



6th November 2025

BSE Limited
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Dalal Street,
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National Stock Exchange of India Ltd.
Exchange Plaza,
5th Floor, Plot No. C-1, G Block,
Bandra-Kurla Complex, Bandra (E)
Mumbai - 400 051

SCRIP CODE: 523367

SCRIP CODE: DCMSHRIRAM

Sub : Transcript of Investors' Earnings Call

Dear Sir/Madam,

Pursuant to Regulation 30 read with Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached Transcript of Investors' Earning Call on the Unaudited Financial Results (both Standalone and Consolidated) for the quarter and half year ended 30th September 2025 held on 30th October 2025.

Kindly take the same on record.

The said Transcript is also available on the Company's website i.e.,
<https://www.dcmshriram.com/>

Yours faithfully,

For DCM Shriram Limited

(Deepak Gupta)
Company Secretary & Compliance Officer

Encl: As Above

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Shriram Fertilisers & Chemicals • Shriram Alkali & Chemicals • DCM Shriram Sugar • Bioseed • Fenesta Building Systems • Shriram Cement

DCM Shriram Limited

Q2 FY '26 Earnings Conference Call

October 30, 2025

Moderator: Ladies and gentlemen, good day, and welcome to DCM Shriram Limited Q2 FY '26 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Siddharth Rangnekar. Thank you, and over to you, Mr. Rangnekar.

Siddharth Rangnekar: Thank you, Renju. Good evening and welcome to DCM Shriram Limited's quarter 2 and first half FY '26 earnings conference call. Today, we have with us Mr. Ajay Shriram, Chairman and Senior Managing Director; Mr. Ajit Shriram, Joint Managing Director; Mr. Aditya Shriram, Deputy Managing Director; and Mr. Amit Agarwal, Group CFO of the company.

We shall commence with remarks from Mr. Ajay Shriram and Mr. Ajit Shriram. Members of the audience will get an opportunity to ask their queries to the management following these comments during the interactive question-and-answer session. Before we begin, please note that some of the statements made on today's call could be forward-looking in nature, and a note to that effect has been included in the conference call invitation that has been circulated earlier and is available on the stock exchange websites.

I would now like to invite Mr. Ajay Shriram to give us a brief overview. Over to you, sir.

Ajay Shriram: Thank you, Siddharth. Good evening, ladies and gentlemen, and a very warm welcome to all of you. I hope you all had a great festive season. I will commence with perspectives on the business environment and the strategic updates, post which Ajit will share views on the financial performance.

The global economy continues to demonstrate resilience amidst persistent volatility and evolving policy landscapes. While recent quarters saw growth holding above recessionary thresholds, headline risks such as higher tariffs, renewed policy

uncertainty, and ongoing geopolitical disruptions remain critical factors, continuously reshaping the outlook.

Although inflationary pressures are set to moderate further, downside risks from the trade frictions, supply chain disruptions, shifting alliances, and fluctuating financial markets persist. India has stood out, given strong anchors of domestic consumption and structural reforms. The GST 2.0, constituted in late September, brings down tax burden on an array of goods, thereby enhancing affordability and stimulating consumption.

RBI too is taking adequate steps to complement the government to spur growth. The growing confidence in the country's economic and growth trajectory, improved financial metrics, and modest external vulnerabilities is underlined by successive foreign rating upgrades. While U.S. tariff presents immediate headwinds, the crisis also gives an opportunity to driving supply chain upgrades, the push for value-added manufacturing, and a greater alignment with alternate global partners.

DCM Shriram remains well set to gain advantage in this environment, given our augmented product mix in key business segments, and attention to efficiencies and cost optimization. In today's fast-paced business world, we are focused on making our businesses more agile. We plan to grow our core and existing businesses by integrating our operations, both by securing our supply chains and getting closer to our customers.

This is making our business stronger, reduce risks, and give us a competitive advantage in a tough market. With a view on underlining long-term growth, we continue to support sustainability as a core principle across our initiatives, processes, and endeavours. I shall now invite your attention to industry dynamics across our businesses.

First is **Chemicals**.

Globally, caustic soda continues to experience growth driven by demand from industries like alumina, textiles, and chemicals. The industry is, however, facing challenges like fluctuating prices due to economic factors, geopolitical uncertainty, and increased energy costs in regions like Europe.

While demand remains strong in Asia Pacific, supply chain disruptions and regulatory impacts are creating a mixed global outlook. Indian caustic soda market continues to be oversupplied, with current capacity of ~6.5 million metric tons

operating at about 75%. Chlorine prices also have been under pressure, with impacted demand of chlorine derivatives.

U.S. tariffs are not likely to have a direct impact on caustic. However, an indirect impact cannot be ruled out due to chlorine down streams and consuming industries like alumina, textiles, dyes, and agrochemicals. Overall, prices are expected to remain range-bound.

Domestic hydrogen peroxide demand is presently at 220,000 tons per annum and growing at a steady rate of 5% to 6%. Domestic market remained oversupplied, with ramp-up and commissioning of new capacities coupled with cheap imports from Bangladesh of around 25,000-30,000 tons per annum. Our hydrogen peroxide plant has stabilized and we have now started working towards capacity ramp-up and value additions in our products.

We have commissioned 35,000 tons per annum Epichlorohydrin facility at Bharuch in the current month. Further, we are confident of operationalizing balance 17,000 tons per annum capacity shortly and ramp-up will happen in the next few quarters. ECH market is looking strong with good domestic demand and a strong sizeable global trade across the geographies.

We are working to expand our sales network to competitive markets like the U.S. and EU. We have taken full control of Hindusthan Speciality Chemicals Limited in August '25. HSCL acquisition will accelerate our growth into advanced material segments while also supporting caustic capacity utilization.

The Board has approved a proposed acquisition of Salt works with an installed capacity of 2.1 lakh metric tons per annum in the state of Gujarat, closer to our Bharuch plant, at an investment of approximately INR175 crore. This will also involve certain regulatory approvals. The acquisition presents a strategic opportunity to backward integrate one of the key raw materials for the business and it will meet around 13% of our total salt demand.

We will continue with our endeavour to explore more such opportunities. These acquisitions and projects exemplify our strategy of integrating our business operations with the objective to capture larger value chain through forward and backward integration. Work on aluminium chloride, calcium chloride capacities at Bharuch and the 68 megawatt green power project at Kota continue as per Board approval.

Vinyl

Global demand for PVC remains sluggish, driven by limited growth in residential construction and infrastructure requirements and pricing stays soft. You saw soft demand in line with summer holidays with largely stable prices. Chinese sentiment also stayed soft given weaker downstream requirements.

India demand was lower by 8% in the quarter versus last year, owing to the wettest monsoon in over a decade. The imports during the quarter were impacted in view of impending anti-dumping duty announcement. The DGTR has released PVC anti-dumping duty final findings in the month of August proposing varying duties on PVC resin imports, with the duty ranging from \$122 to \$177 per metric ton.

The implementation may take about a month or two to get notified by the Ministry of Finance. With the end of the monsoon season, domestic demand for PVC and carbide is expected to improve with the resumption of construction activities and agricultural demand.

Sugar and Ethanol

Global sugar supply over demand for sugar season 2025-'26 is expected to be a surplus of approximately 4 million metric tons mainly due to expected surplus production in India by about 3 million metric tons.

The Indian sugar season '25-'26 is expected to end with a stock of 8.5 million metric tons with production estimates of 31.5 million metric tons after diversion of ~3.5 million metric tons for ethanol production and consumption of 28.4 million metric tons. Current prices are around INR4,070 per quintal and expected to be range-bound.

The government of Uttar Pradesh has announced an SAP increase of INR30 per quintal of sugarcane for the next season. This will support sugarcane farmers and improve crop economics. Given the inventory levels and increase in costs in the next season, there is a need to support sugar prices with incentivized exports, as well as minimum selling price of sugar along with reducing the country liquor obligation.

On the ethanol front, as of 30th September 2025, ethanol blending in petrol has reached 19.17% and is on course to achieve target at 20%. The industry continues to contest the export levies on ethanol which is exported outside Uttar Pradesh with the matter being heard in the courts. Further, the industry is taking up matter of

lower allocation of ethanol by OMCs for sugarcane based ethanol at 28% vis-à-vis 34% in the last season along with increase in prices and ethanol blending.

Fenesta Building Systems

We are strategically increasing market presence by enhancing our portfolio in the building material space and increasing our reach to ensure everlasting experience for our customers. Fenesta continues to deliver volume growth while the margins are seeing a realignment on the back of change in the product portfolio. Our recent acquisition of DNV Global allows us to expand our range placing us as an integrated solution provider within building material space. Meanwhile, our aluminum extrusion plant project at Kota is advancing as per schedule.

Moving on, the agri-input business portfolio comprises of Shriram Farm Solutions, fertilizers and the Bioseed businesses.

Shriram Farm Solutions

Shriram Farm Solutions first. The SFS business continues to deliver double-digit top-line growth with healthy margins. The growth is driven by volumes across the crop protection and seeds vertical with our research wheat seed further strengthening its leadership position.

Our continued focus is on innovation led by the launch of three new products in Q2, including two developed through our in-house R&D under the speciality plant nutrition segment. With improved soil moisture owing to heavy rainfall towards the quarter end supporting Rabi sowing, farmer sentiment remains positive. We continue to maintain focus on R&D collaborations and exclusive partnerships to bring global new age products to farmers in India.

Fertilizer

Urea business continues to be stable, and the company continues to make efforts towards improvements in energy consumption, maximizing urea production, as well as control on fixed costs. Subsidy payouts are regular as per budget allocation by the Government of India.

Bioseed

Bioseed business has taken a strategic domestic channel shift by reducing focus on low margin institutional businesses. We continue to focus on research driven portfolio of hybrid seeds. This year, with excessive rains, Kharif corn volumes were

impacted. Cotton was also significantly impacted due to low prices, as well as another unregulated variety in the market. The business is positive towards Rabi crops owing to healthy rainfall in the current monsoon. I will now request Ajit to provide the financial perspectives. Ajit, over to you.

Ajit Shriram:

Thank You. Good evening everyone. I will now take you through the financial highlights of Q2 and H1 FY '26. Net revenues, net of excise duty for Q2 FY '26 were at INR3,272 crore versus INR2,957 crore in Q2 FY '25, an increase of 11% year-on-year driven by the Chemicals, Fenesta and Shriram Farm Solutions businesses. PBDIT for Q2 FY '26 was at INR408 crore versus INR235 crore in Q2 FY '25, an increase of 74% year-on-year.

Chemicals

The business reported an increase in revenue of 50% year-on-year led by caustic soda volumes that were up 22% on account of the new 850 tons per day and flaker plant capacity utilization and also better prices. New projects commissioned in the recent years that is hydrogen peroxide, aluminum chloride and refined glycerine also supported the growth. PBDIT increased by 195% owing to lower input prices coupled with operating efficiencies that led to the improvement in cost structure.

The segment continues to see good demand of caustic, however excess capacity in India is creating pressure on products especially chlorine. There was a significant positive impact of INR76 crore on account of subsidy from Government of Gujarat in relation to projects that were commissioned in FY 2017.

Vinyl

The revenues increased by 15% year-on-year on account of higher volumes despite subdued prices in the current period. PBDIT was lower at INR12 crore, as compared to INR16 crore last year due to lower prices despite better operating efficiencies due to power and carbon material.

Sugar and Ethanol

Sugar and Ethanol businesses revenue net of excise duty was lower by 6% year-on-year. Volumes of both Sugar and Ethanol were down by 9% and 13%, respectively. In both the cases it is a timing difference. Prices of sugar were up 5%. PBDIT for the segment came in at INR33 crore as against INR14 crore last year. In Q2 FY '26 there was a significant positive impact of INR15.5 crore on upward revision of power tariff by UPPCL with effect from April 1, 2024.

Fenesta Building Systems

Fenesta Building Systems revenues increased by 28% year-on-year with project verticals leading the growth. PBDIT for the quarter was slightly up by 2% and margins were lower. This was due to product mix and higher fixed expenses for setting up of new revenue platforms, higher marketing expenses and enhancing capacities.

Shriram Farm Solutions

Shriram Farm Solutions revenues increased by 27% year-on-year supported by volumes in research wheat and crop production verticals. Prices were also better across the verticals. PBDIT for the quarter was higher by 47% on account of better margins in research wheat despite higher marketing expenses focused on strengthening of the Shriram brand and higher research and development expenditure. There was an early start to the research wheat sales hence this has an element of timing difference.

Fertilizer

Fertilizer revenues were down 8% year-on-year. Volumes were up 2% while realizations were low by 10%. Gas prices were down at \$13.3 MMBTU in Q2 FY '26 versus \$15.3 MMBTU last year. Consequently, PBDIT was also down 18% in the quarter. Outstanding fertilizer subsidy was at INR187 crore on 30th September 2025 as against INR12 crore last year.

Bioseed

Bioseed revenues for the quarter was at INR86 crore as against INR159 crore last year. Being a seasonal business, it should be analyzed on a half yearly basis wherein the revenue stood at INR370 crore versus INR377 crore in H1 '25. PBDIT for H1 '26 stood at INR35 crore versus INR47 crore last year. The decline in PBDIT is partially a timing difference, as well as lower volumes of cotton and corn.

Coming to the highlights of H1 FY '26, for the half year ended 30th September, 2025, revenue net of excise duty was at INR6,534 crore, an increase of 12% year-on-year, contributed by all the businesses with slight moderation in Sugar and Ethanol and Bioseed businesses. PBDIT came in at INR734 crore, an increase of 44% year-on-year, led by Chemicals and Shriram Farm Solutions businesses.

The company's net debt at INR773 crore as on September 30, 2025 as against INR302 crore as on September 30, 2024 and INR1,395 crore as on March 31,

2025. The year-on-year increase was because of capital expenditure over the last one year, acquisitions made during the period and increase in urea subsidy. Over March 25, the decline is primarily because of reduction in sugar inventory.

Return on capital employed for September 2025 came in at 15%, similar to the levels last year. The Board announced an interim dividend of 180%, amounting to INR 56.14 crore. As our key investments in the chemical segment approach completion, our strong balance sheet, robust cash flows position, as well as to pursue value chain opportunities aligned with our core businesses. We are optimistic about maintaining healthy and stable growth in the future.

That concludes my opening remarks and I request the moderator to please open the forum for Q&A. Thank you.

Moderator: Thank you. The first question comes on the line of Ahmed Madha with Unifi Capital. Please go ahead.

Ahmed Madha: Yes, thanks for the opportunity. I have a few questions. To start with the Farm Solutions business, the Q2 was very strong. Is it fair to assume there is some pre-buying or channel inventory filling for the next quarter's performance in Q2? Is there any pre-buying that sort of a trend has been playing out, or is this organic for Q2 and the season is ahead of us?

Ajay Shriram: Well, in Shriram Farm Solutions actually on our wheat seeds, every year we do have a pre-sale. That is part of the strategy we adopt. Because we have to give an advance even for the purchase of seeds from the farmers who source and grow it for us, as well as from the entire dealership network whom we sell the seeds to. So we do have a pre-sale, which is part of our business strategy.

Ahmed Madha: Okay. Understood. Regarding to the Hindusthan Chemicals acquisition, can you give some sense of the contribution? I know there has been just 1 month of consolidation. But what was the contribution in Q2 from the business in terms of revenue as well as I am assuming there will be some losses? So, that contribution will help. And secondly, how do you see the ramp-up happening for the epoxy plant in the near future and even probably next year or so?

Amit Agarwal: So, Ahmed, the acquisition was completed on the 26th of August, 2025. So the company was with us for only about a month. And as informed earlier, the company was making losses under the previous management. So it will take us some time to turn it around. We do expect that by this year-end, we should turn it around and we should be breaking even by the year-end.

- Ahmed Madha:** Understood. But what will be the run rate of losses one should assume for the next two quarters, roughly?
- Amit Agarwal:** Marginal, not very significant, Ahmed.
- Ahmed Madha:** Okay. And in terms of utilization levels, we should be operating at 40-50% utilization or higher, lower, any range, that would be helpful.
- Aditya Shriram:** The capacity itself is currently not a very large capacity. So, with the strong leadership team that we have in place, we expect it to reach close to full capacity utilization of its current capacity. And then we are working on internal plans and once the Board approves, we will then further look at expanding the plant.
- Ahmed Madha:** Okay, in terms of salt fields we have acquired, can you give some sense of what kind of cost benefits can we achieve from this? And also, what can be the peak production of salt for us? And unit economics in terms of advantage you get per ton, something of that sort can help?
- Amit Agarwal:** Well, Ahmed, what is most important to understand in this salt acquisition is that given that we foresee that in future salt will be scarce, the objective is to protect ourselves from the price volatility and as well as to secure the supplies. So that's the fundamental thing. Now coming to margin, see, one, it is still a very small salt acquisition because as we mentioned, it is covering only 13% of our total requirement.
- But still answering your question, the ballpark margins as we saw, because we are new to this business, but the ballpark margins as we saw, if I remember correctly, the margins that they earn are in the range of around 30% types, 30%-40%. But we still have to see what the actual is. I mean, we have not even acquired, we have just signed the definitive agreements. But we should get the cost advantage definitely.
- Ahmed Madha:** Okay. And for us, the current cost of acquisition from salt will be what? Realization it will be somewhere around 2,000 per ton, something of that sort?
- Amit Agarwal:** Yes, so the current prices of salt, if we go take it from the market, are in the range of 2,300 per ton. Yes.
- Ahmed Madha:** 2300 per ton, okay. Got it. Lastly, on sugar business, I mean, if we consider everything around, probably economics will be better for next season, but again, the sugarcane prices have gone up. Would you like to give some sense how you are looking at sugar business as a whole?

And in terms of exports, you have mentioned in the call, in the press release, but considering the prices in the exports market, do you think exports will be remunerative? Just broad things on your views on the sugar business as a whole will be helpful. Thank you so much.

Ajit Shriram:

See, given the additional production or surplus production this year, we do expect government to allow an export of about 2 million tons. So that is one, which will, you know, also give support to prices. But our request to the government is that they need to incentivize exports as well.

Given that the export prices are, you know, exports today, they would be around INR38-INR39. So therefore, I mean, they are lower than domestic prices. That also needs to be incentivized. You see, these developments are new. SAP came in only day before yesterday. Things will evolve. So we'll get to know how things will pan out in the business. But yes, we will have to look at more policy advocacy to help the business.

Moderator:

Thank you. Mr. Madha, please rejoin the queue for more questions. Next question comes from the line of Nirav Jimudia with Anvil Wealth. Please go ahead.

Nirav Jimudia:

Yes, sir. Good afternoon and thanks for the opportunity.

Ajay Shriram:

Good afternoon.

Nirav Jimudia:

I just wanted to understand from you, like, since we have recently commissioned 800 TPD caustic soda plant, I believe they would be all comprising of newer electrolyzers. So I just wanted to understand, like, how frequently we need to change the electrolyzers for the older ones because as they become old, they start consuming the higher amount of power.

So, A, on that, and B, let's say, if we change those electrolyzers whenever they are coming up for the change, what sort of advantage we get in terms of savings in power cost and also the fixed cost once our caustic soda capacities are ramped up, if you can share your thoughts here.

Aditya Shriram:

So, the electrolyzers have a critical part called the membrane. These membranes are replaced every 4 years. So that is standard practice across the industry. And the rest of the electrolyzer components, which is known as the cathode and anode, is replaced every 8 years. Again, this is standard practice for the industry.

And typically when we do, you're absolutely right that there is some increase in power consumption as time goes by. So whenever we do this replacement, it has a

good return of its own in doing that replacement. And in any case, the team, you know, is technically working on how to optimize and ensure that the power efficiencies are optimal even over the course of 5 years.

Nirav Jimudia: Got it. And, sir, generally, because we have a total capacity of, let's say, close to around 2,750 TPD of caustic soda spread across both the locations. When can we see, let's say, out of that, because 850 has been recently commissioned. So, let's say, for the balance capacity when are those old membranes or let's say cathodes and anodes are coming up for replacement and normally when we do such exercise, what sort of capex we need to incur to replace them?

Amit Agarwal: Yes, so see these are very operational aspects. Frankly, I don't have the number right away.

Ajay Shriram: Membranes are changed periodically. We've got at the moment between both the plants, you would have almost 30, 35 electrolyzers. So the changeover happens periodically depending on the aging of each electrolyzer. So it's an ongoing process. And this is a cost which is like a replacement cost, which one has to do to maintain the plant efficiency. And one doesn't do it based on return. One does it based on the efficiency one is getting. When you reach a particular level, you just have to change it. So these are ongoing activities which is there across the board in any caustic soda plant.

Nirav Jimudia: Got it, sir. Fair point. Sir, secondly, let's say, out of our current requirement of 225 megawatts for our caustic soda current utilization, last time you mentioned that we were around 25 megawatts so far as the renewables is concerned. So how do we see this share of renewable power moving in FY27 and 28? And generally, what is the difference between, let's say, the grid power or the captive power generation through coal and what we source through a renewable power? If you can share your thoughts here?

Aditya Shriram: So just very fundamentally, sustainability is a very key part of our thought process. So in all our efforts and businesses, we are always seeing how to be more and more sustainable. So the direction of increasing renewable energy, whether it is through wind, solar, whether it is through use of biomass in existing power plants, we are continuously focusing on that, whether it is at our Bharuch site or at our Kota site.

We are actively exploring further tie-up. We have already tied up approximately 68 megawatts of power which is due to come into our Kota site. And we are actively

exploring further opportunities. So as and when that is approved by the board, we will be able to share that.

Nirav Jimudia: Got it. And what difference if you can share in terms of per unit cost between, let's say, the grid as well as coal and the renewables?

Amit Agarwal: Yes, I'll give you the order of priority. Obviously, the grid is most expensive followed by coal and then renewable. Renewable is the cheapest, but one has to remember that when we take renewable, we also need to take grid power. So the average has to be looked at. So that's the flow of cost.

Nirav Jimudia: Got it. Sir, one of the statements in your opening remarks, you mentioned that we have seen a strong ECH demand in India, more possibly because of maybe the commissioning of, let's say, the recently commissioned Kukdo chemical epoxy plant, as well as by the existing two players who also expanded their epoxy capacities.

So I just wanted to understand from you, like with the filing of anti-dumping duty request with DGTR, can you share your thoughts in terms of the demand for epoxy in India as well as how much of the cheaper imports are coming to India, which is actually pursuing us to file that anti-dumping duty?

Ajay Shriram: I think there's a clarity here. The anti-dumping duty is for PVC and ECH.

Nirav Jimudia: I think for liquid epoxy also we have filed an anti-dumping duty. Industry has initiated. So I was just trying to understand from epoxy point of view, because ECH ultimately depends upon the utilization levels of epoxy. So I just wanted to have your thoughts on the epoxy part?

Aditya Shriram: Yes. So the current domestic demand for LER, liquid epoxy resin is in the range of 200 KTPA and we expect it to reach 300 KTPA by FY28. So we see a healthy demand growth in the epoxy, in the advanced materials business. So what we have done with an ECH plant and an acquisition in the epoxy space is we are getting more and more vertically integrated.

And we expect that with the demand increase, as you rightly mentioned of existing epoxy players as well, that the demand for ECH will continue to be robust. So we will be completing our commissioning of the entire capacity. There might be other competitors who will continue to put up capacity of ECH as well, but we expect it to be absorbed in the market with this increase in the epoxy demand.

- Moderator:** Thank you. Mr. Jimudia, please rejoin the queue for more questions. Next question comes from the line of Pujan Shah with Molecule Ventures. Please go ahead.
- Pujan Shah:** Thanks for the opportunity, sir. My question it is, so recently we have been hearing a lot about this anti-involution policy from Chinese.
- Ajay Shriram:** Can you kindly just repeat what you are saying? I'm sorry, we can't understand. If you are a speaker phone, can you just get on to a without the speaker handset or something? I'm sorry, we can't understand.
- Pujan Shah:** Am I clear now, sir?
- Ajay Shriram:** Please go ahead.
- Pujan Shah:** Yes, sir. Recently we have been hearing about this anti-involution policy by these Chinese. And we are also hearing off that they are also including PVC. So do you see a long-term structural change in terms of pricing stability going forward? Because we have been seeing a weakness in dumping from the Chinese guys. And I just want to understand the context that if it happens what percentage of capacity will get shut down, which will help to at least stabilization in terms of pricing?
- Ajay Shriram:** This you are referring to PVC?
- Pujan Shah:** Yes.
- Ajay Shriram:** Okay, well, actually speaking today India imports almost 60% of its PVC requirements. So our production and our local manufacturing is fairly low. And you may have heard in the next three, four years, we expect Reliance as well as Adani Group also putting up PVC plants. So I think then the domestic production capacity will go up, but it will actually still not meet the total requirement, because the PVC requirement was going up 7%, 8% a year.
- So with that sort of a growth, I think the efficiency of industry is most important. And you're right, what we are taking up also, as I mentioned earlier that there is dumping going on of PVC. That's where we have moved with the government very aggressively with anti-dumping duty, hopefully that will come shortly.
- That will give the domestic industry some protection from dumping, vis-à-vis what they sell in their own markets. And I would say frankly with geopolitics of the world, it's very difficult to predict what's going to happen in a commodity business down the line. With the duty structures, taxes and each country looking at what's best for

them. So that's where I think the government of India is fully aware also. That's how the anti-dumping duty issue has come up for PVC and we expect that to come into force, hopefully in the near future.

Pujan Shah: Okay, got it. And can you just quantify what is the chlorine negative pricing currently per kg?

Aditya Shriram: So the current chlorine price is in the range of minus 7,000, minus 8,000.

Pujan Shah: Okay, minus 7,000, minus 8,000. Okay. And should we expect to remain range-bound because ultimately as we have been flooded with the capacity and we are operating at 75%, if we ultimately go to 80%, we will ultimately, we have a challenge to dispose the chlorine. So do you feel this 7,000, 8,000 would remain range-bound or do we expect much more negative to go once the capacity gets ramped up by other players?

Ajit Shriram: We actually expect that over time the demand for chlorine downstream products is increasing broadly linked to the GDP growth rate. So we expect the demand for chlorine to increase. So over time, we actually expect the prices to improve. They might still remain in the negative range for some time, but it will be a lower negative number that we expect going forward.

Pujan Shah: Okay, sir. Thank you so much. That's all my questions.

Ajay Shriram: Thank you.

Moderator: Thank you. Next question comes from the line of Rohit Nagraj with B&K Securities. Please go ahead.

Rohit Nagraj: Sir, the first question is on PVC. So in our presentation, we have mentioned that the imports were impacted during the quarter because of the impending ADD. But normally what we see that before the ADD comes into force, there is incremental dumping, and that usually keeps the inventory buildup in the system. So what is your understanding of the current inventories in the domestic market and why particularly these imports have been impacted during this quarter? Thank you.

Amit Agarwal: See, I would not have the inventory in the system right now. However, the key reason why the imports got impacted, one was that there was shrinkage of demand, as was mentioned in the CMD's message as well, because of the rains. Second also was because ADD was supposed to be imposed, and if they enter the country and it is imposed, then there is a challenge.

So it was largely from that perspective that it was very close to the date of the imposing of ADD is when people were apprehensive to import. So it is more about, not about people supplying from China, it is more about people importing in India who were apprehensive and therefore they were not placing orders.

Rohit Nagraj: Sure, sure. That's helpful. And the second question on ECH, given that domestic there is an overcapacity and probably all the players will have to find some exports market. Which in all are the geographies where we are looking at in terms of the exports for some of our quantities? Thank you.

Aditya Shriram: So currently ECH is not in oversupply in the domestic market. There is adequate demand in the domestic market. So we expect demand for ECH to continue to grow, as you mentioned earlier, due to the epoxy growth rate as well. So I think it is in a favorable position for the times to come. However, we are still exploring all markets and there will be some export opportunities as well. And we are exploring across globally and wherever we are able to get the right kind of pricing, we will look at that.

Rohit Nagraj: Sure. Thanks a lot and all the best, sir.

Moderator: Thank you. Next question comes on the line of Vignesh Iyer with Sequent Investments. Please go ahead.

Vignesh Iyer: Hello. Thank you for the opportunity. So my question is on the chlorine utilization. If you could share what our chlorine utilization was for Q2, our pipeline utilization plus our downstream.

Aditya Shriram: So actually chlorine utilization or chlorine integration is a very core part of our strategy because that often becomes a constraint across the industry. And we are focusing very actively on that. For that purpose, we have already commissioned aluminum chloride plant. We have commissioned our ECH plant. In Kota, of course, we have PVC and SBP. And further, we are expanding aluminum chloride and we are also putting up calcium chloride capacity. And the ECH capacity will also become fully operational.

So in the coming two quarters, we actually expect our chlorine integration to reach a level of about 45% across both our Bharuch and Kota sites. And in addition to that, actually, we have grown over the last many decades along with our pipeline customers, along with their growth as well and it's a very strong strategic partnership that we have.

And our pipeline consumption, therefore, is also approximately 30% in our Bharuch site. So overall, about three-fourths of our chlorine will be integrated in the form of either captive use or pipeline use or strategic contracts.

Vignesh Iyer: Okay. Got it. So 75% utilization is more or less what is the levels as of now, right? Combined.

Aditya Shriram: Yes. We will reach that level in a couple of quarters.

Vignesh Iyer: Right. A couple of quarters. Got it. Sir, my second question is on Shriram Farm Solutions. I wanted to understand, I mean, there is a 27% growth in this quarter on the revenue part of it. So for the H1 part of it, I just wanted to understand can we share the data on what is the contribution coming from the new products versus contributions from the other products? I mean, if you could share the mix.

Amit Agarwal: So see, the new products which we have launched in the last two to three years, almost 20 products is what we have launched across categories, whether seeds, plant nutrition, and crop care. Out of that, the good part is that eight products have been from our own research in our plant nutrition business. So that's the kind of launches that we have made in the last two to three years. And the revenue from these new products is in the range of around 20% of our total revenue. And as we understand from the industry, that's a good benchmark to be at 20%, 25% of the new products introduced.

Vignesh Iyer: Got it. That's all for my side. Thank you.

Moderator: Ladies and gentlemen, as there are no further questions, we have reached the end of question and answer session. I would now like to hand the conference over to the management for closing comments.

Ajay Shriram: Thank you. Ladies and gentlemen, thank you very much for your participation in our earnings conference call. As protectionist policies rise across developed economies, Indian corporates must respond, not with resistance, but with reinvention. The long-term answer lies in building strength from within through digital transformation, innovation, self-reliance and global adaptability.

We as a company continue to evaluate investment opportunities in adjacent businesses, areas that support innovation and which enable us to capture a larger value chain while keeping sustainability as the core principle of investment. Thank you very much once again.

Moderator: Thank you. On behalf of DCM Shriram Limited, that concludes this conference.
Thank you for joining us. You may now disconnect your lines.