83% in Quarter 2 FY '25.

Q-on-Q, we witnessed the volume growth of 2% but as realizations for few products dropped resulting to the revenue drop of 4% to Rs. 589 CR.

EBITDA dropped by 19% to Rs. 132 CR as realizations for few products dropped, whereas raw material remained the same and also plant utilization was at lower level.

Profit after tax stood at Rs. 51 CR.

For first half of FY '26, plant utilization stood at 75% versus 83% in first half of FY '25, resulting in drop of revenue of around 6% to Rs. 1,204 CR.

EBITDA margin stood at 25% versus 28% in first half of FY '25. This drop was majorly on account of drop in realization of a few of the products and lower utilization levels.

We commissioned the Chlorotoluene value chain plant in March 2025. And it is expected to contribute sizable weight to the P&L from FY 2027 onwards. In first half of FY 26, the P&L reflects basic expenses, depreciation and interest cost without contribution to the top line and bottom line. Once the plant starts generating sizable revenue, overall profitability should improve.

ROCE is stood at 21% as on 30 September versus 23% on 30 September 2024. 21% ROCE includes capital work in progress. If we exclude capital work in progress, then our ROCE stands around 24% as on 30 September 2025.

Net debt to EBITDA stood at 0.8x as on 30 September versus 1.4x as on 30 September 2024. Hence, we are in a very comfortable position in terms of our debt. Our net debt has remained flat almost at Rs. 496 CR versus Rs. 489 CR as on 31st March.

And during the year we spent CAPEX of around Rs. 236 CR. So, our strong cash flow from operations are good enough for the CAPEX that we had to spend. We expect our utilization levels would be better in the second half of FY '26 compared to the first half of FY '26. And hence, we expect overall performance to improve from here on.

With this, we can now open the floor for questions.

Moderator: Thank you very much. We will now begin the question-and-answer session. Our first question is from the line of Nipun Sharma from VLS Finance. Please go ahead.

Nipun Sharma: So, basically, you have been increasing your capacity for the CPVC. But I got to know that CPVC compounds are more utilized for the applications, whether it be for pipe industries or whether it be for fire sprinklers. So, as you know that CPVC compounds are the form directly used by pipe manufacturers, and only few companies like Astral Pipes appear to have the in-house capacity to convert resins into compounds. So, I really want to know what is Epigral's strategy behind expanding CPVC resin capacity to 1,50,000 and not CPVC compound?

Maulik Patel: No, CPVC compound, we already installed a large capacity from the beginning. The CAPEX requirement for the CPVC compound is very negligible. It is not compared to the CAPEX required compared to the CPVC resin plant. So, we already have a capacity. Even if it is required to expand the CPVC compound capacity going forward, it will not take more than three months.

So, the resin plant, which is a backbone of the CPVC business, that is taking too much time to install as a CAPEX and install a capacity. And that is the major key drivers. And that is why we

are announcing only the resin plant we are expanding. If required in the future, compound plant we will do it.

But as of now, we believe that the majority of the people in India is converting more and more to the resin rather than in the compound. So, they prefer to buy a resin rather than the compound buying from the market. So, going forward, if we require to expand, we can expand in very short span and very less amount of CAPEX.

Nipun Sharma: Yes, understood. But who are the target customers for your CPVC resins? Because I read somewhere that most likely CPVC compounds are used in the applications. So, who are your target customers?

Maulik Patel: No, you are absolutely right. The people who are buying resin from us, they themselves are making compound and converting to the pipe. So, majority Indian customers, they prefer to buy resin rather than buying compound from them.

So, in the third countries or the western countries, people are buying compounds from the market and prefer to do only applications and making pipe and fittings. But as a country like India, it started with compounds but gradually most of the people are converting to the resin and they do the self-conversion into the compound and making pipe and fitting by themselves.

So, Indian phenomenon is different compared to the global. And majority of the companies in India also started buying resin only. And they are expanding their own compound because that is not a major CAPEX and the technology.

Nipun Sharma: So, what you are saying is that you are selling resins to your target customers. They are expanding into the facility where they will be converting resins into compounds.

Maulik Patel: Yes. So, majority, some of the big companies are there, but it is exceptional. But most of the smaller companies, normally they are not doing fitting compound, or they don't want to make a fitting compound by themselves.

So, normally, fitting application, compound application, fitting compound, we are expanding, and we have done the fitting compound and who can cater to the smaller companies who are buying compound from the market. Because for the smaller volume, compound is only 20% volume. Fitting compound is only 20% volume compared to the overall business. 80% is a pipe.

So, pipe, they are doing self-compounding and some majority of the smaller companies, they are buying fitting compounds from the market. So, that is why our facility is to cater the 20%, which is a compound market. Only two or three companies in India which are buying pipe compound also from the market. So, that capacity we already installed. So, if required, we can install very easily. As I said, it is not a big deal. We can do it in three months' time. We can install a machine and additional capacity we can do it in a faster way with a limited CAPEX

only. But market is moving towards the resin and self-compounding and converting to the pipe and fittings.

Nipun Sharma: My one last question is, before exiting the queue, I will join later, is that for your CT chain, that is Chlorotoluene value chain, you plan to sell around 10 to 15 products after the capacity reaches the optimal capacity utilization by the end of Financial Year '26.

So, I just wanted you to comment upon the competitive landscape on this. Because I got to know that Aarti Industries is also getting into CT. And I think they are going into 35 to 40 products. So, how do you plan to tackle this competition?

Maulik Patel: Yes. So, currently, we have identified, so you can make 15 products in the same plant, which we have already set up for CAPEX. Out of that, we have targeted 8 to 9 products in the first phase. We will target these products based on the current customer base and the current market scenario. And that is why we have identified only 8 to 9 products in the first phase.

Probably in the second phase, we might expand further portfolio, or we might add the value additions further downstream of what we are doing 8 to 9 products. But right now, we are restricted ourselves to 8 to 9 products only. And which is a major volume out of entire Chlorotoluene value chain. In first phase, we are targeting only those volumes only. But in the later on stage or the second stage, we might expand to additional product or the value addition of the existing product, what we are doing.

Nipun Sharma: The last question is, can you please provide the revenue contribution from CT chain as well as from ECH and CPVC resins?

Milind Kotecha: So, as we have disclosed in the presentation, 50% revenue is from the Chlor alkali and 50% from the derivatives and the specialty business. So, we are not giving product-wise revenue.

Moderator: Our next question comes from the line of Sanket Baheti from GeeCee Holding. Please go ahead.

Sanket Baheti: Sir, I just wanted to understand what is the current situation on the CPVC market? What has been the price trend in the current quarter and the last quarter? Is the price moving? And another thing is, on the anti-dumping duty on PVC, whenever it comes in, what will be the impact and whether we will be able to pass on the same? And what is the expected timeline for the PVC?

Maulik Patel: So, Sanket, the current PVC market is on the bottom. So, the pressure is also on the price of CPVC also. So, CPVC price has also gone down based on the PVC prices has gone down in last one year. But at the same time, as you said, if anti-dumping duty will come, the PVC price may increase, and it can increase the CPVC price also along with it.

Sanket Baheti: And what is the current price or realization in Quarter 2 versus Quarter 1?

Milind Kotecha: So, Quarter 1, Quarter 2, so Quarter 2, the price has dropped in the range of around 10%.

Sanket Baheti: And sir, in absolute amount, what was the current price of CPVC?

Milind Kotecha: It is around Rs. 100 to Rs. 105 per Kg.

Sanket Baheti: 100 to 105. Okay, so it was around 115, now it is around 105 kind of number.

Milind Kotecha: Yes.

Sanket Baheti: And sir, whether we will be able to pass on the entire anti-dumping duty, whatever the impact comes with?

Milind Kotecha: See, generally the price of, as Maulik sir earlier said, PVC price increases, that impacts the CPVC price. And when the PVC price goes down, it also impacts the CPVC price. So, whatever price hike will come in the PVC, you should be able to pass on in the CPVC prices. But that happens with a lag of a quarter. So, that three to four months of lag will be there.

Sanket Baheti: Three to four months of lag, okay. And sir, are we 100% utilizing our capacity currently?

Milind Kotecha: So, currently, our capacity utilization is around 50%.

Sanket Baheti: In CPVC?

Milind Kotecha: Sorry?

Sanket Baheti: In CPVC, it is 50%.

Milind Kotecha: Yes. That is in the last quarter.

Sanket Baheti: And in Quarter 1 also, it was 50?

Milind Kotecha: It was around that range.

Sanket Baheti: That's it from my side.

Moderator: Our next question comes from the line of Bobby Jay from Frunze Investments. Please go ahead.

Bobby Jay: I missed the earlier part of the call. For what products did you see a price drop?

Milind Kotecha: Sorry, I didn't get you.

Bobby Jay: For what products did you see a weakness in prices compared to last year?

Milind Kotecha: So, compared to last year, the drop in the prices were in CPVC.

Bobby Jay: So, it is only CPVC that has contributed to your lower revenue?

Milind Kotecha: No, no. In terms of the price drop, there was a price drop in the hydrogen peroxide and also into the CPVC.

Bobby Jay: Right. And this was not predictable. This just suddenly happened.

Milind Kotecha: Yes. I mean, see, the PVC prices have dropped, if you see, from last November onwards, which has ultimately, with a lag of a quarter of four to five months, had impact on the CPVC prices as well. So, as the PVC prices will move up, that will again be impacted on the CPVC prices.

Bobby Jay: But then your margins shouldn't have changed, right, if PVC prices also drop.

Milind Kotecha: But that's what, it happens with a lag of a quarter. So, that's where if you see our Q1 margins, we had been around 27%. And this, I mean, the prices have been corrected, but we had some sort of inventory because of which we landed around 23% this quarter. And again, it is a mix of many products, but eventually all put together, we should be landing somewhere in the range of 24% to 25% kind of a margin.

Bobby Jay: My bigger question is that given the volatility in the prices, right, which are not under your control, how are you able to invest such huge amounts of capital when you don't know at what price you are going to sell the products?

Milind Kotecha: Sorry, I didn't get again.

Bobby Jay: You are investing a lot of money into capital expenditure, correct?

Milind Kotecha: Right.

Bobby Jay: But you don't have any control over the prices. So, how are you able to do that? What is your internal calculation?

Milind Kotecha: See, considering the way India demand is growing, we see there is a potential for all the products that we are expanding into. For example, in Epichlorohydrin, we see there is a good demand for the epoxy, which ultimately goes into the construction, windmill, automotive industry, where the demand is growing. And again, in CPVC, that goes into the plumbing application, where we see a good demand in the construction. See, one or two quarters or maybe one particular year, there can be a market which is stagnant or not growing. But whenever we put any CAPEX, our horizon is of 5 to 10 years. And that is where one year can be there where you will see marginal or a stagnant growth. But then eventually the demand that is supposed to come will absorb the supply that is coming. So, that is where we are looking for and putting up the capacities.

Bobby Jay: No, understand the demand part in terms of volumes. That is clear because India's GDP is growing, so demand will grow. My question is more around the prices, which are not under your control. So, for example, Chlorotoluene, even Aarti Industries, is putting up capacity. If there is

overcapacity, you could have good volumes, but low prices, causing low return on capital. Do you foresee such a situation?

Milind Kotecha:

The prices, what we have witnessed is, again, it moves in line with the raw material prices, with a lag of a quarter. But what you said is true. Price is not totally in our control. But considering the demand, we see the price should remain stagnant or it might improve. Because what we have witnessed in Q2 is kind of a bottom situation. At least in terms of the volume, volume should improve. And price will, with a lag, once the PVC price improves, that will further improve in the Q3 or Q4 onwards.

Bobby Jay:

I understand, but I do remember you saying in one of the earlier calls, maybe last year or somewhere, that CPVC prices are not directly dependent on PVC because the supply demand for CPVC is different in India, meaning there is more demand than supply. Is that not true anymore?

Milind Kotecha:

See, I mean, we have always said that the raw material prices and the final product price moves in tandem. The link when we say is just that the marginal movement in the raw material prices will not trigger the CPVC prices to that extent. But if there is such a kind of a drop in the PVC prices, that will impact. Like on the other side, if we look at the Epichlorohydrin, the glycerin prices have moved up and that has reflected in the ECH prices. So, that generally moves in line, assuming that the demand scenario is a constant rate.

Bobby Jay:

So, you are saying for major PVC fluctuations, the CPVC prices move?

Milind Kotecha:

Sorry?

Bobby Jay:

For major fluctuations in raw materials, CPVC price will move, but only for minor ones it won't.

Milind Kotecha:

Yes, yes.

Bobby Jay:

And the CT capacity that you are building in, is that all for domestic consumption?

Milind Kotecha:

So, the Chlorotoluene capacity we have put is majorly for the domestic market, but as well as we are looking for the export market as well. But it is minor, it is not up to that extent. Majority is for the Indian market.

Moderator:

Our next question comes from the line of Shubhanshu, who is an investor. Please go ahead.

Shubhanshu:

So, I was looking at your balance sheet that you gave for this quarter and the number that you gave in your presentation. On the borrowing figure, there seems to be a mismatch. The borrowings that you have given for H1 FY '26 in long-term borrowings is 507 in your presentation and short-term is 25, whereas in the balance sheet, the long-term borrowings is quite low and the short-term is a little bit higher. So, which one is correct?

Milind Kotecha: See, that is the simple way of explaining in the presentation. It is just that the long-term loans which are maturing in a year's time, that has moved to the current maturities. That is why in the balance sheet, you will see the difference. Otherwise, if you add up, our loan remains the same, both in the presentation as well as in the P&L. That is why in the balance sheet.

Shubhanshu: So, you think the sum should remain same. It will be around 533 and you are saying that should be the one which is in the balance sheet also.

Milind Kotecha: So, out of Rs. 532 Cr, Rs. 25 Cr is the working capital loan and the balance is the term loan. And out of that balance, it is for the current maturities, which is reflected into the short-term loan in the balance sheet.

Shubhanshu: I think that matches. I just wanted to understand why current liability is much higher in the balance sheet than the one which you gave in the presentation. So, yes, the other part was even in this quarter, the interest expense is the same as the June quarter. And at that time, you had mentioned that it is primarily because of interest rates hedges and the kind that you have taken at that time. So, it is similar now also. The reason I ask is from last year, our borrowings have considerably gone down. So, I was expecting our interest costs also to go down at some point.

Milind Kotecha: Yes, so see, interest expense on the percentage terms has been lower side. That is the mark-to-market impact for the derivative product that we have. So, that is where it is there in this quarter. So, next year onwards, our year put together, our interest expense should be in the range of around 45 CR to 50 CR.

Shubhanshu: So, that is where my concern lies. We are already, I think, in this first half year is at 45 CR. The total interest expense has been 45 for June and September. So, are you expecting no such cost or positive implications on your interest hedges? Is that what you are expecting for the rest of the year?

Milind Kotecha: See, that is, as I said, it is a mark-to-market, it is not an actual impact. So, as the next quarter it will not come, it will be set off. So, it is not an actual interest expense that we had, it is a mark-to-market impact.

Shubhanshu: So, in the coming quarters, there will be a positive mark-to-market, you are saying?

Milind Kotecha: Sorry?

Shubhanshu: In the coming quarters, there will be a positive mark-to-market.

Milind Kotecha: Yes.

Milind Kotecha: It can turn around. So, that is what we are expecting to happen. So, it is not an actual expense that we have paid.

Shubhanshu: No, are you sure that it will turn around or is it just saying it can, it might happen?

Milind Kotecha: See, mark-to-market impact generally, it happens at all. I mean, if you ask me next quarter, how much it will be, I would not have an exact answer. But this is what we estimate that it will come down. It is a mark-to-market. It is not an interest expense.

Shubhanshu: That part I get is a derivative position and it is currently at this much loss. But if there is interest rate movements, as you are saying, it will be around 45 CR to 50 CR for the entire year and we are already around 45 CR. So, I am trying to understand what makes you confident that we will remain at 45 CR to 50 CR, where only six months have passed as of now?

Milind Kotecha: So, next six months will actually show us that we will end up at what number. But as I said, it is a mark-to-market. And it is not necessary to continue the next quarter. Actual interest expense is 45 CR for the full year. And that will happen on a continuous basis.

Shubhanshu: And my next question is on the Chlorotoluene. When can we start seeing revenues? Will it be this year or this financial year or from next only?

Milind Kotecha: So, Chlorotoluene, we expect the sizable revenue contribution should start from the Quarter 4 or Quarter 1 of next year.

Shubhanshu: So, right now, I think you mentioned that we have had operating expenses and a depreciation for the same plan, but there hasn't been any revenues in this quarter, correct?

Milind Kotecha: Yes, yes.

Shubhanshu: So, going forward, it should improve from H2 of this year only or no? Or will that happen from next year only?

Milind Kotecha: From next year only, the revenue contribution, see that is always going to happen. Once you commission the plant, it takes time to ramp up. So, till the time it ramp up, it will contribute in terms of expenses in the P&L. But once it is ready, then it will start contributing to the top line and the bottom line. So, things should improve once it starts contributing and which is expected to happen from Q1 of FY '27.

Shubhanshu: Will you see some gradual incremental revenue coming up in Q3 and Q4 of this year or no?

Milind Kotecha: It happens, it gradually grows, but the base is very small. So, that is increasing every quarter, but it is not a sizable amount to disclose anything.

Shubhanshu: And any updates on the new chemistry that you are going to go live in? When can we expect an announcement there?

Milind Kotecha: We are working on it. So, once it is freezed and once the Board approves, we will announce. So, that will be soon. But too difficult to give any further details on this as of now.

Shubhanshu: Will it be launched this year or will it get pushed till next year?

Milind Kotecha: Mostly this year we will announce the CAPEX.

Moderator: Our next follow-up question comes from the line of Nipun Sharma from VLS Finance. Please go ahead.

Nipun Sharma: My another question being is that sir, in one of your con calls which was, I guess, in first quarter of Financial Year '26, you said that CPVC price realization was low due to PVC prices down because of low global PVC demand. And you also added this, that Indian government, by putting the anti-dumping duty of PVC resins, it would not significantly impact the PVC prices in India. That is, it would not significantly improve it. So, the CPVC realization is expected to be low.

So, my question is that, is it expected to be low for the upcoming quarters as well? I mean, any comment upon it? Because I do believe that it constitutes a good section of percentage for revenue, considering that because of its low-price realization, the revenue did fall.

Milind Kotecha: So, PVC prices, I mean CPVC prices, whatever it is right now, it looks like kind of a bottom out situation. And we expect it to improve from the Quarter 4 onwards. As we said, it is the lag of a quarter, it should improve. So, we expect it to improve from Q4 onwards.

Nipun Sharma: So, from fourth quarter, it would improve.

Milind Kotecha: Yes.

Nipun Sharma: Sir, one last question. Because I really wanted to know that in what products your price realization dropped? Because you just said that in hydrogen peroxide as well as in CPVC resins, your realization dropped. Because at the end, the PAT for this quarter is actually down by 36% if you compare it with last year's same quarter PAT. I really want to know that what exactly price realization was for the other products.

Milind Kotecha: See, the PAT, if you, I mean, compared to Y-o-Y, it has dropped around 36%. But in terms of the PAT margin, if you see, that has gone from 13% to 9% in line with the drop in the EBITDA margin. So, that is purely because of the raw material prices for few products inching up and the realizations for few products gone down. Now, realizations for a few products, as in CPVC, on a Q-on-Q business, even the caustic soda realization has, I mean, not drastically, but around 10% it has dropped. So, it is a combination of things which has resulted in it. But it is just the EBITDA margin which has reflected in the PAT. It is nothing other than that.

Nipun Sharma: Just tell me the products of whom realization did fall down for this quarter apart from hydrogen peroxide and CPVC.

Milind Kotecha: Caustic soda.

Moderator: Our next question comes from the line of Janak Shah from Wealth Finvisor. Please go ahead.

Janak Shah: I have two questions. I think one was answered regarding the new chemistry, which is going to start. So, is it on the lines of import substitution? And second, my question was that we are hearing big corporates like Adani and Reliance also entering similar lines. So, does the company foresee any sort of competition going ahead?

Maulik Patel: Yes. You know, like new chemistry, if you ask a question, it is normally taking two years' time to setting up a project. So, that is why we are about to finish our CAPEX on the CPVC and Epichlorohydrin by end of Quarter 2. So, that is why in the same time probably we will announce. So, by the time our project CPVC and Epichlorohydrin will run on optimum level, we are able to start the new project by 2028. So, the new chemistry is majorly for the growth beyond 2028 we are targeting.

And then the second question you have asked about the peers, but their major focus is the PVC. They are expanding. They are expanding because India is a net import of PVC resin. Hardly out of 4.5 million tons, 1.5 million tons manufacturing capacity is in India. So, majorly they are expanding the PVC. As of now, yes, the CPVC, I think, the peers was manufacturing, I think, since many years, since 2015. They are setting up a plant right now, but when they are going to commission, we have no idea right now.

Janak Shah: And the new product would also be in the lines of import substitution.

Maulik Patel: So, import substitute is a priority, but at the same time, we would like to target a product which is a growth for the next 10 years, which is in the construction or that kind of segment which India is going to have for the next 10-15 years if the continuous demand in terms of infrastructure is required as a country. So, we are targeting those kind of products which are having a double-digit growth for the next 10-15 years' time.

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

Maulik Patel: In conclusion, I would like to convey that we are moving in line with our strategy through our expansion plan and diversification in terms of multi-product catering various industries. We are targeting consistent growth. I would like to thank you all for joining us here today. Please feel free to reach our IR if there are any still unanswered questions. Thank you everyone for your participation. Have a great evening.

Moderator: On behalf of Emkay Global Financial Services Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines. Thank you.