



11<sup>th</sup> February, 2026

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

**Sub: Transcript of Q3FY26 Earnings Conference Call of Century Enka Limited ('the Company')**

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

Pursuant to Regulation 30 of the Listing Regulations, please find attached herewith the transcript of Q3FY26 Earnings Conference Call conducted on Monday, 8<sup>th</sup> February, 2026. The same is also available on the website of the Company i.e., [www.centuryenka.com](http://www.centuryenka.com).

This is for your kind information and records.

Thanking You,

Yours faithfully,  
For **Century Enka Limited**

**Rahul Dubey**  
**VP Legal and Company Secretary**  
Membership No: FCS 8145

Encl: as above



## CENTURY ENKA LIMITED Q3FY26 RESULT CONFERENCE CALL

Event Date/Time: 09/02/2026, 11.00 hrs.

Event Duration: 40 mins 47 secs.

### CORPORATE PARTICIPANTS:

**Suresh Sodani**  
Managing Director

**Yogesh Shah**  
Chief Financial Officer

**Purvangi Jain**  
Valorem Advisors

**Tushar Agale**  
Ventura Technologies

### Q&A PARTICIPANTS LIST:

1. **Moksh Ranka** : Aurum Capital
2. **Vipulkumar Shah** : Sumangal Investments
3. **Danish** : Individual Investor
4. **Krupa Kamdar** : Individual Investor
5. **Vijay Subramaniam** : Trustline India
6. **Kamal Jeswani** : U First Capital
7. **Jain** : Individual Investor

**Moderator**

Ladies and gentlemen, good day and welcome to the Century Enka Limited Q3 and 9M FY26 Earnings Conference Call hosted by Ventura Securities Limited.

As a reminder, all participant lines will be in a 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 \* and then 0 on your touch-tone phone. Please note that this conference is being recorded.

Before we begin, I would like to point out this conference call may contain forward-looking statements about the company, which are based on the belief, opinions, and expectation of the company as on date of this call. These statements do not guarantee the future performance of the company, and it may involve risks and uncertainties that are difficult to predict.

I would now like to hand over the conference to Mr. Tushar from Ventura Securities. Thank you and over to you, sir.

**Tushar Agale**

Thank you. Good day, ladies and gentlemen. On behalf of Ventura Securities, I welcome you all to Century Enka Limited Q3 and 9M FY26 earnings conference call. The company is today represented by Mr. Suresh Sodani, Managing Director, and Mr. Yogesh Shah, Chief Financial Officer of the company.

I would now like to hand over the call to Mr. Suresh Sodani for his opening remarks. Thank you and over to you, sir.

**Suresh Sodani:**

Good morning all and welcome to our earnings conference call for Q3 and 9M FY26. I would like to thank our host, Ventura Securities, for hosting this call.

Now, let me first brief you on the operational highlights for the quarter under review. In the tyre cord segment, demand for NTCF improved post GST cut on tyres and automobiles leading to higher volumes in Q3. We expect demand to improve further in Q4 due to these lower GST rates.

However, margins continued to remain under pressure due to low prices from China and duty-free imports from free trade agreement countries. Recent changes in the tariff situation with US and trade deal with EU are positive for future demand of tyres and yarns. In addition, PTCF approval process is moving ahead smoothly with regular commercial sales expected to begin in FY27.

In the filament yarn segment, after festive season, fabric and yarn demand remained weak in Q3, but is expected to improve in Q4 with marriage and summer season. New mother yarn and VAP's supported margins during the quarter. However, imports from China continued at very low prices, with pressured margins on commodity products and the industry is pursuing anti-dumping duties to address this low price dumping. On the raw materials side, caprolactam prices increased after a continuous decline since September 24, supported by industry-wide production cuts in China.

The use of renewable energy at Bharuch plant helped control power costs, with additional renewable capacity expected to be commissioned in FY27, which should further reduce power expenses. A continued focus on efficiency improvement supported margin improvements.

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

**Yogesh Shah**

Thank you and good morning, everyone. Let me now brief you on the financial results for Q3 and 9M of FY2026.

For the quarter under review, the operating revenue stood at INR 412 crores, which declined by almost 17% YoY and increased marginally by 1% QoQ. EBITDA for the quarter stood at INR 41 crores, which increased by 50% YoY and increased by 29% QoQ. EBITDA margin expanded to 9.93%, up by 442 basis points YoY and 220 basis points QoQ.

Profit after tax was around INR 24 crores, which was increased 69% YoY and 6% QoQ. The PAT margin for the quarter stood at 5.76%. The company also reported an exceptional item of INR 3.7 crores during the quarter due to the impact of new labor codes.

Now, coming to financial performance for the nine months ended of FY2026, operational revenue stood at INR 1,222 crores, declining by 22% YoY. EBITDA stood at INR 92 crores, which declined by 13% YoY. EBITDA margins for the period are 7.56%, an improvement of 75 basis points YoY.

Profit after tax for the period stood at INR 61 crores, up by 3% YoY. And PAT margin stood at 5.02%. Total volume for the period declined by 12% YoY to 52,981 metric tons. Tyre cord fabric sales for the period declined by 24% YoY to INR 571 crores, while filament yarn sales declined by 19% YoY to INR 599 crores.

With this, we open the floor for question and answer.

**Moderator**

Thank you, sir. Ladies and gentlemen, we will now begin the question-and-answer session. If you have a question, please press \* and 1 on your telephone keypad and wait for the turn to ask the question. If you would like to withdraw your request, you may do so by pressing \* and 1 again.

The first question comes from Moksh Ranka from Aurum Capital. Please go ahead.

**Moksh Ranka**

Hello, sir. I wanted to understand why have our volumes dropped YoY compared to nine months as well? And post GST cuts, what has been the jump like? Could you quantify that?

**Suresh Sodani**

So, as mentioned in our presentation as well as remarks today, the volumes in the tyre cord segment have been impacted by lower demand, and a lot of it was related to expectation of GST cuts because that was announced somewhere in August. So, the trade, replacement market -- particularly was waiting for the GST cuts to happen. And since it happened only in the later part of the quarter, the impact was only for a number of days that were available post GST cuts. We are hopeful that the volume should improve in Q4.

Similarly, on the nylon filament yarn side, the demand was weak in the post Diwali season mainly because, one, it was an extended monsoon this year, and there was a labor availability issues because a lot of labor had gone to Bihar for elections, and that reduced the production of fabric particularly in the Surat market. So that also impacted the yarn market.

So, these two are the major reasons for the quarterly volumes lower. On nine months basis, I think the demand in the first two quarters last year was significantly better, particularly on the tyre cord fabric. And this year, relatively the demand was subdued. And this normally could happen; we saw that post GST, it has improved. So, we are hopeful that Q4 volume should be better compared to the earlier quarters.

**Moksh Ranka**

Okay. Regarding the dumping which you mentioned because of which our margins are impacted, could you quantify how much change in imported price from China in current quarter and what has been the trend and also the status of the anti-dumping duty, which we were expecting?

**Suresh Sodani**

Multiple products are imported from China, so to give one number on value price would be difficult. But in terms of volume, on a QoQ basis and on a YoY basis, the imports have gone up by -- particularly in the nylon filament yarn are higher by between 50% to 70%. And one of the reasons for that is that the domestic demand in China has been pretty weak. And second, because of the US tariff, China has been trying to send products more to other markets because their finished products are not getting sold in the US. So, all of this as a combination is impacting higher dumping into India.

The association has moved the anti-dumping duty application and which is at the final stage of notification. In fact, it was to be completed by December, but because of some changes in the DGTR, the date was extended up to March 25th. So, most likely, somewhere in February or March, we are expecting the final ruling from DGTR to be get notified.

**Moksh Ranka**

So, we are expecting this outcome in this financial year itself?

**Suresh Sodani**

Yes. We are expecting outcome, but process is that after DGTR funding, because that comes under commerce ministry, this gets referred to the finance ministry for final notification of anti-dumping duty. So, that again is a process, so when actually it will get implemented or what will be the view of finance ministry is another issue that is to be seen. But at least for the first stage, we are hopeful of getting positive recommendations from DGTR in this quarter.

**Moksh Ranka**

And just one last question from my side, our RM cost has gone up. So that going in the next two quarters, are we seeing that will impact our margin?

**Suresh Sodani**

No. Actually, our pricing is normally taking into account the RM cost. In the past, we used to have stock losses when the prices are falling. Actually, a rising market normally should not give any issues on the margins. Normally, what happens is if the prices have been low for a longer period, markets take time for the prices to adjust. So, in the sense that going up to right up to the final consumer, so it takes some time. So only the timing could be the issue. Otherwise, we don't expect any margins issue due to rise in the raw material prices. And particularly, we maintain very optimum levels of inventory. So that also should not impact that much.

**Moksh Ranka**

Okay. That's it from my side. Thank you for answering all my questions.

**Suresh Sodani**

Thank you.

**Moderator**

Dear participants, if you have any questions, please press \* and 1 on your telephone keypad.

The next question comes from Vipul from Sumangal Investments. Please go ahead.

**Vipulkumar Shah**

Hi, thanks for the opportunity, and congratulations for very good set of numbers. So, can you comment on the increase in volume after the GST cut? And that improvement in volume is only for reinforcement division, right? You're not seeing any improvement in nylon filament yarn segment?

**Suresh Sodani**

Yes. The volume improvement was mainly in the reinforcement segment because the cuts on the tyres as well as automobiles were quite significant. And since there was a pre-announcement somewhere in August, there was an expectation that this cut would happen. So, the major improvements that have come in volumes are in the reinforcement side which ultimately translates into, I mean, in terms of tyres and automobiles, which are already available in terms of market information.

So, as far as the fabric side is concerned, actually the GST on the yarns and fabric was also reduced. But that reduction was less in relative to what we saw in the tyres and automobiles. And second, as I mentioned in the earlier reply, there was an issue with respect to delayed monsoon, so the fabric and the production and -- actually both follow a very different cycle. So this fabric demands and the garments demand is more driven by the festival season as well as the marriage season, which normally should have been there post Diwali also, but because of labor issues, delayed monsoon and some fabric inventory, as well as the garments inventory. And there was also an impact of, I mean, some of the products which used to get exported to US market not finding that volume, so all that impacted the volumes. But just to conclude, yes, volume impact was seen mostly in the reinforcement side.

**Vipulkumar Shah**

So, can you quantify that what is the volume impact and what type of volume on a quarterly basis we should expect now? Already, we are into one and a half months in this quarter.

**Suresh Sodani**

We normally do not give any forward-looking statement, but I can only say that we expect volumes to be better than Q3. But again, they're based on expectations. Now, a lot of things change every week, so we are hopeful, but we need to see how the complete quarter happens. But we hope that volume should improve for both the segments; the reinforcement as well as the filament yarn.

**Vipulkumar Shah**

Sir, what percentage of our power requirements are met through renewable sources now? And you mentioned that further capacity is also coming up, so when it is likely to come up?

**Suresh Sodani**

So, on a company basis, it is about 15% currently.

**Vipulkumar Shah**

15?

**Suresh Sodani**

15 of both the sites combined together. And it should increase to about 30-35% post commissioning of second phase, which is expected in later half of FY27. So, we should go up between 30-35%.

**Vipulkumar Shah**

So, when renewable reaches 30-35%, what type of reduction in power cost we can expect if you can quantify? It will be really helpful.

**Suresh Sodani**

We can give you a -- I mean, normally, we calculate the difference versus the grid rates. So, assuming that the grid rates remain the same, we should have in excess of about 10 to 12 crore rupees gain on account of the additional power which would come on an annualized basis. So, it will depend on when actually we start getting it. But as I said, it should be most likely in the later half; second half of FY27.

**Vipulkumar Shah**

So that full 10 to 12 crore benefit will flow to bottom line in '28-'29 only, right? Since it is going to be commission ready.

**Suresh Sodani**

Yeah. Full benefit would flow in FY28. You're right.

**Vipulkumar Shah**

And lastly, what will be the impact of a rise in caprolactam prices?

**Suresh Sodani**

As I said, our margins are decided on the raw material prices, both for the tyre cord and for the filament yarn products. So, we don't see unless there is -- as long as the movements are not rapid significantly month on month or even on a QoQ, we don't see any negative impact on the margins. Yes, what could happen is, particularly in the nylon filament yarn, the market takes some time to adjust on pricing. So, the volumes could have a month or two here and there. But margins, we don't expect a major impact unless the rise is very sudden.

**Vipulkumar Shah**

Okay. Thank you, sir, and all the best.

**Suresh Sodani**

Thank you.

**Moderator**

Thank you, sir. Dear participants, if you have any questions, please press \* and 1 on your telephone keypad.

The next question comes from Mr. Danish, Individual Investor. Please go ahead.

**Danish**

Good morning, sir. I have two questions. First is, what incremental EBITDA margin does the company expect from polyester tyre cord fabric once commercial sales stabilize? And how does this compare with margins in the existing nylon tyre cord business?

**Suresh Sodani**

We expect similar margins. Since we report our results in single segment, I will not be able to give you breakups of that. But normally, our projects have a minimum threshold of 12% IRR. So, you can expect that kind of margins to add to the bottom line once the commercial supply start.

**Danish**

Sir, another question is, are there any planned CapEx investments over the next two to three years, particularly towards capacity expansion or PTCF scaling?

**Suresh Sodani**

So, we could look at opportunities to increase our PTCF capacities in future, which is still under discussion because the first phase still needs to get commercialized on a regular basis. But that we are also evaluating other opportunities to get into other products where we could use our nylon and polyester yarns. And those once it is finalized, approved by the board, it will be informed in due course.

Danish

Okay, sir. Thank you, sir.

**Suresh Sodani**

Thank you.

**Moderator**

Dear participants, if you have any questions, please press \* and 1 on your telephone keypad.

The next question comes from Krupa Kamdar, an individual investor. Please go ahead.

**Krupa Kamdar**

Hello?

**Suresh Sodani**

Yes.

**Krupa Kamdar**

Yes. So, I firstly wanted to ask that how does the company expect the revenue mix between the reinforcement yarns, filament yarns, and PTCF to evolve over a medium term as PTCF plays up?

**Suresh Sodani**

So, as far as nylon yarns are concerned, our major investments in the past as well as future will be on the value-added product. So that would not significantly add to the top line.

**Krupa Kamdar**

[inaudible 00:20:40]

**Suresh Sodani**

Hello? Can you hear me?

**Krupa Kamdar**

Yeah. Yeah, sir.

**Suresh Sodani**

Okay. So, what I'm saying is in the nylon filament yarn, our investments are towards improving the value addition to our current portfolio, so which will not significantly add to the top line, but it should be sufficiently supporting our bottom line on this product segments.

As far as the expansions in future are concerned, that will be more towards technical textiles, which basically covers our reinforcements. So, we are not planning any investments in the nylon tyre cord any further. However, our polyester tyre cord may -- as I mentioned, we will evaluate that post good confidence on regular commercial sales of the polyester tyre cord because this is going to be a growing segment. We may look at some opportunities of adding capacities on the nylon yarn, but that would be not very significant.

**Krupa Kamdar**

Okay. Got it, sir. And lastly, with the whole tyre demand showing improvement post GST, so are you seeing any pickup in the order inflows or order visibility from majorly the tyre OEMs? And how is this comparatively with the Q3 levels?

**Suresh Sodani**

So, as I mentioned, post GST, we have definitely seen an improvement in reinforcement demand, which has continued in the early part of Q4 as well. As mentioned, we are hopeful of this demand to continue because the tyre companies are also seeing the replacement market now picking up. So that should support the tyre demand which in turn should help the reinforcement market.

**Krupa Kamdar**

Got it, sir. Thank you so much.

**Suresh Sodani**

Thank you.

**Moderator**

The next question comes from Vijay Subramaniam from Trustline India. Please go ahead.

**Vijay Subramaniam**

Sir, is there any possibility of going for a buyback now that our business is improving, margins are improving, we have a lot of cash in the books? Is there any option?

**Suresh Sodani**

Actually, this has been referred to our board as well as senior management. Promoters are aware of this, and we continue to inform them the views of the investors and the shareholders. But our aim as management is to deploy and utilize the cash on balance sheet for projects, which will give good growth and sustainable profitability to the business, and that focus would continue. If anything positive does happen with respect to buyback, it would obviously go through a process of approval, and then it would get informed through the stock exchanges.

**Vijay Subramaniam**

How is the acceptance of the new polyester reinforcement cords? How is the acceptance in the market?

**Suresh Sodani**

Hello?

**Vijay Subramaniam**

Yeah, sir. Adding on to that, how is the acceptance to the new nylon polyester cards? Is it being well accepted by the market? If the tyre industry is accepting it?

**Suresh Sodani**

Actually, whenever we give a new product, especially in a completely new segment, the tyre companies go through a very rigorous approval process because it's not a regular product and they do multiple audits. They do extensive testing both at the lab scale, but also by making tyres and running them on the roads because, one, it is going to passenger car tyres; second, this product in a passenger car tyre, the main reinforcement is only a single ply versus double or triple ply in other products like truck tyres or the tractor tyres.

Even it becomes even more critical that the product is completely meeting the requirements of the tyre company. And that's why this whole approval process has taken time because it is also a learning for us in terms of entering a new -- even though it's a reinforcement, it's different, slightly more complex when compared to nylon tyre cord, which we have been doing for decades.

But once it is stabilized, then we are very hopeful that the process is going well. Then our internal process is also aligned to the requirements of the customer, and then it becomes a more regular process. And then even the expansions become much easier to take it through and commercialize early.

**Vijay Subramaniam**

Okay. Well, this eventually can be used for commercial vehicle tyres as well as tractor tyres, etc., or is it only limited to the passenger car tyres?

**Suresh Sodani**

No. Worldwide, it is mainly used in passenger car tyres. To some extent, somewhere or even in the high-end motorbike, polyester is used. In trucks, what is used is a steel tyre cord for the radial tyres. Otherwise, in the bias tyres, it is always nylon.

In the farm segment, it is mostly nylon because nylon has a property where it is more suitable for, or the bias tyres are more suitable for the rough usage or where the road conditions are not good, so like mines or rural roads where two wheelers, three wheelers also run. So, all these are likely to continue on the bias tyres only, which consume nylon.

**Vijay Subramaniam**

Thank you, sir. Thank you.

**Moderator**

The next question comes from Kamal Jeswani from YouFirst Capital. Please go ahead.

**Kamal Jeswani**

Hi. I wanted to know what is exports as a percentage of our revenue? And seeing the tariffs come down, how much growth are we expecting in the exports?

**Suresh Sodani**

Our exports are mainly just yarns basically and some depolymerized chips that we sell. We don't sell any tyre cord fabric mainly because the nylon tyre cord fabric demand in US and Europe and other markets is very low because the tyres are made in India and exported like farm tyres or OTR tyres.

However, in future, once we have domestic approvals for our polyester tyre cord fabric, that could open an opportunity for export of the tyre cord fabric. But that is slightly long term because first our focus is on the domestic market, domestic approval. But that is something because the tyres which are made in advanced countries, particularly Europe as well as USA, a large number of that is using the polyester as a reinforcement.

**Kamal Jeswani**

Okay. Got it. And our return on equity and return on capital employed is quite low as compared to what it should, I mean, the investable grade for a lot of institutions is, so I just wanted to know what are we doing anything for on that regard?

**Suresh Sodani**

Yeah. So that's a focus area for us and the senior management also. And the first thing we wanted is to make the nylon filament yarns more robust and our new investments and the value-added products that have given us a good improvement in terms of margins even though they are not very attractive in terms of market expectation, but at least that is supporting the bottom line to some extent.

Second is our new investments will always be looking at more in future and so that should support the overall improvement. And third is that we have actually exited and decommissioned a lot of our old capacities which were either very inefficient or already done that, I'm just giving in terms of last two, three years.

So that process to a large extent come to a level where now we have started looking at the new investments in a perspective where that should give a significant uptick to the return number and that should support the overall return metrics for the company.

**Kamal Jeswani**

Got it. The promoter's holdings are quite low, less than 25%. So, any plans of increasing the stake? Because we are trading quite significantly below the book value. So, doesn't the promoter feel that this is an attractive place to add to his holdings considering it's so low?

**Suresh Sodani**

We as management have been given the strong feeling of investors and shareholders on this to our promoters as well as the board. So, it is for them to take a call on. But we do convey your sentiments and what the market is looking for. It is for promoters and the board to take a call on that.

**Kamal Jeswani**

Yeah, because I'm aware that there are a few banks who, if the promoter holding goes below 25%, they don't give that attractive rate of interest for debt and all that. I don't know what is the rate of interest we are being charged on the debt side from the banks.

**Suresh Sodani**

Actually, we are debt free. In fact, we have positive cash on balance sheet. So, our limits are only limited to some working capital that also is not significantly utilized. So, our ratings are good and we get good return and good interest rate, but if you can see, our finance cost is very low, which is coming in the profit loss.

So, I think that is not a concern because unless there is a really big project where we need to borrow and to take debts on the balance sheet, that would really come up. But as of now, we have sufficient cash to take even a large project with our own internal cash.

**Kamal Jeswani**

Okay, fine. Thank you. All the best.

**Suresh Sodani**

Thank you.

**Moderator**

The next question comes from J Jain, an individual investor. Please go ahead.

**J Jain**

Yeah. Good morning. Thank you for the opportunity. Just wanted to know what the primary raw material is for our PTCF product, and where do we source those from?

**Suresh Sodani**

We buy the PET chips, polyester chips, mainly domestic is from Reliance. We have started some trials with imports as well. So, we are looking at all opportunities since it is still at a phase where we are starting and we are more in terms of stabilizing and getting regular, but we're evaluating and we're keeping multiple sources. But as of now, it is mostly domestic, and Reliance is one of the largest supplier.

**J Jain**

Also, sir, how do you see the caprolactam price trend evolving over time?

**Suresh Sodani**

We have seen that prices increasing somewhere from October almost after a year. And one of the reasons is that the caprolactam producers even in China were struggling because of the low margin over their base raw materials. So, there was a cut, possibly an industry level cut, that's what we hear from the reports that close to 10% production cuts were taken by caprolactam producers in China, which led to an improvement in prices. And we feel that that process would continue because the current margins over benzene, which is one of the raw materials has been at historical low levels for last 12 to 18 months.

So that's not very good for the caprolactam producers. Some of the integrated producers can sustain, but even they would not want this kind of low margin. So, we are now seeing that the prices have gone up. They have increased in January as well to some extent. So, this should improve, but it should stabilize at some levels which are more sustainable for this caprolactam producers.

Obviously, one of the drivers would be the crude oil prices, which recently significantly went up in terms of a very short period. But if that remains the same, then it should stabilize at normal level that it used to be about maybe 18 months or 2 years back.

**J Jain**

Also, just one last question. Could you update us on the mother yarn and the value-added product investment that we have already made in the past quarter?

**Suresh Sodani**

No. These were already done in the previous year, in fact, not in the quarter. We have added very small capacities in the current year. What we had mentioned is that they have supported our margin improvements, particularly on the nylon filament yarn. So, we had in total invested over 30 crores on these two, three projects, which have given good returns and continue to support our nylon filament yarn business.

**J Jain**

Any number on the return on assets?

**Suresh Sodani**

On overall assets or?

**J Jain**

No. On this value-added product investments.

**Suresh Sodani**

We do not give I mean, as I said, we are reporting only in single segment. So, we do not give for competitive reasons, breakups on multiple or our own -- as I said, these have really helped improve the margin profile particularly of the nylon filament yarn segment.

**J Jain**

If I could just get an overall idea on the ROA numbers?

**Suresh Sodani**

Overall has been already shared in our presentation. No additional information I can pass on on this.

**J Jain**

Okay. Thank you so much, sir.

**Suresh Sodani**

Thank you.

**Moderator**

Dear participants, if you have any questions, please press \* and 1 on your telephone keypad.

So, the follow-up question comes from Moksh Ranka from Aurum Capital. Please go ahead.

**Moksh Ranka**

Hello, sir. I wanted to understand the increase in caprolactam prices which you mentioned due to production cuts in China. Is it due to the anti-involution drive by China, and this trend should continue because of this drive in China? Would you provide some comments on that?

**Suresh Sodani**

Could be that, but I think China has been having overcapacity in lot of commodities, and this was also hurting their domestic industry. So from the report that we get from the Chinese market, it appeared that there was a concerted effort possibly also involving the government that this is unsustainable and it is not helping the domestic industry. So, there should be some way to improve the margins or remove the significant overcapacity. So, I guess it's a combination of multiple things. But what comes out is that the operating rates of some major caprolactam producers are showing lower rates, which are not related to any turnaround or shutdowns, which shows that there has been some concerted effort to reduce the availability to improve the viabilities or the margins of caprolactam.

Again, these are commentaries which are based on certain data available from these reports, but appears to be more logical because that is something which has been happening for a very long period, so should be a combination of these factors.

**Moksh Ranka**

Okay. Just in case if there is a very high increase in caprolactam sizes, will it impact volume for us? And will be able to pass on any margin increases, like it won't affect our margins, right, because it's a pass through for us?

**Suresh Sodani**

Yeah. As I said, see, it all depends sometimes, I mean, if the increase is significant and the timing of buying of our raw materials, which to some extent also comes from China, is also important. But over a period, at least one month or two, it could get impacted both in volumes or some margins. But we don't expect any margin hit because of this price increases because the entire industry is working on the same raw materials and same pricing mechanisms. So, we are all in the same boat. So, what impacts more is the import of our products from China. So that is more impacting the margin than the raw material price movements.

**Moksh Ranka**

Okay. Thanks a lot for your answer. That's it from my side.

**Suresh Sodani**

Thank you.

**Moderator**

Dear participants, if you have any questions, please press \* and 1 on your telephone keypad. So, there are no further questions. Now, I hand over the floor to management for closing comments.

**Yogesh Shah**

Thank you everyone for joining our earning call. I hope we were able to give the answers to your queries, and I hope those were to your satisfaction. If you have any further questions or would like to know more about the company, please reach out to our Investor Relations Manager at Valorem Advisors. Thank you.

**Moderator**

Thank you, sir. Ladies and gentlemen, this concludes the conference for today. Thank you for your participation. You may disconnect your lines now. Thank you, and have a good day.

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**Note:**

This document has been edited to improve readability.

Blanks in this transcript represent inaudible or incomprehensible words.