

Sector Update

PVC Resins: DGTR Concludes Investigation, await MoF approval

DGTR has notified final findings from its Anti-dumping investigation concerning imports of 'PVC Suspension Resins' originating in or exported from China PR, Indonesia, Japan, Korea RP, Taiwan, Thailand and the United States of America – read through for Plastic pipe industry.

- The proposed anti-dumping duties on the above-mentioned countries are expected to reduce imports and benefit local manufacturers, with PVC resin prices anticipated to stabilise as a result which is good for P&F sector.
- In May'25, PVC resin prices increased by Rs 1.5 per Kg in the domestic market, marking a reversal after consistent decline over the past five months and PVC resin prices increased by Rs 4.6 per Kg till Aug-25. However, in Q1FY26 Astral/SI reported inventory loss of Rs250/500mn due to volatility in the prices.
- The volatility in the PVC resin prices is expected to be stabilized, which will lead to re-stocking of inventory in the channel.

PL View:

We expect Astral, Finolex Ind. and Supreme Industries to be the key beneficiaries of the likely imposition of ADD on PVC resin, as it will curb volatility and bring price stability. This, in turn, should drive inventory gains in the near term and support sustained market share expansion over the long term.

The **Next-Generation GST Reforms**, described by the Prime Minister as a 'Diwali gift' to the nation, are expected to benefit the P&F sector, which currently in 18% GST bracket. However, the anticipated GST reduction may temporarily delay inventory replenishment by distributors.

We like Astral due to strong growth visibility, margin stability, and strategic backward integration. On the margin front, Astral continues to outperform peers—despite reporting an inventory loss of Rs250mn in Q1FY26 (vs Supreme's Rs500mn), its adjusted EBITDA/kg at Rs32.4 remained broadly stable YoY, with adjusted EBITDA margin at 15.8% vs 15.5% in Q1FY25, reflecting strong cost control and pricing power. Further, the acquisition of Nexelon Chem marks a key backward integration move in CPVC, adding 40kMT resin capacity (~60–65% self-sufficiency), which ensures raw material security, stabilizes pricing, and offers margin benefits. This strategy is similar to the post-Lubrizol breakup phase in FY17, when Astral gained ~200bps margin expansion alongside robust revenue growth. Collectively, these drivers make Astral a structural outperformer in the building materials space.

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Exhibit 1: PL Universe

Companies	Rating	CMP (Rs)	TP (Rs)
Astral Ltd.	BUY	1,279	1,503
Century Plyboard (I)	HOLD	729	702
Cera Sanitaryware	Acc	6,398	7,178
Finolex Industries	Acc	187	217
Greenpanel Industries	BUY	273	374
Kajaria Ceramics	HOLD	1,268	1,192
Supreme Industries	HOLD	4,307	4,346

Source: PL Acc=Accumulate

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Exhibit 2: ADD on PVC resin country-wise (Minimum – Maximum)

Country	Duty Range (USD/MT)	Duty Range (Rs per Kg)
China PR	122-232	10.7-20.3
Indonesia	55-204	4.8-17.9
Japan	49-148	4.3-13.0
Korea RP	46-169	4.0-14.8
Taiwan	22-205	1.9-17.9
Thailand	60-193	5.3-16.9
USA	72-284	6.3-24.9

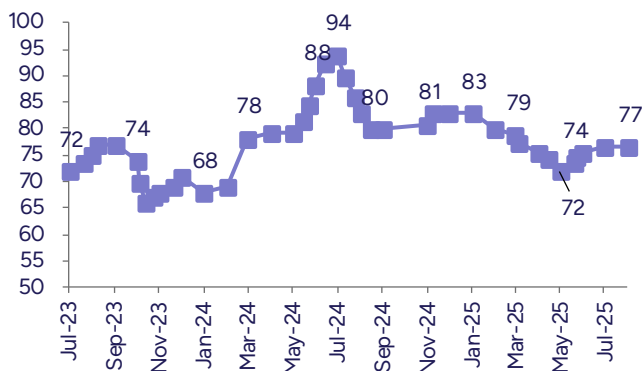
Source: DGTR, PL; Note: 1 USD = Rs 87.51

Exhibit 3: DGTR Timeline of ADD Investigation – PVC Suspension Resin

Date	Event
26-Mar-24	DGTR issued initiation notification for anti-dumping investigation on S-PVC imports from China, Indonesia, Japan, Korea RP, Taiwan, Thailand, USA.
30-Apr-24	Meeting with stakeholders on scope of product (PUC) and PCN methodology.
13-May-24	DGTR issued notification finalizing scope of PUC & PCN methodology.
30-Oct-24	Preliminary Findings issued – confirmed dumping, material injury to Indian industry; recommended provisional ADD.
11-Dec-24	Oral hearing before DGTR (on product scope issues raised by Epigral Ltd.) per Gujarat High Court direction.
16-Dec-24	DGTR issued Addendum to Preliminary Findings (after considering Epigral's submissions).
15-Jan-25	Public hearing of interested parties (oral + written submissions).
17-Mar-25	DGTR issued Disclosure Statement of essential facts.
25-Apr-25	Gujarat High Court order: directed exclusion of specialty grades imported by Epigral from investigation scope.
03-May-25	Domestic industry filed SLP in Supreme Court against Gujarat HC order.
23-May-25	Supreme Court stayed Gujarat HC order – specialty grades remain within scope.
12-Jun-25	Second oral hearing conducted by new Designated Authority.
23-Jul-25	DGTR issued second Disclosure Statement; comments received.
14-Aug-25	Final Findings issued – confirmed dumping & injury; recommended ADD.

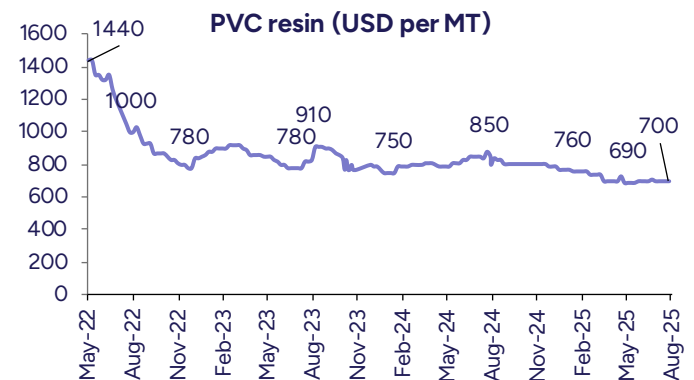
Source: DGTR, PL; Note: PUC- Product Under Consideration, PCN – Product Control Number, SLP - Special Leave Petition

Exhibit 4: PVC resin domestic prices (Rs per Kg)



Source: Company, PL

Exhibit 5: PVC resin international prices (USD per MT) on downward trend



Source: Company, PL

Exhibit 6: PVC resin domestic demand – supply

Particulars	Unit	2020-21	2021-22	2022-23
Capacity in India	MT	14,63,500	14,77,000	15,18,667
Demand	MT	24,92,103	25,93,601	34,10,483
Demand-supply gap	MT	10,28,603	11,16,601	18,91,816
Imports from subject countries	MT	10,29,546	12,51,861	19,97,000
Un-dumped imports (Hanwha)	MT	-	-	-
Imports from other countries	MT	2,76,383	1,16,123	1,48,155
Excess Imports	MT	2,77,326	2,51,383	2,53,339

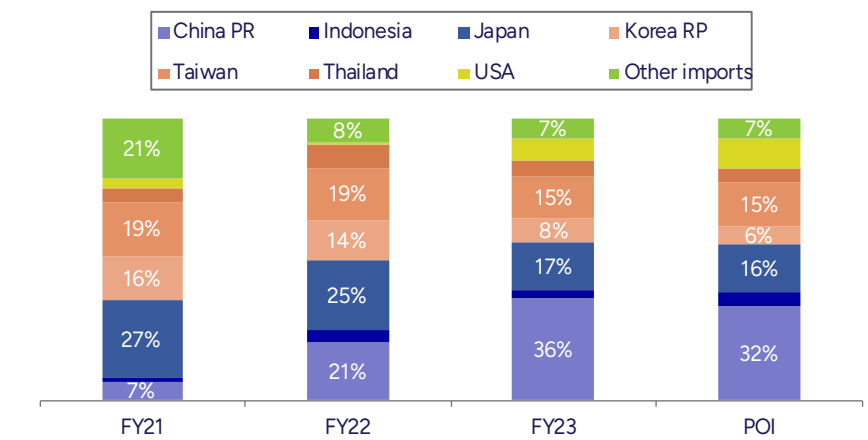
Source: Company, PL

Exhibit 7: Expected PVC resin capacity

SN	Name of Producer	Capacity (MT)	Expected in
1	Reliance Industries Limited	12,00,000	2025-26
2	Adani Petrochemicals	10,00,000	2026-27
3	IOCL, Paradeep	6,00,000	2027-28
4	IOCL, Baroda	2,00,000	2027-28
5	Total	30,00,000	

Source: Company, PL

Exhibit 8: PVC resin India import contribution



Source: Company, PL

Exhibit 9: Valuation Summary

Company Names	S/ C	Rating	CMP (Rs)	TP (Rs)	MCap (Rs bn)	Sales (Rs bn)				EBITDA (Rs bn)				PAT (Rs bn)				EPS (Rs)				RoE (%)				PE (x)			
						FY24	FY25	FY26E	FY27E	FY24	FY25	FY26E	FY27E	FY24	FY25	FY26E	FY27E	FY24	FY25	FY26E	FY27E	FY24	FY25	FY26E	FY27E	FY24	FY25	FY26E	FY27E
Astral Ltd.	C	BUY	1,279	1,503	344.1	56.4	58.3	62.7	73.0	9.2	9.5	10.3	12.3	5.5	5.2	5.7	7.4	20.3	19.3	21.3	27.6	18.5	15.3	14.8	16.8	63.1	66.3	60.2	46.4
Century Plyboard (I)	C	HOLD	729	702	162.2	38.9	45.3	51.0	58.2	5.3	4.9	6.5	7.7	3.4	2.0	3.4	4.4	15.2	9.0	15.5	19.8	16.4	8.7	13.7	15.4	48.1	81.3	47.1	36.8
Cera Sanitaryware	C	Acc	6,398	7,178	82.5	18.8	19.3	21.0	23.9	3.0	3.0	3.2	3.8	2.4	2.4	2.6	3.0	182.6	189.9	199.2	236.2	18.9	18.2	17.9	18.9	35.0	33.7	32.1	27.1
Finolex Industries	C	Acc	187	217	115.6	43.2	41.4	43.7	48.1	5.8	4.8	5.1	6.2	4.7	4.8	5.1	6.0	7.7	7.8	8.2	9.8	9.0	8.3	8.2	9.5	24.4	23.9	22.8	19.1
Greenpanel Industries	C	BUY	273	374	33.5	15.7	14.4	15.2	19.3	2.5	1.3	1.8	3.5	1.4	0.7	0.9	2.1	11.6	5.9	7.7	17.0	11.3	5.3	6.7	13.5	23.5	46.5	35.4	16.0
Kajaria Ceramics	C	HOLD	1,268	1,192	202.0	44.7	46.4	49.1	52.7	6.9	6.3	7.8	8.4	4.2	3.4	4.7	5.3	26.2	21.5	29.3	33.1	16.9	12.8	16.0	16.1	48.3	58.9	43.3	38.3
Supreme Industries	C	HOLD	4,307	4,346	547.2	101.3	104.5	119.1	136.5	15.5	14.3	16.9	19.8	10.7	9.6	11.5	13.8	84.2	75.6	90.1	108.6	22.5	17.8	19.0	19.9	51.2	56.9	47.8	39.7

Source: Company, PL

Acc=Accumulate / S=Standalone / C=Consolidated

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Astral Ltd.	BUY	1,503	1,269
2	Avalon Technologies	Accumulate	943	878
3	Bajaj Electricals	Accumulate	656	615
4	Cello World	BUY	678	563
5	Century Plyboard (I)	Hold	702	738
6	Cera Sanitaryware	Accumulate	7,178	6,244
7	Crompton Greaves Consumer Electricals	BUY	430	319
8	Cyient DLM	Accumulate	540	480
9	Finolex Industries	Accumulate	217	197
10	Greenpanel Industries	BUY	374	280
11	Havells India	Accumulate	1,645	1,532
12	Kajaria Ceramics	Hold	1,192	1,242
13	Kaynes Technology India	Hold	6,367	6,326
14	KEI Industries	BUY	4,527	3,970
15	Polycab India	BUY	8,091	6,926
16	R R Kabel	Accumulate	1,516	1,337
17	Supreme Industries	Hold	4,346	4,243
18	Syrma SGS Technology	Hold	705	706
19	Voltas	Hold	1,268	1,305

PL's Recommendation Nomenclature

Buy	: > 15%
Accumulate	: 5% to 15%
Hold	: +5% to -5%
Reduce	: -5% to -15%
Sell	: < -15%
Not Rated (NR)	: No specific call on the stock
Under Review (UR)	: Rating likely to change shortly

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