“Srivasavi Adhesive Tapes Limited
FY 26 Earnings Conference Call”
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MANAGEMENT:

Mr. D N Anilkumara, Promoter, Chairman and Managing Director

Ms. Ashwini D A, Executive Director and Chief Financial Officer

Mr. Rohit Kumar Joshi, Chief Executive Officer

MODERATOR: MR. PUNIT THAKKAR- SAMVAAD PARTNERS

Punit Thakkar: Good evening ladies and gentlemen. On behalf of Samvaad partners, the IR advisor to Srivasavi Adhesive tapes limited, I extend a warm welcome to all the participants joining us today for the company's FY26 and H2FY26 earnings conference call. We appreciate your time and continued interest in Srivasavi Adhesives Tapes Limited.

Joining us on today's call from the management team, we have Mr. D N Anilkumara, Promoter, Chairman and Managing Director, Ms. Ashwini D A, Executive Director and Chief Financial Officer and Mr. Rohit Kumar Joshi, Chief Executive Officer

The management will provide an overview of the company's operational and financial performance for FY26 and H2 FY26 to discuss key developments during the year and share their insights. This will be followed by an interaction and Q&A session. With that I would now like to invite Mr. DN Anil Kumar Sir, CMD of the company to share his opening remarks. Thanks and over to you sir.

D N Anilkumara: Good evening everyone. Thank you for joining Srivasavi Adhesive Tapes Limited's earning call for the financial year ended March 2026. I am Dasa Nagaraju Anil Kumar chairman and managing director.

Joining me is Ms. Ashwini D A, Executive Director and Chief Financial Officer and Mr. Rohit Kumar Joshi, Chief Executive Officer.

I hope you had a chance to review the results. Financial year 26 was a year in which we deliberately choose to invest ahead of our demands. We crossed 110 crores in revenue from operation growing roughly 22% over the previous year.

It is happy to say we crossed our 100 benchmark now and this is our highest ever topline but I want to be a candid with you up front. This was also year of heavy investments. I will explain exactly why because I had rather you understand the shape of the business than just the headlines numbers. We did three things this year that I believe will define the next phase of our company journey.

First we put our IPO proceeds to work significant asset additions across all our units, started new units. Unit 2 , 3, 4 started. recent fifth unit in Dhaspit capital work in progress that will convert into operating capacity.

Second, we crossed into generally high entry barrier sectors. We signed with our first ever contract with the defense PSUs. We started working with the electronic manufacturing service EMS. Third, we deepened the certifications of approvals, new product trial approvals from vendors which is institutional as a institutional suppliers most notably part one approved from Indian railways for our auto adhesie tapes.

We now operate five manufacturing units which are placed in Bangalore and Vadodara Gujarat spanning roughly two lakh square ft which is doubled after our IPO with more than 300 SKUs across eight product lines. Under our 'Dollar' brand name, we are selling domestically 21 plus states exporting to 27 plus countries.

Our workforce is increased from 280 people to 357 during the year. a direct reflection of the capacity we are bringing online. On the sector side, the momentum is encouraging. Our railways and infrastructure business, lithium ion, renewable energy, home appliances business all are growing faster and some of the fast growing industry verticles in India. In the third quarter, exports grew up 20% year-on- year and also recent reduction US tariff should further improve our competitiveness in American industry and other industrial market, very well in defense. Applying adhesive tape for motor shell application for a company like us, mid and small size a genuinely milestone for us.

These are all high barrier qualification that take years to earn and we are very difficult to replicate for competitors for this. The strategic logic running through all of this is the import substitutions. India's speciality tape addive market remains more than 65% import substitute import dependency largely from Korea and Japan.

Our backward integration and in house pressure sensitive adhesive and sealants developing polymer division is what let us compete in that import substitute opportunity along with protecting our own margins over time.

Thank you. I will keep this focused on the audit standalone numbers for FY26 with the comparatives.

On the income statement, our revenue from operations was (Rs)109.98 crores which is up from (Rs)90.16 crores of financial year 25 growth of about 22%. Yes, our total income was 110.48 48 crores and profit after tax was 6.01 cr. versus 6.80 cr.

Basic EPS annualized was 4.24 rupees . There are three drivers. First cost of metal consumed rose to 83.08 cr. Input cost and product mix during the scale up phase.

Second finance cost also increased from 47 lakhs from 28 lakhs of previous because of borrowings and fund expansion. Third depreciation also rose from 144 lakh rose from 110 lakhs of previous which reflects a new assets we commissioned. In short margin pressure this year is the cost of capacity we have built but not fully utilized. As unit 4 in Gujarat scales towards full operation and new capacity absorbs fixed overheads, we expect operating leverage to work in our favor in future.

On the balance sheet, the year end picture tells investment story clearly. Our total balance sheet expanded to 85.86cr from 57.95 cr. Net worth strengthened to 46.71 cr with the reserves and surplus rising to 32.54 crores.

The most significant movement are on the asset side. Tangible assets are grown 19.56 cr. We are carrying 10.58 cr of capital work in progress.

Capacity that is not yet generating revenue but will fund this long-term borrowing rose up 7.23 crores. Short-term borrowings 11.73 crores.

Our debt level remain modest relative to our equity base. But they are higher than the last previous years. Investing outflow of 17.14 cr almost entirely for our capex program and we funded that with 17.05 on a net financing inflow.

The results was a small net reduction in cash. I would characterize FY26 as a peak investment year for cash. Looking ahead, our long-term vision in very clear and which is ambitious.

Yes, we already crossing 25 years of our life. We are working towards our all-time goal of 1,000 cr revenue of the company built on four pillars. Backward integration, capacity expansion, sector diversification, export scale up.

The catalyst that take us, three are already in the motion. Our polymer division which is in Dobbaspet unit targeted to go live by 26-27 year.

Our EMS also getting ramp up. Our lithium ion sector also is giving a started giving us defense relationship after this PSU delivery and planned overseas presence to take exports beyond a current 15% of the turnover.

I want to be measured about timing. Several of these are multi-quarter journeys and certification and institutional orders move on their own clock not as per ours. But the foundation we laid in financial year 26, the plans, the people, the approvals, new sectors is precisely the foundation that converts into durable recurring institutional revenue. We chosen the harder higher barrier path on a purpose because that is where the margins and the modes are to our shareholders.Thank you for your trust, your patience through an investment heavy year. We are confident that the capacity capabilities we have built will translate into stronger and more profitable growth in the years ahead. With that, we are happy to open a float for a Q&A.

Please Q&A from your

Punit Thakkar: Interested participants can raise their hands and we'll be happy to answer the questions

Punit Thakkar: We have first question from Mr. Chirag. You can unmute yourself.

CHIRAG BARASARA: Yes sir. Good evening sir. Can you hear me sir

D N Anilkumara: very well.

CHIRAG BARASARA: sir? So my first question regarding the competition from China and Korea. See now domestic market how much market syrup is there from China and Korean products.

D N Anilkumara: See market is already flooded with Chinese also and Korean and

Japanese also where high-end products are there. Yes, we are also working because of that only backward integration and in house capabilities we are increasing so that we can also compete with the well with the market because they started very long

ago.This kind of a backward integration and all. Now we are started. Yes, it is the line what they teach us. We are going to follow the same and we are going to excel in coming years

CHIRAG BARASARA: Okay sir. So is there any provision for anti-dumping duty for this product and what would be the price difference between our product and their

D N Anilkumara: See we are main high-end value added product. We are not working on a generic product. very value added products. When we go for a anti-dumping duty, we need to show up our capabilities because these are all specification oriented, specification driven product largely comes from high-end manufacturers which is not so easy to have a anti-dumping as a nature because institutional buyers also need to accept that definitely we are working to get into the institutional where product specifications are there. We are working on towards it. We are not working on a generic in nature.We are always working on a speciality product where specifications are a driving mode rather than a price as a drive mode.

CHIRAG BARASARA: Okay sir. Okay. Got it. Now sir, I want to know about our auto OEM. Do we supply our products to any EV models especially for batterypacks?

D N Anilkumara: very much true. We are already signed NDA with the many of the battery pack manufacturer, battery manufacturers. Yes, already many of them visited us, evaluated us, they suggested us and we are unit 2 is planned for upgradation. what they have wanted like manufacturing need to be there like a clean room facility all those things we are upgrading in unit 2 according to their requirements.

CHIRAG BARASARA: So sir, if if you can name so many models EV models for which we are supplying. Can you say anything?

D N Anilkumara: no I'm talking about directly about battery manufacturer and battery pack manufacturer

CHIRAG BARASARA: Okay. Okay. Okay.

D N Anilkumara: We are aiming for that directly to them.

D N Anilkumara: Not only we manufacture

CHIRAG BARASARA: okay sir.Okay sir. And now second question. Next question is about how much revenue comes from aerospace division sir. Can you quantify it sir?

D N Anilkumara: about 4% roughly about 4%.

CHIRAG BARASARA: And what what would be the margin difference from normal products from aerospace

CHIRAG BARASARA: for from

D N Anilkumara: Yeah. see you know you know aerospace requirements and it is not so easy to get in. Definitely it'll be a more than double digits. I don't want to explain but it is a double digits.

CHIRAG BARASARA: Okay sir. Okay. And now can you throw some more light on the defense PSU orders?

D N Anilkumara: Yes, we are working shell motor application a few of the things. Yes, we started the supplies and years to come we'll give you the proper input of what is a defense one.itself because it is very what do you call secretive this thing I don't want to spell out right now because now we entered people are following us I don't want to give you a proper this thing we can connect one to one and we can give you the information if you

CHIRAG BARASARA: Okay sir. Okay. Second question is last year we acquired some machines from bank s 2.5 cr 2.58 cr sir.

So what would be it market value normally if you are going to purchase this new machines?

D N Anilkumara: That is somewhere around 30 crores whole

CHIRAG BARASARA: Oh

D N Anilkumara: setup.

CHIRAG BARASARA: 30. Okay. So we got that at 2.58

D N Anilkumara: No, no, no.

D N Anilkumara: We now we almost invested about 10 crores to get almost you, you mean to say particularly about 2.58 crores value?

CHIRAG BARASARA: H? Yes sir. that machine. That machine.

D N Anilkumara: Okay. Today's value is somewhere around 20 crores.

CHIRAG BARASARA: Oh. So we got around 10% price only.

D N Anilkumara: Yes. Yes.

D N Anilkumara: Yes. Yes.

CHIRAG BARASARA: Okay sir. Okay. And sir in last annual report you mentioned there expansion in foreign on export business. We will supposed to open a office in any foreign land.

D N Anilkumara: Yes.

CHIRAG BARASARA: So any future plan is there?

D N Anilkumara: Yes. It's already done. means plans are done now.

Okay. Only the thing I will give the very soon clarification on that very soon like we'll give the this one. We are already worked and we are already finalized one or two people. Okay. I'll very soon we are going to publish

CHIRAG BARASARA: Okay sir. Okay.

D N Anilkumara: it.

CHIRAG BARASARA: Now now next question is about what will be working capital days normally sir around we are around like 80 90 days it will be like that

D N Anilkumara: Yeah. Minimum 75.

It goes up to 100 100 also sometime because all OEM customers okay it's a minimum term we have

CHIRAG BARASARA: okay sir regarding operating margin sir around double digit we can expect that or around 7 to 8% sir.

D N Anilkumara: no we are I'm precisely aiming this year for double digit I will try to achieve that

CHIRAG BARASARA: And the last question is regarding what are our plans to achieve that 1000 Cr revenue

D N Anilkumara: because of that only we are expending a lot, investing a lot,

aiming a lot. You know that when we were on IPO only two units were there. Today we gave a publish of sixth unit also which is going to come very soon.

We are investing large to achieve

CHIRAG BARASARA: are expanding aggressively. That is correct. But what about competition? that new plants are all new plants are running at optimum capacity around 70 80%.

D N Anilkumara: Yes. We are, one and two is running almost about more than 60 70%. Three and four is about 50%. And rest are new units you know that.

CHIRAG BARASARA: Okay sir. Okay. Thank you sir. All the best. Thank

D N Anilkumara: Thank you. Thank you.

Punit Thakkar: Next we have Mr. Jigar.

Jigar Shah: sir, can you hear me?

D N Anilkumara: Yeah. Yeah. Very

Jigar Shah: Yeah. Can you do break up of CWIP? What all things we have added in the CWIP which we see the

D N Anilkumara: What is CWIP?

Jigar Shah: capacity additions which we have done the capital. Yeah.

D N Anilkumara: Okay,

Jigar Shah: It's a huge quantity which I can see what you have added last year which is yet to go

D N Anilkumara: that is a unit unit 5

Jigar Shah: So, so what all it will cater to? in extent.

D N Anilkumara: It's a basically it's a polymer division. Okay. where we are going to manufacture fabrics for our own captive consumption as well as innovative product which is being the advertisement sector and it is a capacity of 6,000 tons a year. We invested almost about 10 crores in this polymer division itself.

Jigar Shah: Okay. Okay.So from the current infra how much can you scale up to 300 400 Cr is possible.

D N Anilkumara: infra will if we use at least about 85 plus more than 300.

Jigar Shah: max 85 - 90. we can do?

D N Anilkumara: Yeah. Yeah. That is what see okay sometimes we may increase some capabilities and all that that is a gray area which we need to check according to people, mindset, all other parameters like

Jigar Shah: any competition from 3M. How much do you see yourself versus 3M and any bigger p;ayers

D N Anilkumara: see they're all keep on innovating and they are increasing their bandwidth in innovation products. Okay, they will not compete with us for the prices. Definitely they'll work on their own margins.

Jigar Shah: So defense and EMS what you are saying sir. So any other listed company in the sector which Vasavi adessive tips is there. So do you see any other listed company also

D N Anilkumara: No, MNC's are there. They are also very freshly started in India. Okay. They're also working. They're all not not listed.

Jigar Shah: So defense exactly what do you do if I may ask?

D N Anilkumara: We are supplying to ammunition factory, parachute factories and electronics BEL and all.

Jigar Shah: Okay. So like what you supply is to a defense factory.

D N Anilkumara: Yes.

Jigar Shah: Okay. Okay. So your product is used in a factory like it's not in exactly in the end defense which is the warfield

D N Anilkumara: No, no, no. It is not a defense. Yeah.

Jigar Shah: and in electronics EMS

D N Anilkumara: Yeah.

Jigar Shah: sector what will you do exactly? Okay.

D N Anilkumara: We are supplying many of insulations, bonding films, tapes, Die cuts,

Jigar Shah: So, so how the time size for defense and EMS if you see sir.

So what is the addressable market which adjacab is looking for?

D N Anilkumara: It's a very huge in EMS. EMS especially for mobile and electronic gadgets is a very huge in market. Yes, we entered now it's a almost China we can find more than 1,000 cr companies more than four five in China alone

in India. Yeah.

Jigar Shah: annually Chinese company mentioned sir those companies are doing 1000 CR sales annually ?

D N Anilkumara: Yes.

Jigar Shah: so those companies must be supplying domestically only right sir

D N Anilkumara: Right now. Yes. Because nothing is available in India.

Jigar Shah: Mhm.

D N Anilkumara: That is a gap we have and now also started EMS in activities largely in India. All these days were not there. Now the opportunity for us also we need to gear up and scale up.

Punit Thakkar: All right. Next in line, we have Miss Kashvi.

Kashvi Dedhia: Hello. Am I audible?

D N Anilkumara: Yeah Kashvi

Kashvi Dedhia: Yeah. so I just wanted to understand that just right now you mentioned about unit six. So is that unit have we already started working on that unit and what will it cater to?

D N Anilkumara: Yeah, unit 6 is not yet operational but we already took

it on lease. Power connections are underway and we are installing the started making our own machine and installation is also getting hand in hand. Okay, we are installing a solar energy as our main motor to control our cost. This may take another four months to give us start of production.

Kashvi Dedhia: Okay. So, how much costs saving are we expecting from

this?

D N Anilkumara: all my rental is yield from the solar will be covered even for five and six both we covered up like our rental values are need to be covered with our solar energy. That's a minimum motor.

Kashvi Dedhia: Okay. Okay. and what is our cover current order book.

D N Anilkumara: This year actually all our customer plans and according to their plan because we don't get a single order in single day every month on month it'll be

rolling over as per their projections and our projections and our activities as per our annual New sales plans somewhere around 160 to 175.

Kashvi Dedhia: So is this executed in this financial year?

D N Anilkumara: We are expected to get the orders and yes we made up our facilities to get up to execute that

Kashvi Dedhia: And what will be our capeex requirement for unit six?

D N Anilkumara: not yet finalized broadly we already covered if it is required it may be about within the five range.

Kashvi Dedhia: Okay, got it. And what will be our revenue mix in terms of specialtity versus commodity tapes?

D N Anilkumara: See commodity we are doing almost about 20% 20 to 25% maximum and rest of the things are speciality

Kashvi Dedhia: and can you specify the margin differentiation between both of then

D N Anilkumara: yeah specialtity highend specialtity and specialtity what we call and some of the specification oriented. Specification oriented always on three digit and some of the things speciality will be two digits and commodity will be of one or nearly two digits.

Kashvi Dedhia: Okay, got it. thank you.

Kashvi Dedhia: That's it from my side.

Punit Thakkar: Next to you, Mr. Tejas.

Tejas Shirodker: Hello. Hello. Am I audible?

D N Anilkumara: Yeah.

Tejas Shirodker: Yes.

Tejas Shirodker: Thank you for the opportunity. I just wanted to understand I don't know if this question is answered or not.As sir, you just said 3M is actually trying to innovate and improve their margins basically. Is this something that we are doing like that? Any innovation that we are doing?

D N Anilkumara: Yes.

D N Anilkumara: We are already working on a huge NPD team with the NPD team. Some of the cases like we are recreating the specifications like overspec material to underspec or actual requirement of the specifications.

We have a total R&D and NPD lab. Now we are planning for NABL accredation to that. We have a one of the good lab which we can do a very well cross-section analysis of the any international product and redesign the product in our scope along with we can make use of innovating the things.

Yes, already we have a good team of people to do a R&D product. Few of the products which was made by a Japanese manufacturer which was supplied by a Japanese manufacturer none of the guys are able to match that specification. Now our trials are underway. We almost 95 plus percent is approved only final results are awaited and this is a one of the big EMS company as per their commitment since from 25 years they were were unable to source any Indian manufacturer to cross this 95%. including 3M they are unable to do

Tejas Shirodker: Unders understood. So I just wanted to u two follow-up questions on this. First is now that because of this innovation at least in this product segment what kind of margin expansion can we see?

D N Anilkumara: See all depends on the approvals of the specification. See we are innovating and we are proposing and that will take a lengthy time definitely which will ease out our double digit to more aggressively towards triple digits

Tejas Shirodker: Understood. and can you quantify the amount of spends we are doing in R&D maybe yearly or in this project that you are waiting for the approval for?

D N Anilkumara: Yeah, we are almost investing not less than 0.5 to 1%.

Tejas Shirodker: thank you. that's all from my end.

Punit Thakkar: Next we have Mr. Chirag.

CHIRAG BARASARA: So my question is regarding s most of raw material is dependent on crude price. So whenever good price increase so how long time does it take to pass on the

D N Anilkumara: Yeah, chirag ji very well question. Yes our most of the raw metals are depend on good derivative depends on our customer pricing pattern like PVC class what we say price variation class sometimes it is month on month sometimes quarterly and quarter depends on the customers more or less 90 days it takes to get in.

CHIRAG BARASARA: But generally we get that price.

D N Anilkumara: Yeah, but whatever exactly like if it is a 25% sometimes we may get 20% also sometime we may get 25% also sometime we may get 15% also depends on the competition depends on the probabilities definitely get

CHIRAG BARASARA: sir I want to know I want to know if their crude price sustained at very high level so how long it will be compression in our opression margin sir OPM sir

D N Anilkumara: Yeah, we can compress at least two three months. No problem.

CHIRAG BARASARA: Okay. After that it will be revived.

D N Anilkumara: Yes.

D N Anilkumara: Yes. Yes.

CHIRAG BARASARA: Okay sir. Thank you sir.

Punit Thakkar: Okay, I guess we are done with all the questions and that brings us to the end of today's earnings conference call. On behalf of Srivasavi Adhesive Tapes Limited and Samvaad Partners, I would like to thank all the investors and participants for joining us and for their continued interest in the company. Sincerely appreciate the engaging questions and the feedback from the investment community. Also thank the management team for sharing their perspective on the company's performance. Should you have any other further questions or queries, please feel free to contact us at Samvaad Partners and we'll be pleased to assist you. Thank you once again.