



29th January 2026

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National Stock Exchange of India Ltd.
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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 nine months ended 31st December 2025 held on 23rd January 2026.

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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DCM Shriram Limited

Q3 FY '26 Earnings Conference Call

January 23, 2026

Moderator: Ladies and gentlemen, good day, and welcome to the DCM Shriram Limited Q3 FY '26 Earnings Conference Call. As a reminder, all participant lines will remain 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 the operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded.

I will now hand the conference over to Mr. Siddharth Rangnekar from CDR India for opening remarks. Thank you, and over to you, Siddharth.

Siddharth Rangnekar: Thank you, Ryan. Good evening and welcome to DCM Shriram Limited's Q3 & 9M FY26 earnings conference call.

Today we have with us Mr. Ajay Shriram, Chairman and Senior Managing Director, Mr. Vikram Shriram, Vice Chairman & 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. Vikram 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 this effect has been included in the conference call invitation that has been circulated earlier and is available on the Stock Exchange website.

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. Wishing all of you a very happy new year.

I will begin with perspectives on the business dynamics and the strategic imperatives, following which Vikram will share views on the financial perspectives.

The global landscape is currently defined by what can be called a 'Great Realignment', where we are witnessing a transition from globalization to regional resilience as well as new global trade realignments. Extreme geopolitical shifts, tightening financial liquidity, rapid technological disruption and the weaponization of trade through selective tariffs have created a volatile supply chain for industries.

Amid this turbulence, India is not unaffected but is resilient. Our nation's trajectory—powered by a massive infrastructure build-up and a demographic dividend that is actively converting into consumption and entrepreneurial energy—provides us with a robust foundation to navigate external headwinds with strategic poise. Recent reforms under the labour codes align us better as a country with global standards on social inclusion, health and safety of the workforce while driving scale and formalisation of the economy.

The RBI continues to actively complement the government's growth agenda through calibrated monetary easing, liquidity support, and a strong focus on financial stability.

In a period marked by fluid market dynamics, DCM Shriram remains firmly positioned to navigate the operating environment ahead with confidence. This strength is anchored in a diversified and strengthened product portfolio across our core businesses and a sustained emphasis on efficiency and cost discipline. As the business landscape continues to change, we are thoughtfully enhancing the agility of our operations to build resilience, manage risk, and reinforce our competitive position. Guided by a long-term perspective, sustainability remains the bedrock of our decision-making; it is the lens through which we evaluate every investment, ensuring that we generate not just immediate returns, but enduring, multi-generational value for all our stakeholders.

I shall now invite your attention to industry dynamics across our businesses.

First is the Chemicals Business

Globally, caustic soda market is operating at around 80% utilization, with world-wide annual installed capacity of approximately 106 million tonnes. While demand is strong in regions like Asia-Pacific, the industry is also facing challenges like fluctuating prices due to economic factors, geopolitical uncertainty, and unsustainable energy costs in regions like Europe.

Domestic caustic market fundamentals remain stable. Looking ahead, we see a two-faced outlook:- growing structural demand from industrial end-markets versus short-term volatility from global supply chain disruptions. However, chlorine prices have been under pressure. Caustic soda and chlorine downstream customers have been impacted by geopolitical factors, including tariffs.

Hydrogen peroxide demand was broadly stable, underpinned by strong offtake from pulp and paper, textiles, and water treatment. However, the domestic market remained oversupplied with new facilities being commissioned and dumping from Bangladesh. Prices continue to be under pressure and industry is working to ensure that cheap imports do not disrupt domestic prices. Hydrogen Peroxide plant performance has been good with improving utilisation levels.

Epichlorohydrin demand stood firm, supported by structurally strong consumption as well as increase in capacity of epoxy resins. Our ECH plant was commissioned in October '25 and the product has been well accepted in the market. We are in the process of commissioning the balance capacity and plant should stabilize in the current quarter. We have started expanding our sales network including exports.

Our operations in Hindusthan Speciality Chemicals are stabilising well. The Government of India also levied Anti-dumping duties on Liquid Epoxy Resin in November '25 which should start having impact in the coming quarters.

Our projects in aluminium chloride, calcium Chloride at Bharuch and the 68-megawatt green power project for Kota, continue to progress as planned.

Vinyl

Global as well as Indian PVC demand was muted in the key geographies & prices remained soft in the period. PVC pricing continued to witness downward pressure given abundant imports and global oversupply.

Despite DGTR finding justification for anti-dumping duty on PVC resin imports due to significant dumping and predatory pricing, the Ministry of Finance chose not to impose ADD, resulting in a sharp fall in domestic PVC prices.

Sugar & Ethanol

Global sugar supply for sugar season 2025-26 is expected to be in surplus of 3.2 million metric tonnes mainly due to expected surplus production in India by about 2.2 million metric tonnes.

The Indian Sugar season 2025-26 is expected to end with a stock of 6.2 million metric tonnes with production estimate of 30.6 million metric tonnes after diversion of around 3.5 million metric tonnes for ethanol production, consumption of 28.4 million metric tonnes and export allowance of 1.5 million metric tonnes. Current price is around Rs. 4,050 per quintal.

On the ethanol front, OMCs received 1,777 crore litre of ethanol offers for the 2025-26 season, which is 1.70 times of the total requirement tendered by OMCs. Allocation is led by grain-based feedstocks i.e. 72% and balance 28% from sugarcane, which has reduced significantly as against 34% last year.

Industry is urging government for support through increase in sugar MSP & higher blending targets of ethanol as well as sufficient allocation of sugarcane feedstock to ensure mills viability amid increasing costs of production.

The industry continues to contest the export levies on ethanol sent outside Uttar Pradesh, with the matter being heard in the courts.

Fenesta Building Systems

Our consumer-facing arm, Fenesta Building Systems, is evolving from a product provider to a comprehensive 'lifestyle partner,' expanding its footprint in the building materials category to capture a larger share of the customer wallet.

Fenesta continues to report healthy volume growth, with margins undergoing a normalisation driven by ongoing shifts in the product mix.

The aluminium extrusion project at Kota is running as per schedule and phase one is slated to be commissioned by the end of next quarter.

Moving on, the Agri-Inputs business portfolio comprises of Shriram Farm Solutions, Fertilizer and the Bioseed businesses.

Shriram Farm Solutions

The SFS business sustained momentum, delivering healthy revenue growth. Performance was underpinned by growth in research wheat seed where we have strengthened our market leadership by registering highest ever sales.

The crop protection & speciality plant nutrition verticals continue to be benefited due to strong farmer acceptance of new molecules & products launched earlier.

Innovation remains central to our strategy and we remain committed on deepening R&D collaborations and exclusive product partnerships to introduce differentiated, next-generation global products to the Indian farmers.

Fertilizer

The urea business remains stable, with continued emphasis on improving energy efficiency, optimising production levels, and maintaining tight control over fixed costs. Subsidy disbursements have been timely.

Bioseed

Due to extended monsoon and heavy rainfall at the beginning of Q3, farmer's profitability in the Kharif season reduced, which ultimately led to reduced spending in Rabi season and farmers going for saved seeds in wheat and mustard, while good growth was witnessed in corn and paddy.

I will now request Vikram to provide the financial perspective. Vikram, over to you..

Vikram Shriram: Thank you. Good evening, everyone.

I will now take you through the financial highlights of Q3 and 9M FY26.

Net revenues, net of excise duty, for Q3 FY26 were at Rs 3,811 crores versus Rs 3,367 crores in Q3 FY25, an increase of 13% year-on-year driven by the Chemicals, Sugar & Ethanol, Fenesta and Shriram Farm Solutions businesses. PBDIT for Q3 FY26 was at Rs 560 crores versus Rs 537 crores in Q3 FY25, an increase of 4% year-on-year. Profit after tax was Rs. 213 crores, after an exceptional item of Rs 55 crores, provided pursuant to the implementation of new labour codes.

Chemicals

The Chemicals business reported an increase in revenue by 30% year-on-year, led by Caustic soda volumes that were up 6%, on account of better capacity utilization. New projects i.e. Hydrogen Peroxide, Aluminium Chloride, Refined Glycerine and Epoxy also supported the revenue growth. ECUs were down by 4% as compared to last year. PBDIT was down by 8% due to higher fixed costs given business growth & stabilization costs of new plants, partly offset by lower input prices and better operating efficiency.

nd for caustic soda remains robust, although surplus capacity in the Indian market & subdued demand of chlorine derivatives continues to weigh on prices, especially chlorine.

Vinyl

The revenues were down by 13% year-on-year due to lower volumes of PVC and subdued prices of both PVC and Carbide. PBDIT was lower at Rs 19 crores as compared to Rs 29 crores last year, due to lower prices despite better operating costs due to power & carbon material.

Sugar & Ethanol

Sugar & Ethanol business revenue, net of excise duty, was higher by 15% year-on-year. Volumes of both domestic sugar & ethanol were up by 8% & 10% respectively; in both cases it is a timing difference. Prices of sugar were up by 7% while ethanol prices were down by 3% due to change in sales mix. PBDIT for the segment came in at Rs 204 crores as against Rs 112 crores last year. In Q3 FY26, there was significant positive impact of Rs 36 cr on account of reversal of provision provided in

ive levy of duty on ethanol exported outside state of UP.

Fenesta Building Systems

Fenesta's revenues increased 28% year-on-year, with project vertical leading the growth. PBDIT for the quarter was down at Rs 35 cr as against Rs 43 cr last year. This was due to product mix and higher fixed costs owing to investments in growing newer revenue platforms, enhancing brand presence and acquisition related costs, partially offset by increase in volumes.

Shriram Farm Solutions

Shriram Farm Solutions' revenues increased by 7% year-on-year supported by high volumes of research wheat and speciality nutrients. PBDIT for the quarter was down by 11% mainly due to moderation in research wheat margins owing to poor kharif season leading to lower product prices.

Fertilizer

Fertilizer revenue was down by 2% year-on-year. Gas prices were down at \$13.2/mmbtu in Q3 FY26 vs \$14.5/mmbtu last year. Consequently, PBDIT was also down at Rs 20 crores vs Rs 29 crores last year. Outstanding fertilizer subsidy was Rs 116 crores on 31st December 2025 as against Rs 111 crores last year.

Bioseed

The Bioseed revenues for the quarter increased by 16% year on year led by better volumes of corn & paddy. Prices were also better across the products. Further, there was a positive impact of about Rs 10 crores due to sale of vegetables R&D germplasm and technology. Accordingly, PBDIT for the quarter was up by 73% year on year.

Coming to the highlights of 9M FY26

For the nine months ended 31st December 2025, revenues, net of excise duty was at INR 10,345 crores, an increase of 12% year-on-year contributed by all the businesses, especially Chemicals, with slight moderation in Sugar & Ethanol. PBDIT came in at Rs 1,294 crores, an increase of 24% year-on-year led by Chemicals, Sugar & Ethanol and Shriram Farm Solutions businesses.

The company's net debt is at Rs 1,084 crores as on 31st December, 2025 as against Rs 867 crores as on 31st December, 2024 and Rs 1,395 crore

s as on 31st March, 2025. The year-on-year increase was because of capital expenditure over the last year and acquisitions made during the period. Over March '25 the decline is primarily because of reduction in Sugar inventory.

Return on capital employed for December 2025 came at 14%, similar to the levels of last year.

Board announced an interim dividend of 180% amounting to Rs. 56.14 crores. This took the total dividend announced for the year to 360% amounting to Rs 112.28 crores.

As our major investments in the chemical segment are nearing completion, our strong balance sheet and healthy cash flows position us well to explore value-chain opportunities aligning with our core businesses. We remain optimistic about sustaining steady and responsible growth in the years ahead.

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

Moderator:

Thank you. Ladies and gentlemen, we will now begin the question-and-answer session. Anyone who wishes to ask a question may press star and one on their touchtone telephone. If you wish to remove yourself from the question queue, you may press star and two. Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles. Ladies and gentlemen, if you wish to ask a question, please press star and one.

We take the first question from the line of Pujan Shah from Molecule Ventures. Please go ahead.

Pujan Shah: Yes. My first question pertains to the PVC side. So right now, if you look the government has now decided that they will not announce the ADD. So is there any possibility of MIP being implemented? Or is there any discussion going on because PVC industry is suffering a lot. So what are your views on this one?

Ajay Shriram: So we are actually working with the government on this year, right after the ADD was not done, which was, I think, around the end of November, we have actually been to the government and various ministries to look at MIP and have meetings with the Chemical Ministry, with the Commerce Ministry and in the Finance Ministry.

And we talked about looking at MIP because we fit in the last 5 years, the average import price was about \$800, \$820, but in the last 3, 4 months, it has come down by \$600, \$620. So, we have taken the issue MIP very actively with the government. Our own ministry, the Chemical, Petrochemical ministry, we have submitted a lot of data. They are also working on it, and we are really aggressively moving for the MIP coming in at a short period of time.

The second part, we are also working on QCOs because ultimately, a lot of the PVC is used for potable material like for filling water or soft drinks or others. And there is a need to balance out the quantity of residual VCM in the PVC.

So we are working with the government on that also to have QCO implemented which will ensure that the right quality product is used for the potable products. So we have had a discussion with the Jal Shakti ministry industry also and working with them. So we hope that with our steps we are taking for the rational benefits to the PVC industry something will happen.

Pujan Shah: Got it, sir. So is there any timing you want to put in for the MIP or it is too far to understand this?

Ajay Shriram: Yes. I think timeframe is a little difficult when we are dealing with government ministries, but we are actively on the job.

Pujan Shah: Got it, sir. And you have been hearing the news about China revoking VAT benefits, that will help us in terms of inching up the realization because our benefit will be gone from 1st April and continuing with the same might be we see a Q4 dumping, a very severe dumping because inventory might get built up at a cheaper level. So, is that possibility happening on industry?

Ajay Shriram: Well, actually, when the government of China announced the removal of subsidy of 13% on PVC from 1st April, it straightaway had a positive impact on the industry. And the prices have gone up three - four rupees already. We are hoping that once it is implemented, it will benefit a little more. So that is something we are actually hoping will be an advantage. And if MIP comes along with it, it will be an advantage with the industry really needs.

Pujan Shah: Okay. Got it. Last question, pertains to the same that is PVC, we have been posted INR38 crore of PBIT and we have performed very well compared to the impact happening in the industry. So have you seen easing of pricing in RM that helps in the PBIT or it was more like the operational efficiency?

Amit Agarwal: See, one, our power costs have come down. So as you know, power is the almost 60%, 70% cost of production. So we have seen reduction in our power cost and that is continuous, if you see last 1, 1.5 years, our power costs have been coming down. So that is one key reason. Other than that, the other materials, carbon materials, which have been more or less stable. So, it is the power cost that has helped us.

Pujan Shah: Okay, got it. I will join back in the end. Thank you so much for answering my question.

Ajay Shriram: Thank you.

Moderator: Thank you. Ladies and gentlemen, if you wish to ask a question, please press star and one. We take the next question from the line of Raj Vyas from Bonanza Portfolio. Please go ahead.

Raj Vyas: So, I just wanted to have a brief update with respect to the demand scenario that we are having across the product and also any tariff impact that we are seeing, that has impacted the performance in certain verticals?

Ajay Shriram: So which product are you talking about?

Raj Vyas: Across the products?

Ajay Shriram: All our products.

Raj Vyas: Yes.

Ajay Shriram: So, all of them have different duties, different structures. So that is moving as -- with the government, as I just mentioned about PVC, what is already moving on PVC that you are aware of what we are looking at. I think on the other products really on caustic soda, there is some import duty, which is there at a very low level that is moving over there.

On epoxy resins, the government has implemented some anti-dumping duty in November 2025, which is advantage in that industry. So government is aware, but we need to -- government needs to actually take some more corrective action for some of the products, which will make a difference to not only us, but to many other factories or companies who are in similar businesses.

Raj Vyas: Right. And we have also seen this margin pressure continuing for the Fenesta vertical right and last quarter also you had mentioned that it was primarily because of the product mix and this time also it was because of product mix and higher fixed costs as well. So I mean ballpark number that we are looking at, for example, to see where the margins can stabilize? And also, what was the reason behind the order book going slightly down for the quarter?

Amit Agarwal: Yes. So see, one coming on the margin reduction. See margins, as was mentioned in the Chairman speech, when you ideally put it that this is product mix. But one another reason that has happened is that one our facade business is picking up. So there were larger volumes and revenue coming from facade. And currently that business is we are entering the market, right, and so we are not really wanting to earn any significant margins there. That is one. And then aluminum prices went up

significantly. So that does impact, that has a lag impact because your older orders, which were taken especially in retail, they may not have the linkage to price. So therefore, that was one additional factor this quarter, which led to a reduction in margin. That is your answer to your first question. What was the second question, please?

Raj Vyas: So any -- where we are seeing the stability in the margins, right because earlier it was at double-digit margins. If I see on a yearly basis, right? And this quarter, it was -- it has come to single digit. So any stability in margins where we can see that going forward. Or, this is the ballpark number that we -- we can look forward to?

Amit Agarwal: So see currently we are investing in growth, right. As I mentioned, facade is doing well, our aluminum extrusion plant will come online in next 3 to 4 months. So, there is -- this business is in the investment in the growth phase right now.

So margins -- I would not say they are under pressure, it is like building up for better margins going forward, which should be there, let us say, 6 months down the line we should see margins inching up. Once all these investments that we are doing, acquisition that we have done, looking at a few more. So all these things will add up, but then if we take one or two -- two quarters at least for margins to add up and help grow.

Vikram Shriram: As the volume grows.

Amit Agarwal: As the volume grows, yes and the cost efficiencies come in.

Raj Vyas: Okay. Understood. And coming to a question with respect to the acquisition. So on Hindusthan Specialty Chemicals that we have acquired, right? So we were expecting to break even the losses that we were having from that company by year-end. So are we sticking to that timeline?

Amit Agarwal: So see, we said it will take about a year. We acquired this business in end of August, right.

Raj Vyas: Yes, yes.

Amit Agarwal: So yes, by within -- by end of the year we should be nearing by the end of these 12 months since acquisition, we should be nearing the breakeven or maybe better than that.

Raj Vyas: Okay. And lastly with respect to the demerger of our consumer facing products, any update that we can get?

Amit Agarwal: Yes. So we are in the advanced stages. See, it is a very old organization, over 100 years old organization. So there are a lot of inter linkages. And the idea is when we separate the companies, there should not be any inter linkages. So those having clarity on that takes a bit of time. We have large part of the clarity and we are moving in that direction. We have clarity internally. So we are moving in that direction.

Raj Vyas: Okay. And any kind of guidance before I -- like I end my questions, any kind of guidance on the top line or bottom line for the next say 2 years down the line or 3 years down that we as a company are aspiring to reach that level?

Amit Agarwal: So we as an organization have been making investments. You have seen we invested close to about INR4,000 crore, INR5,000 crore in last 3 years, 4 years. And these should accrue to our cash profits going forward, once they stabilize. So let us say from FY '27 onwards we should see a profit better and we will continue to grow. So our endeavor is to grow each of these businesses, add to the value chain in each of the businesses. So we will continue to do that.

Raj Vyas: Okay. Thank you so much.

Ajay Shriram: Thank you.

Moderator: Thank you. Ladies and gentlemen, if you wish to ask a question please press star and one. We take the next question from the line of Ahmed Madha from Unifi Capital. Please go ahead.

Ahmed Madha: Thanks for the opportunity. Firstly, on taking the previous participant on the restructuring/demerger spin-off, can you give broad sense of timelines? I think we announced this Board meeting about I think 9 or 10 months ago. So there has been a bit of time. So any broad timelines you can give to finalize the structure?

Amit Agarwal: Ahmed our intention is to do it as early as possible, frankly. As I said when answering the last question, we have a lot of clarity now, right. Certain loose ends just have to be tied and we hope to do it as early as possible. If all goes well, maybe next 3 months, 4 months we should be there. But we are pretty much -- as I said, a lot of loose ends have been tied up, few -- are left, which we should complete in the next 3 months, 4 months, hopefully.

Ahmed Madha: Can you elaborate a bit on what all things are sort of leading to a sort of a delay. It helps us to appreciate what all, what are the moving factors?

Amit Agarwal: Sure. So see it comes from the fact that there are like, for example, Fenesta business, it has its roots in Kota itself, right. Now Kota has particular kind of lease structure. So all those have to -- we need to have clarity even with the government we need to have clarity whether we can do that or not. So which means we need to speak to government channels and all that. So those are the kind of things which take time and have clarity. And at times, given that it is government it takes a little more time and a few such other things.

Ahmed Madha: Sure. Got it. And on the chemical business, we have been investing. We have invested a lot. On ECH business and epoxy business, specifically, if you can give some sense where are we in Epichlorohydrin as of now in terms of the product trials, approval, operating capacity what stage we have reached so far.

And in foreseeable future what kind of utilization are sort of fair to achieve or practical to achieve in next few quarters. And in the current quarter, what sort of losses or the incremental stabilization costs we incurred for Epichlorohydrin business, then I will come to epoxy second?

Aditya Shriram:

So as you will be aware the Epichlorohydrin plant was commissioned in Q3 FY '26. Two-thirds of the capacity approximately has been commissioned. The plant is now under stabilization, ensuring the right efficiencies. And we expect that in the current quarter, we will be doing some further work to ensure that we are able to run the plant steadily. And by the end of this quarter, we expect to commission the remaining capacity. And therefore, after that run smoothly.

The effort on the market side has been ongoing continuously, whether it is domestic markets or export markets. Our quality has been approved and accepted by the key customers, largely the epoxy players themselves. So, we are very optimistic that by the end of this quarter, we will run the plant efficiently, and then ramp up the capacity soon after that.

Ahmed Madha:

Okay. And will the balance capacity be commissioned by the end of this quarter or will take more time?

Aditya Shriram:

Yes. By the end of this quarter, we expect the balance capacity to be commissioned.

Ahmed Madha:

Got it. On epoxy business, sort of -- I am assuming you would have consolidated the entire company for the first time in this quarter. So in terms of changes to be made in terms of processes, vendors, where are we in the overall process? And what was the contribution from the Hindusthan Chemicals entity in terms of revenue and profits or other losses in Q3? And where do we see it going in the next financial year?

Aditya Shriram:

So, the acquisition that we did in August 2025 has now been completed. We are in the process of integrating the operations, improving efficiencies, improving the safety practices standards, running the entire plant and the business along the lines that we expect. So that takes some time, some stabilization.

What we are doing also is actually focusing more on the higher value part, which is what is called formulated resin. So we have LER capacity, and we have FR, formulated resin capacity. So we are looking to grow that part of the business more aggressively. That of course takes time. You have to get approvals from customers, work on application development etc along with the R&D teams.

But we expect that with that, we will be able to grow the verticals, and we expect a healthy profitability start in the coming quarters. So in the next year, FY '27 onwards, we should see a good profitability from this vertical.

Ahmed Madha:

And can you please spell out the revenue/ losses number for epoxy business as well as ECH business. We can give a broad range, it help us to understand how the base caustic business has done considering the volumes have been better compared to last year. Prices have declined year-on-year, but sequentially, it has been okay. So just to understand the base business a little better, if you can give the numbers. Broad range will be okay.

Amit Agarwal:

Yes, yes. So revenue was in the range of around INR90 crore to INR100 crore for the quarter from HSCL which is currently a subsidiary, and there were marginal losses at EBITDA level.

Ahmed Madha:

Okay. And epoxy business? Sorry, ECH business? ECH plant?

Amit Agarwal: ECH, I do not have the exact numbers. We see ECH, we started only in the month of October, right. And in ECH, I think by now in the first week of January is when we reached almost 100 tons per day, which is like two-third of the capacity which we commissioned. However, we are still working on the efficiencies because it takes time.

We are doing for the first time and stabilizing the technology takes time. So we are not very efficient right now. So, we are not making money in ECH right now. But we do expect that by Q4 end, we should have solved a large part of our efficiency issues. So yes, that is where we are.

Ahmed Madha: Okay. Got it. Moving to the sugar business, considering there has been meaningful increase in the SAP prices for the season and the sugar prices have gone up compared to last year, but not enough, and you have been very vocal about it in both in terms of making policy decisions as well as in investor calls.

Going by the current season, would you like to provide some comments on how do you see the season -- upcoming season in terms of both volume production yields as well as our profitability with higher cost?

Amit Agarwal: See, on volume and production, production as of now is good. It is a little better than last year also because the recoveries are better than last year. So that is encouraging. But what will be the total production, it is a little early. I think by February is when we get more clarity on how the overall production will pan out. So that is one.

In terms of cost, you are right, costs will be higher. I mean straight away INR 3 get passed on, although the recovery is better. Then it is a matter of what the product prices will be. But then yes, we are actively pursuing government to look at the minimum support price for sugar. If that comes up, it helps if something happens on sugar exports that can help and also on ethanol.

So we are working a lot of framework with the government, a lot of policy advocacy with the government. So we should support prices. But as of now, yes, margins will be lower than what they have been till now at current prices.

Ahmed Madha: Sure. Last question on Fenesta. You explained it should take a couple of quarters for margins to sort of stabilize and again, improving with volumes. Based on whatever investments we have made, what should be the normalized margin which we assume for Fenesta business in terms of EBITDA? Last year, it was 18, 19. This year it was 12-14. So will it be somewhere between the number or it will be like 13%-14% kind of number with expanded capacities and products?

Amit Agarwal : I would say this business should be around 14% once we have the scale and cost advantage is coming from backward integration. I feel we should be at around 14%. That is what guidance I have been giving for last couple of quarters. That was never an 18%-19% margin business given what we were planning to do. And now that planning is taking shape. So, we will continue to target around 14% margin.

Vikram Shriram: See, the scale will build up, compensate for the margin as a percentage.

Ahmed Madha: Sure. I get it. Sure, sure. Sorry, last question I had on the Agri business. So assuming this season was slightly average for Rabi, are we sort of carrying any major inventories for Farm Solutions business which sort of creates a problem later or next season, something of that sort? Is it fair to assume? Or the channel is clean and we do not have major inventories. Would you like to provide any comments on that?

Amit Agarwal : Yes. There are no channel inventories. See, our biggest business is wheat seed, research wheat. And we are glad to say that we -- last year, we did about 93,000 metric tons. This year, we have increased by about 20% in terms of our sales to the farmers, which is about 113,000-114,000 tons. What is impacted is we had targeted about 125,000, 130,000 tons. So that product could not be sold. And in wheat, you cannot store. So you have to sell it in the mandi, which goes below cost.

Ahmed Madha: Okay.

Ajay Shriram: So that is what has hit the profitability. Otherwise, and, you know, some bit of the margins overall. But otherwise, I would say the segment has done well in terms of volumes. And just to answer your question, there is no pipeline of inventory.

Ahmed Madha: Okay. So, basically, whatever the incremental volumes have been cleared up and there is no baggage going into the next.

Amit Agarwal : Yes. Absolutely.

Ahmed Madha: Okay, sure. Perfect. Thank you so much.

Ajay Shriram : Thank you.

Moderator: Thank you. We take the next question from the line of Rajakumar Vaidyanathan from RK Invest. Please go ahead.

Rajakumar Vaidyanathan: Yes. Good evening. Can you hear me?

Ajay Shriram: Yes, we can hear you.

Rajakumar Vaidyanathan: Yes. Thank you. Thanks for the opportunity. So the first question is on the caustic soda segment. I just want to know what is your outlook for this segment for the upcoming quarters? This quarter, you have done very good on the volume side, but the margins have dipped. So, given this tariff situation, are you seeing any softness in demand? Can you just give some color on the outlook?

Aditya Shriram: So, I think in the coming quarters, we do expect a fairly stable to positive outlook for the caustic soda and chlorine business. The demand fundamentally is robust for us in India, a large percentage of the demand is domestic itself. As an industry, we have moved from being net importers to net exporters, but bulk of the demand continues to be domestic demand. So we feel that while there are some large capacities coming up in the next 1 to 2 years, we expect stable to positive outlook in the coming quarters.

Rajakumar Vaidyanathan: Okay. Thank you sir. And sir, second question is on the hydrogen peroxide segment. Can you give some outlook, how is the pricing and the margins looking?

Aditya Shriram: So currently, our plant itself is running at close to capacity. As an industry in India, it is an oversupply scenario at this point. There are other players also who have commissioned capacity. So prices are under pressure. So we will have to see how it evolves in the coming quarters. But we are working on various avenues to help improve margins.

Rajakumar Vaidyanathan: Okay. And moving to the Sugar segment, I want to know what is the current recovery levels compared to last year? And do you expect the recoveries to be better in the upcoming quarter?

Amit Agarwal: Yes. So compared to last year, we are better by about 0.4%, 0.5%. Now if the trend continues, yes, we should be better in the coming quarters as well.

Rajakumar Vaidyanathan: So what is the absolute number?

Amit Agarwal: I would not have the number right away, but we are better by that number.

Rajakumar Vaidyanathan: Okay. And you expect this to improve further in the current quarter, right?

Amit Agarwal: Yes. If the trend continues, yes. See, these are climate driven. So we do expect it should continue.

Rajakumar Vaidyanathan: Okay. And the last question is, you recently signed a JV or an MOU with Bayer India. So I want to know what is the short- to medium-term benefits we will be getting in terms of sales and margins?

Amit Agarwal: So see, the MOU with Bayer is largely to explore what we can do together. So currently, like there are one or two products. One product, we have already tied up in the crop protection space, which we will be launching for Bayer. So it is like those kind of things. It is more futuristic to see how both the parties can come together with their technical prowess, their product prowess and our distribution prowess we can work together and create value for the farmers.

Rajakumar Vaidyanathan: Okay. And are you looking at furthering this relationship or it will be only restricted to do whatever you have mentioned the press.

Amit Agarwal: Yes. As of now, it is more transaction based. If something comes up, we are open to looking at working together as well.

Rajakumar Vaidyanathan: Yes. My question is, will there be any outsourcing opportunities with Bayer? Will you be supplying to their entities overseas?

Amit Agarwal: No. As of now, there is no such plan.

Rajakumar Vaidyanathan: Thank you so much.

Ajay Shriram: Thank you.

Moderator: Ladies and gentlemen, if you wish to ask a question, please press star and one. We take the next question from the line of Pujan Shah from Molecule Ventures. Please go ahead.

Pujan Shah: Yes. So just wanted to understand caustic soda part. So in caustic soda, has the realization been cooled up or if the ECU has been cooled because of the impact of chlorine?

Amit Agarwal: See there is no significant reduction, I would say, in ECUs. They are marginal INR400, INR500 here and there. So I do not think I would attribute to any particular factor. In month-on-month, it keeps waiting whether chlorine goes down or caustic soda price goes down or the flakes prices are better. So there is no fundamental shift in where I am coming from.

Pujan Shah: Got it and so amplifying the question, in terms of China is implementing this VAT, so do we see the benefit in caustic as well?

Aditya Shriram: So to the best of our knowledge, China has not implemented this for caustic soda. It is for PVC and for other products. So there would not be a direct impact -- but the PVC and the caustic soda industries are closely linked. So we will have to see how it plays out, the impact of this on PVC and therefore, on caustic.

Pujan Shah: Okay, got it sir. Just want to understand the PVC. So let us suppose if you consider if ADD gets implemented, the China duty was ranged around \$122 to \$232 per ton. So now if MIP comes up -- so it is equivalent significance of the duty. So then we are not going to apply for ADD, right? Because MIP might be for a limited time. So until that time we might result for AD or it would not be that case?

Ajay Shriram: I think the approach to -- MIP is the priority right now because ADDs already being rejected once by the government. And the ADD approval process is fairly long. It does not happen as fast as we, hopefully, the MIP well. So MIP is a focus right now. We will see what the market situation is like after that and then take up the ADD work also if necessary.

Pujan Shah: Okay. And if MIP gets implemented, it would be for 6 months?

Ajay Shriram: We do not know. We do not know. We have asked for a longer period. We do not know what the government will do.

Pujan Shah: Got it, sir. Thank you sir.

Ajay Shriram: Thank you.

Moderator: Thank you. Ladies and gentlemen, if you wish to ask a question, please press star and one. Ladies and gentlemen, we take that as the last question and conclude the question-and-answer session. I now hand the conference over to the management for their closing comments.

Ajay Shriram: Thank you. Ladies and gentlemen, thank you very much for your participation in our earnings conference call. As new trade barriers emerge across developed economies, the imperative for Indian corporates is towards realignment. True progress lies in building internal strength through sharper cost



focus, operational efficiencies, continuous innovation and deeper technological adaptability. At DCM Shriram, we are building this resilience through number one, relentlessly optimizing our operational core to ensure we remain lean and agile.

By focusing on efficiencies, we are working towards ensuring that our margins remain healthy. Number two, strengthen the value chain in our businesses; and number three, digital transformation as technology is the backbone of our evolution, and we are leveraging data-driven insights and automation to enhance our adaptability efficiencies and to sharpen our decision-making. And environmental stewardship is no longer a peripheral goal, it is a firmly embedded in our investment philosophy. We are making our businesses greener that deliver long-term value to all our stakeholders. Thank you very much once again.

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