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To,
Listing Compliance Department
National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra (E)
Mumbai – 400 051

NSE SYMBOL: SILKFLEX
ISIN: INE0STN01015

Subject: Outcome of Q4 FY26 Earnings Conference Call - Transcript

Dear Sir/Madam,

In compliance with Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of the Company's Q4 FY26 Earnings Call.

The same is being made available on the website of the Company at: www.silkflexindia.in

Kindly take the aforesaid information on record.

Thank you.

Yours sincerely,

For, Silkflex Polymers (India) Limited

Tushar Lalit Kumar Sanghavi
Chairman and Managing Director
DIN: 07476030

Encl a/a



“Silkflex Polymers (India) Limited
Q4 FY26 Earnings Conference Call”

April 28, 2026



MANAGEMENT: **MR. TUSHAR LALIT KUMAR SANGHAVI – CHAIRMAN
AND MANAGING DIRECTOR – SILKFLEX POLYMER
(INDIA) LIMITED**
**MRS. URMİ RAJ MEHTA – WHOLE-TIME DIRECTOR
AND CHIEF FINANCIAL OFFICER – SILKFLEX
POLYMER (INDIA) LIMITED**

MODERATOR: **MR. DIVYA D SHETHIA – X-B4 ADVISORY**

Moderator: Ladies and gentlemen, good day and welcome to Q4 FY26 Earnings Conference Call of Silkflex Polymers (India) Limited hosted by X-B4 Advisory. 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 this conference call, please signal an operator by pressing star and zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Divya Shethia from X-B4 Advisory. Thank you and over to you, sir.

Divya Shethia: Thank you. Good evening everyone and welcome to the Q4 FY26 earnings call of Silkflex Polymers (India) Limited. Today on this call, we have Mr. Tushar Lalit Kumar Sanghavi, Chairman and Managing Director and Mrs. Urmi Raj Mehta, Whole-time Director and CFO of Silkflex Polymers India Limited.

This conference call may contain forward-looking statements about the company, which are based on beliefs, opinions and expectations as of today. Actual results may differ. The statements are not guarantees of future performance and involve risks and uncertainties. With this, I now hand over the call to Mr. Tushar Sanghavi, for his opening remarks. Over to you, sir.

Tushar Sanghavi: Thank you, Divya. Hello, good afternoon and a very warm welcome to all our investors, analysts and stakeholders joining us for Silkflex Polymers (India) Limited's Q4 and FY2026 Earnings Conference call. I am Tushar Sanghavi, Chairman and Managing Director and I sincerely thank you for your continued trust and engagement with the company.

We hope you have had the opportunity to review our financial results and the investor presentation, both of which are available on the stock exchanges and also on our website. Let me begin by highlighting that FY2026 has been a defining year for Silkflex, marked by a pivotal operational milestone.

The commencement of full-scale commercial production at our Vadodara facility. The transition from a trading-led model to a manufacturing-driven company represents the realization of a long-term vision we have pursued since inception. Our Vadodara plant facility is fully operational and marks a significant transformation for the company.

The Facility is spread over 10 acres of land with 72,000 square feet automated setup and the plant has been installed capacity of 500 metric tons per month and operates on a boiler-less, zero-carbon and zero-discharge model, aligned with our sustainability which is the first philosophy. Under our technology transfer agreement with Silkflex Malaysia, we have commenced in-house manufacturing of textile binder and table glue.

With this backward integration is expected to improve EBITDA margins by approximately 20% to 25%, reduce our import dependency and enhance supply reliability. Importantly, we retain full commercial rights to sell these binder products to third-party industries, including paints, coatings and industrial applications, thereby opening up a meaningful new revenue stream beyond our core textile segment in the coming times as well.

Capacity utilization stood at present approximately 60% in the first year of operations and scaling this remains a key priority for FY2027. Additionally, we are in the process of adding new machinery over the next couple of months, funded through our internal resources, which will enable us to expand our product portfolio and enter adjacent categories as well.

Now coming to the broader industry environment. From a demand standpoint, the near-term export environment remains somewhat cautioned due to global macro uncertainties and evolving trade dynamics. On the supply side, input costs have remained volatile. To put this in perspective, raw materials saw a sharp increase during the year, largely driven by global supply disruptions and geopolitical factors.

However, our proactive inventory strategy has helped us secure raw materials at favourable blended costs, which should provide margin stability over the near term. With competing manufacturing hubs facing challenges such as rising costs, compliance pressures and supply-side disruptions, global brands are increasingly diversifying their sourcing base towards India.

This is leading to capacity expansion across textile processors, which in turn supports long-term demand for our products. Looking ahead to FY2027, our priorities remain clear: scaling manufacturing utilization, increasing the contribution of manufacturing towards 50% of our revenue mix, expanding binder sales into non-textile industries as well and deepening our engagement with global brands.

By 2030, our vision is to establish Silkflex as a fully integrated, solvent-free, zero-discharge manufacturing company among the most advanced and sustainable players in India's textile and coating solution space. The foundation has already been laid and the focus is now firmly on execution. We remain deeply grateful to our investors, employees, customers and partners for their continued trust and support. With that, I hand over the call to Mrs. Urmi Mehta for a financial overview.

Urmi Mehta:

Thank you, Tushar sir. Good afternoon to everyone on the call and thank you for joining us. I am Mrs. Urmi Mehta, Whole-time Director and CFO at Silkflex Polymers (India) Limited and I will briefly walk you through the financial performance for the quarter and full Year ended. The quarterly financial performance for the fourth quarter of the financial year '26, we see that the revenue from operations stood at INR39.1 crores.

Registering a growth of 199.8% over the fourth quarter of the financial year. The EBITDA increased by 224.4% to INR9 crores, driven by operating leverage and cost control. EBITDA margin improved by 180 basis points, reaching 23.1% from 21.3% in the same period last year. PAT grew by 234.1% to INR4.7 crores, with PAT margin expanding from 10.7% to 11.9%, with an increase of 120 basis points.

Now considering the full year of the financial year '26 performance, we see that the annual revenue grew by 37.7% to INR110.3 crores, which is up from INR80 crores in the financial year. The EBITDA for the year stood at INR21.7 crores, up 87.3% year-on-year. The PAT we see has increased by 73.6% to INR12.2 crores.

Our EBITDA margin expanded to 520 basis points and the PAT margin improved by 230 basis points. Let me now briefly touch upon our revenue mix for the financial year '26. In the first year of manufacturing, the distribution business accounted for 75.9% of our revenue, while manufacturing contributed 24.1%, with a clear pathway for scaling up going forward. If we look into the segment-wise revenue of our distribution business.

The textile ink segment remained dominant, contributing 94.5% to our total revenue. The wood coating segment, though smaller at 5.5% is steadily gaining traction and remains a high-potential vertical. Our textile ink segment grew by 35.7% from INR76.7 crores to INR104.1 crores. Our wood coating segment grew by 85.1% from INR3.3 crores to INR6.1 crores. We can now open the floor to question and answers. Thank you.

Moderator: Thank you very much. We will now begin with the question-and-answer session. The first question is from the line of Faraz from SRE. Please go ahead.

Faraz: Hi, good afternoon. Many congratulations for a very good set of numbers.

Urmi Mehta: Thank you.

Faraz: My question, I have a few questions. First one would be, I mean, what are the unit economics of -- the manufacturing segment specifically for...

Moderator: Faraz, sorry to interrupt you before you go ahead with your question. Your audio is not clear. Can you speak through the handset, please?

Faraz: Okay. My question was what are the unit economics of the manufacturing segment, specifically for glue and binder products, which include the margin differential versus the trading business?

Urmi Mehta: Okay, so basically when you talk about unit economics, we consider that, the rate is approx. 150-160. And the gross margin is approx. 30%-35%. When we compare specifically for, comparison with manufacturing and trading business, we can see that the EBITDA margins are around 20%-25% for the manufacturing segment, and for our trading business it is 12% to 15%.

Faraz: Okay. My next question is, I think you mentioned I think in the call that your capacity utilization is at 60% for the plant?

Urmi Mehta: Correct.

Faraz: So, when would you -- when do you expect the complete utilization of it, by what what's the timeline for that?

Urmi Mehta: So, we are expecting to reach full capacity utilization, by the end of financial year '27. It's the installed capacity right now as mentioned earlier and in our ppt also is 500 tons. So given the rate at which we are going it seems financial year '27 should be our goal.

- Faraz:** Okay. And at what utilization level do you expect these margins to stabilize and, what is the steady state margin range?
- Urmi Mehta:** So, how I would put this is, Mr. Faraz, that we are already at 60% capacity. Correct. I would say that the margins have almost stabilised. If there is a slight change, it will be very minute here and there. Because our capacity is above 50%, we are not expecting much change in the margins with the complete utilization of the plant.
- Faraz:** Okay. So, this is what we can expect as the steady state?
- Urmi Mehta:** Yes, mostly it will be a little bit here and there, this is you can consider as the stable margin.
- Faraz:** But ma'am, even after the shift towards manufacturing, our gross margins have not expanded as significantly?
- Urmi Mehta:** Correct.
- Faraz:** So, is this due to some ramp-up efficiencies or pricing or some raw material issues which we are facing, what would be the highlight for this?
- Urmi Mehta:** So, in this basically what's happening right now is that utilization is not at full capacity. And all our costs have completely set in like all the fixed costs have already been incurred in the setting up of the factory, right. So now the absorption of the cost is only at 60% capacity. So when over time, which is our estimation, that by the end of financial year '27 we will do 100%, then by that time we are expecting that the fixed cost absorption will also be better, and as soon as that is better you will see expansion in gross margin.
- So, the difference you are expecting, will come over the period of time. Since it is the starting phase right now, we can say that you know ramp up like you mentioned, right now it is the ramp-up phase. So that is why.
- Faraz:** So approximately by how many basis points can we expect more expansion say at, the full capacity and everything which you're saying?
- Urmi Mehta:** Could you repeat your question again please?
- Faraz:** I'm saying so how much margin expansion do you expect like in how many basis points do you expect the expansion to happen at like say full capacity and with your ramp up, efficiency stabilizing and everything?
- Urmi Mehta:** So overall EBITDA can increase by 200-300 basis points. If seen overall, we can expect expansion by 2% to 3%.
- Faraz:** Okay, ma'am. Thank you so much and congratulations once again.
- Urmi Mehta:** Thank you so much Mr. Faraz.

- Moderator:** Thank you. Next question is from the line of Nachiket Kale from Juggernaut Securities, please go ahead.
- Nachiket Kale:** Yes hi, thank you so much for the opportunity and congratulations on the great result. First question is on majorly on the sourcing front...
- Moderator:** Nachiket, your voice is breaking terribly.
- Nachiket Kale:** Okay, I'll just try to be better. So, given your reliance on Silkflex Malaysia for sourcing, technology, and even the product portfolio, any geopolitical disruptions or supply issues are we facing right now and if yes, what is the turnaround or how do we manage that?
- Tushar Sanghavi:** Hi, Nachiket, this is Tushar. Pricing is a basically a primary factor we watch very closely. The US dollar exchange rate adds a layer of currency risk to our import cost. Beyond pricing management, we are actively in discussion with Silkflex Malaysia team also for a technology transfer or for manufacturing additional inks as well as the wood-coating products in India.
- Once that is confirmed we will communicate details also, as well as significantly to reduce our import dependency and deepen our in-house manufacturing capabilities, we are having our R&D and we are also working for the different variety of binders applications for constructions, paints, also.
- Nachiket Kale:** Okay, And how is the management's strategy on product portfolio like what will be the proportion of textile ink, wood-coating in revenue mix?
- Tushar Sanghavi:** Right now, . Like it is in trading and manufacturing right now what we did as of now was 75%-25% that will become 50%-50% . Plus, our distribution of business for wood-coating, the current contribution of 6%, the growth of that can also double. Meaning we can even take it from INR6 crores to INR12 crores, INR14 crores.
- So, expecting the overall revenue grow at the similar rate as we demonstrated in this year because we have driven the manufacturing scale and continued the expansion of wood-coating and textile inks together.
- Nachiket Kale:** Yes. Okay. And are we taking some steps to increase revenue from that by focusing on wood-coating?
- Tushar Sanghavi:** Yes, 3 months before, we have been opened a branch at Kochi which is a very good manufacturing hub for the furniture. So, we are getting a very good response in that too. Because now, there is a lot of awareness to get out of solvents in the market. Looking to the global situation as well as the pressure from the government.
- So, people are looking for solvent-free solutions. And where we are getting very good business as a domestic player. No doubt, so far as our Jodhpur office which are dealing with the export manufacturers, we have been already doing well there.

But now we are hoping for the domestic market as well as we are getting very good response from the customers. So, that is why we are looking for wood-coating products to grow very rapidly.

- Nachiket Kale:** Okay, understood. That's all from my side sir. Thank you so much.
- Moderator:** Thank you. Next question is from the line of Harsh Shah from Shah Investment. Please go ahead.
- Harsh Shah:** Sir, actually I want to understand are we planning to increase our product portfolio beyond ink, wood-coatings, and textile, and if so, then how will it impact our margins?
- Tushar Sanghavi:** See, we are -- right now increasing the manufacturing part, so which will be basically on the textile side. So, textile what we are doing trading right now, that will be also grow. Simultaneously, we are doing the wood-coating business, and which we are hopeful as I have mentioned to Nachiket also, that segment will be doing much better than the past previous year, so that will be also growing rapidly. So, we as a manufacturer and trading, we can say it is a contribution of 50%-50% we can achieve it like that, which right now is the 75%-25%, which will be -- it is accordingly 50%-50%.
- Harsh Shah:** So, what will be the impact on the margin, like...
- Tushar Sanghavi:** Sorry? Can you repeat?
- Harsh Shah:** What will be the impact on the margin side, like, will it expand, and if it expands then by what basis points?
- Tushar Sanghavi:** See as I've been already mentioned the basis -- basically when we are doing the manufacturing, naturally the profit margin is little bit higher in the manufacturing segment. So, overall profit margin you can consider it 2% to 3% will be higher in the coming years.
- Harsh Shah:** Okay. So, there will be a spread of 2% to 3% after we start the manufacturing part. Got it. Sir, another point is, are we actively pursuing non-textile customers for its binder and glue products?
- Tushar Sanghavi:** Yes, right now, we have been doing for our R&D, so we have been doing lot of trials and errors for with the non-textile people also. So, hopefully we will be coming soon within couple of months, we will intimate to you once again when we will get through.
- Harsh Shah:** Sure, got it. Lastly, sir, I want to ask that once we reach our optimal utilization of our current facility, what would be the next phase of growth in the whole scenario, like, what would be the next phase of growth after we achieve the optimal utilization?
- Tushar Sanghavi:** See, after achieving the optimum utilization, the capex what we have been used is almost already ready for that, and out of that we are right now utilizing only 20% space after installing the system of the 500-ton capacity. We have furthermore scope of putting up the vessels, which will be costing near about INR3 crore, INR4 crore, INR5 crores, and we can expand our manufacturing capacity as well according to the requirements.

- Harsh Shah:** Got it, got it, sir. All the very best. Thank you. I'll rejoin the call.
- Tushar Sanghavi:** Thank you.
- Moderator:** Thank you. Next question is from the line of Nidhi, Individual Investor. Please go ahead.
- Nidhi:** Thank you. And hello Tushar sir and Urmi ma'am. I had some operational questions from my side. So, as a manufacturing keeps scaling up, so one concern that naturally comes up is regarding working capital. So, how does management see this becoming a constraint at some point?
- Urmi Mehta:** So, Nidhi ji, basically we aren't expecting that working capital as such should become any constraint in our growth, mostly because internal availability is there, and more than that our cash flow is very good. If you notice in the presentation also, which has been uploaded, you will realize that this is very good, the cash flow that we are talking about. So, we are very confident working capital will not become a constraint at least in the near future.
- Nidhi:** Okay. I also wanted this broader perspective as to how you are viewing the risk landscape for the next 12 months to 18 months, like, on margin or growth what thing can materially impact more?
- Tushar Sanghavi:** Nidhi, this is Tushar here. Global factors that are currently going on, based on that the price fluctuations that have come in raw material are coming, those are also coming upon global supply and the entire chain dynamics.
- Importantly this pricing pressure also comes upon our demand of product, but since all people have been raising the price, so we have to also pass it through for the cost increase we also have to increase the cost with the customers. So, accordingly everybody is being accepting that price. Domestically, we don't feel any significant risk or impact on growth at this stage.
- Nidhi:** Okay. So last question from my end is in the numbers that I wanted to understand, inventory still elevated at around INR29 crores. Now when backward integration has happened in manufacturing, so naturally the expectation was that inventory intensity would decrease slightly. So why hasn't that happened yet?
- Tushar Sanghavi:** Nidhi, this is -- we are manufacturing only two products right now. Basically, we are importing 108 products, and we are having a multiple office in all over India basis, so we have to keep the inventory so far as our import is concerned.
- So, that is the cost of inventory, which we have to keep because right now we are producing two products only. The moment we will increase the number of products, automatically the inventory will be like that. And furtherly wood-coating and textile, both industries are a service industry, so at any point of time the demand will be there, so we will have to keep the inventory in each and every godown and the warehouses to fulfil the requirement of the customer.
- Nidhi:** Okay. Okay. Thank you so much. That is all from my end.

- Tushar Sanghavi:** Thank you.
- Moderator:** Thank you. Next question is from the line of Jimit Mehta from [Mehta Holdings. Please go ahead.
- Jimit Mehta:** So, my question is that with our working capital at around INR20 crores and receivables rising currently, are we going to see an increase in debt in FY27?
- Urmi Mehta:** Hi, this is Urmi Mehta speaking. So, basically, not really until and unless, we are taking on additional capex in which case, yes, we'll need additional working capital, and thereby, yes there will be increase in debt for the next year, but currently we don't have any plans as such.
- Jimit Mehta:** Okay, got it. And I have another question that the plant has been built with expansion ready infrastructure.
- Urmi Mehta:** Correct.
- Jimit Mehta:** So, what percentage of facility is currently vacant and by when this space will be fully used?
- Tushar Sanghavi:** See, infrastructure has been as I've been told lastly that infrastructure is already ready. The percentage of the facility is still 80% is remaining there and that depends on our R&D once it will be done, as well as the market growth will be there, we will be fulfilling that 80% space also.
- Jimit Mehta:** Okay, got it. Thank you.
- Tushar Sanghavi:** Thank you.
- Urmi Mehta:** Thank you.
- Moderator:** Thank you. Next question is from the line of Deepak Poddar from Sapphire Capital. Please go ahead.
- Deepak Poddar:** Okay. Yes, thank you very much for this opportunity. Sir, just few things. Now, we started manufacturing in the month of November, would that be a right understanding?
- Tushar Sanghavi:** Yes, yes.
- Deepak Poddar:** Okay, and then what was the revenue mix of trading versus manufacturing in fourth quarter?
- Tushar Sanghavi:** Fourth quarter, it will be INR16 crores for manufacturing side, and the rest will be from the trading side.
- Deepak Poddar:** INR15 crores manufacturing and so out of...
- Tushar Sanghavi:** INR16 crores.
- Deepak Poddar:** INR16 crores. So, around 40/60. 40% is manufacturing and 60% is trading?

- Tushar Sanghavi:** Yes, yes.
- Deepak Poddar:** So, I mean, you mentioned our trading EBITDA margin is 12% to 15% and manufacturing is 20% to 25%. So, how is the math fitting in, because if INR16 crores comes from manufacturing and remaining majority is coming from trading, but still our EBITDA margin is 23%, right? So, can you explain that?
- Urmi Mehta:** Right. This is Urmi here. So, for the fourth quarter of the financial year '26, how we are seeing the EBITDA margins for the textile is around 14%, okay. Wood is standing at 18% and the manufacturing is at 30%. So, if you put it together, it fits with the calculation that we just mentioned.
- Deepak Poddar:** Okay. So, I was just trying to understand based on trading versus manufacturing. So, you had given that data of 12% to 15% EBITDA margin in trading?
- Urmi Mehta:** Trading, correct.
- Deepak Poddar:** So, given the 60% is in trading, but still, we could do 23% EBITDA margin. So, I was not able to understand this.
- Urmi Mehta:** But I hope that, it's clear now.
- Deepak Poddar:** No, no, it's not yet clear, because your trading is still 60% right for fourth quarter and 12% to 15% EBITDA margin. So how did we reach 23% EBITDA margin at the company level given the?
- Urmi Mehta:** So, when we are considering trading, we have two segments of trading right now, it's textile and wood. Manufacturing is separate and manufacturing is completely different. Now in trading we have two more segments, textile trading and wood trading.
- Deepak Poddar:** Correct. But our trading margins are 12 to 15%, right?
- Urmi Mehta:** Correct.
- Deepak Poddar:** Yes, so at 12% to 15% trading margin and at 60% of your revenue, we will not reach 23% EBITDA margin, that's what I'm trying to understand that how did we get to 23% EBITDA margin? Because trading is your 60% which is 12% to 15% margin. Now remaining 40% might have 23%, manufacturing you said 22% to 25%. So even if I take a higher bar of 25%, will not reach 23%, that's what I'm trying to understand?
- Urmi Mehta:** Okay, give me one second. Sorry to keep you waiting, I'm just putting some numbers on paper.
- Deepak Poddar:** Please take your time. Yes, please. Thank you.
- Urmi Mehta:** Okay, so if I put down the exact numbers for you, the EBITDA percentage for textile for the quarter 4, okay, this is specifically for the quarter 4, is coming to 25.5%, which will be INR3.99 crores. sorry, the revenue, I'm so sorry, revenue is what I meant.

Revenue if I put out considering the textile for the quarter 4 is 28.57%, so its revenue of ours comes as INR3.99 crores. Okay? Then our wood comes as INR2.86 crores. And manufacturing is INR16 crores and if you go percentage-wise then that will be your total 9%. INR9 crores sorry, INR9 crores will come.

Deepak Poddar: Okay. So, okay I will take it offline. I mean so I got the basic understanding. So, I have few other queries from my side. Now this current new capacity that of 500 metric ton so we have a revenue potential of INR70- INR80 crores, would that be right?

Tushar Sanghavi: Yes.

Urmi Mehta: Yes.

Deepak Poddar: And we expect to reach it by FY27 end.

Urmi Mehta: Correct. 100% utilization we are expecting will happen by financial '27.

Deepak Poddar: So ideally from 60% to 100% over the years, so on an average 80% utilization level for current year would be a rough I mean target that we might have from manufacturing. So somewhere between maybe INR55 crores to INR65 crores of manufacturing revenue?

Urmi Mehta: INR60 crores - INR70 crores yes.

Deepak Poddar: Okay INR60 crores - INR70 crores. And how about the trading part? I mean so what sort of growth we are expecting in the trading business for this year FY27?

Urmi Mehta: So basically, this year we are prioritizing manufacturing only. So, for trading we can expect stable or 1% to 2%.

Deepak Poddar: 1% to 2% growth.

Urmi Mehta: 10%-20% growth, but the focus will continue to be on manufacturing for this year.

Deepak Poddar: Okay, I got it. So, if we assume 10%-20% growth with manufacturing being so ideally your mix should shift a lot I mean towards your manufacturing, right? I mean.

Urmi Mehta: Correct.

Deepak Poddar: From 25% it would be towards 40%, I mean would that be a right approach?

Urmi Mehta: 40% to 50% is our aim. we are doing 50%-50% in both. The more we reduce trading, we can be more independent in manufacturing and the entire purpose is to be independent, so we want to focus more on the manufacturing. And trading share we want to reduce. Correct, right now from 75%-25% we focus more on getting to a 50%-50% at least. Then we'll see further.

Deepak Poddar: Understood. And when you said 2% to 3% expansion in EBITDA margin, right, on optimal manufacturing utilization so that we are talking at the company overall company level?

Urmi Mehta: Yes.

- Deepak Poddar:** And what base we are talking about here? I mean is it FY26 base or fourth quarter margins base?
- Urmi Mehta:** Manufacturing base.
- Deepak Poddar:** No, I so at a company level FY26 your margin is close to 20%, fourth quarter your margin is around 23%. So, when you're talking about 2% to 3% improvement, you're talking about FY26 base or fourth quarter EBITDA margin base?
- Urmi Mehta:** No, full financial year.
- Deepak Poddar:** For full financial year.
- Urmi Mehta:** Correct.
- Deepak Poddar:** Okay understood. And just one last thing...
- Moderator:** Deepak, sorry to interrupt, can I request to come back.
- Deepak Poddar:** Yes, no problem, yes thank you very much.
- Urmi Mehta:** Thank you.
- Moderator:** Thank you. Next question is from the line of Ayush Bhavish Shah from Alpha Accurate Advisors, please go ahead.
- Ayush Shah:** Congratulations to on a great set of numbers. My question was first of all to understand that how do we look at debt in the balance sheet over the next 2 years, meaning how is your plan are you going to decrease it are you not going to decrease it meaning how should it be viewed?
- Tushar Sanghavi:** I cannot hear properly. Can you I am not audible properly. Please can you repeat?
- Urmi Mehta:** Hello.
- Ayush Shah:** Hello.
- Urmi Mehta:** Yes, can you repeat your question please? It was not very clear.
- Ayush Shah:** I just want to know how do we look at debt in the balance sheet over the next two years and if there are, you know, any guardrails there because currently the balance sheet is highly levered?
- Urmi Mehta:** Correct, debt is high.
- Ayush Shah:** So, meaning do you have any guardrails how will you view the plan to reduce it in two years?
- Urmi Mehta:** No, plan is to reduce 100%. So right now, the maximum requirement of our capex we have done, you know the manufacturing unit is already working. So now focus is on reducing debt also for our company. What is the plan for this we are planning something like the cash flow

that we are generating right now is very good. So, from internal accruals only we will be able to manage it, will be able to do it very effectively. So, we're not very worried about the debt.

Ayush Shah: Okay, got it. And mam one more question was, what the capex now will be in the next 6 months and if some more capacity expansion is going to happen forward?

Urmi Mehta: So, we have done full capex and we aren't expecting expansion right now. Like you know we had mentioned that the factory we have already set up on the basis of expansion itself, right. So, we have space and resources to come up with more plans, to come up with more vessels. So, if there is some requirement then like Tushar sir already mentioned, it will be for a couple of you know INR2 crores - INR3 crores investment, we'll get the vessels and beyond that we won't be requiring.

Tushar Sanghavi: Since sorry to interrupt, our R&D is also going on, so maybe within 3-4 months we can launch some new products also, so we may expand little bit with the capacity of the vessels also.

Ayush Shah: Got it. Done sir. Thank you so much, thank you.

Urmi Mehta: Thank you.

Moderator: Thank you very much. Ladies and gentlemen, due to time constraint, that will be the last question. I'll now hand the conference over to Mr. Tushar Sanghavi for closing comments.

Tushar Sanghavi: Thank you all for participating in this earning call. I hope we have been able to answer your questions satisfactorily. If you have any further questions or would like to know more about the company, please reach out to our investor relation managers at X-B4 Advisory. And thank you once again. Good evening.

Moderator: Thank you very much. On behalf of Silkflex Polymers, that concludes this conference. Thank you for joining us and you may now disconnect your lines. Thank you.