

21<sup>st</sup> May 2026

BSE Limited Phiroze JeeJeeBhoy Towers, Dalal Street, Mumbai - 400 001	National Stock Exchange of India Ltd. Exchange Plaza, 5 <sup>th</sup> Floor, Plot No. C-1, G Block, Bandra-Kurla Complex, Bandra (E) Mumbai - 400 051
<b>SCRIP CODE: 523367</b>	<b>SCRIP CODE: DCMSHRIRAM</b>

**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 Audited Financial Results (both Standalone and Consolidated) for the quarter and year ended 31<sup>st</sup> March 2026 held on 15<sup>th</sup> May 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

**DCM SHRIRAM LTD.**

Corporate Office: 2nd Floor (West Wing), Worldmark 1, Aerocity, New Delhi - 110037, India Tel: +91 11 42100200  
Registered Office: Plot No. 82, Sector 32, Institutional Area, Gurugram - 122 001, Haryana, India Tel: +91 124 4513700  
e-mail: response@dcmshriram.com website: www.dcmshriram.com  
CIN: L74899HR1989PLC137147

## **DCM Shriram Limited**

### **Q4 FY26 Earnings Conference Call**

#### **May 15, 2026**

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**Moderator:** Ladies and gentlemen, good day and welcome to the Q4 FY26 Earnings Conference Call of DCM Shriram Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Shruti Joshi from CDR India. Thank you and over to you, ma'am.

**Shruti Joshi:** Thank you, Swapnali. Good afternoon and welcome to DCM Shriram Limited's Q4 and FY26 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 website. I would now like to invite Mr. Ajay Shriram to give us a brief overview. Over to you, sir.

**Ajay Shriram:** Thank you, Shruti. Good afternoon, ladies and gentlemen, and a very warm welcome to all of you. I will begin with perspectives on the business dynamics and the strategic imperative, following which Ajit will share views on the financial perspectives. Financial year '25-'26 was characterized by high-impact events from tariff-waged wars by US to the war between Israel and Palestine and then the Start of the West Asia conflict.

The escalation of conflict in West Asia emerged as a material external risk. Although India is geographically insulated from the conflict, its economic ecosystem is closely intertwined with the region through energy, fertilizer supply chains, shipping routes, and export markets. These developments have reinforced the importance of supply chain agility, operational resilience, and strong balance sheets.

The Indian economy demonstrated better resilience amidst these global headwinds. While elevated energy prices exerted inflationary pressures and tested currency stability, macroeconomic fundamentals remained robust. They were supported by healthy foreign exchange reserves, proactive monetary policy, and sustained domestic consumption.

Continued government capital expenditure along with gradual revival of private capex supported growth in the manufacturing sector. Although India remains well-positioned, the nature of continuing geopolitical conflicts will present new macroeconomic challenges to navigate going forward.

Our focus on value chain integration, operational efficiency, cost discipline, and digital enablement helped us navigate a dynamic environment. We are exploring to grow our businesses through strategic partnerships where there is a need for high-end technology. Financial prudence remains a key advantage.

A strong balance sheet and disciplined working capital management supported continuity amid commodity volatility. Healthy operating cash flows guided growth while preserving agility to capture opportunities. Sustainability remains integral to both our future readiness and long-term value creation.

Our daily operations and strategy are committed to minimizing our environmental footprint, optimizing resource utilization, and uplifting the communities we serve. To solidify our role as environmental stewards, we have institutionalized a bold pledge to achieve a 40% reduction in our Scope 1 and Scope 2 emissions by 2040. We are actively executing this transition by pivoting our energy mix towards renewable power and agri-based fuels, alongside rigorous energy efficiency mandates across all our facilities.

Further, in March 2026, we have raised funds through the sustainability-linked non-convertible debentures from the International Finance Corporation, IFC. This partnership is more than a financial transaction. It is a global validation of our ESG roadmap. This transaction marks a significant step for DCM Shriram in integrating sustainability into our capital structure and aligning with the company's financial outcomes with measurable sustainability targets.

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

First is chemicals.

Globally, caustic soda market is operating at about 80% capacity with annual installed capacity of around 109 million metric tons. Caustic will experience growth driven by demand from industries like alumina, textiles, pulp and paper, soap and detergents, pharmaceuticals, etc.

The industry continues to witness volatility in prices due to economic factors, geopolitical uncertainty, and increased energy costs. The supply chains of chlorine downstream industries have also been impacted, thereby putting pressure on demand. The supply chain disruptions are creating a mixed global outlook.

Over the past year, India's caustic soda market operated at reasonable levels of about 85% capacity utilization. Domestic demand grew at about 5% driven by capacity expansions among major alumina players alongside sustained consumption from paper and detergent industries. Hydrogen peroxide continues to be structurally oversupplied in the domestic market and low-cost imports from Bangladesh add to this situation.

On the back of shortage of natural gas supplies, the industry witnessed a shortage in supplies in March '26 leading to a surge in realizations. We continue to operate the plant at full utilization and the plant performance has been good. The advanced materials value chain comprising of glycerine to ECH to epoxy, including formulations, continues to grow driven by strong demand and supported by anti-dumping duty on ECH and epoxy. Further, our ECH plant got fully commissioned in the month of April 2026 and the product is well accepted in the market.

Our projects in aluminium chloride and calcium chloride at Bharuch are running as per schedule. The 68 megawatt green power project with average supply of 34 megawatt at Kota has started average injection of 15 megawatts from May 2026 onwards. Our Board has approved capital expenditure of INR 217 crore towards obtaining approximately INR 48 crore of additional renewable power supply for our Bharuch plant and related infrastructure development, thereby taking the total RE power provision for Bharuch plant from the present peak of 50.4 megawatts to 98.4 megawatts. The indicated timeline for completion of the above project will be around Q1 financial year '28.

The Board has further approved INR101 crore for the expansion of epoxy-led formulated resins capacity by 36 kilotons per year, increasing the total formulated resins capacity to 50 KTPA. The same is expected to be commissioned by Q2 financial year '28.

#### Vinyl

The demand in both global and domestic market remained flat, yet the market experienced pronounced price volatility driven by a complex interplay of macroeconomic and geopolitical factors. Initially, realizations came under severe downward pressure due to aggressive export dumping from China. This trend abruptly reversed as prices surged in response to supply chain anxieties stemming from the Middle East conflict, a situation further compounded by currency headwinds from a depreciating rupee.

Ultimately, prices softened once again following regulatory intervention by the government of India, which waived import duties through to the end of June 2026. Amid decline in domestic PVC prices and damage to the Indian PVC industry, mainly driven by dumping of Chinese PVC resin, the domestic industry filed an application requesting introduction of minimum import price, MIP, for PVC imports. Further, the domestic PVC industry continues to pursue its efforts on the QCO front.

In alignment with our strategy to scale businesses through technology-driven partnerships, we have announced a joint venture with Teknor Apex B.V., a global leader in plastic material science solutions, by selling 50% stake in our subsidiary Shriram Polytech Limited, which is a leading plastic compounding player in India. By integrating global innovation with local execution capabilities, the partnership is well positioned to accelerate growth and deepen consumer engagement.

#### Sugar and ethanol

Global sugar supply over demand for sugar season '25-'26 is expected to be in surplus of 2.9 million metric tons, mainly due to India's 2.3 million metric tons year-on-year production increase. Domestically, this season is expected to close with an inventory of 4.3 million metric tons, accounting

for 28.3 million metric tons in production after diversion of 3.1 million metric tons to ethanol, 28.1 million metric tons in consumption, and a little less than 1 million metric tons in exports.

Operationally, adverse weather, crop economics, and varietal challenges in the state of Uttar Pradesh curtailed industry-wide crushing. Consequently, our units concluded the season with a lower crush of 473 lakh quintals of sugarcane, albeit with improved recovery of 10.8%. To counter the lower crush, our agronomy teams are aggressively optimizing varietal selection to boost future yields and using digital tools to enable cane development. Despite these efforts, profitability remains under pressure as realizations from sugar and ethanol have not offset rising sugarcane costs.

The Ethanol segment faced critical bottlenecks. Against a national capacity of ~1900 crore litres, OMC allocations stand at just about 1100 crore litres, with share of sugarcane-based feedstocks restricted to a mere 28%. This penalizes integrated players who invested in distillation capacities based on stable blending assumptions. Ensuring the sector's long-term viability requires calibrated policy interventions, specifically aligning sugar and ethanol selling prices with sugarcane costs, prioritizing sugarcane-based ethanol allocation and expanding targets beyond E20 blending.

Fenesta Building Systems.

Fenesta Building Systems continues to progress along its strategic trajectory of evolving from a product-centric offering to a comprehensive building material solution partner. The business has delivered healthy volume growth through the year with expanding brand reach and deeper market penetration.

Margin reduction reflecting increased scale and shifts in the product mix towards newer categories is as planned. The aluminium extrusion project at Kota is progressing on schedule. This facility will meaningfully enhance our capabilities in the rapidly growing aluminium fenestration and building material segment.

Moving on, the Agri-Inputs business portfolio comprising of Shriram Farm Solutions, fertilizers, and bioseed businesses is next.

Shriram Farm Solutions

The SFS business sustained its robust growth trajectory, delivering double-digit growth this financial year. This performance was anchored by a research wheat segment which achieved a record sales and a 22% growth despite headwinds from extended monsoon.

Concurrently, our crop protection and specialty plant nutrition vertical continued to gain market traction, supported by strong farmer adoption of our R&D-driven products in specialty plant nutrition and recently launched crop protection molecules.

Notably, in the current financial year, SFS has launched 13 new products in crop protection and specialty plant nutrition verticals, including four new products from our own R&D. To sustain this momentum, we are deepening our R&D and exclusive partnerships with global technology leaders to deliver differentiated, high-efficiency solutions.

Furthermore, our targeted shift towards new-age digital marketing and influencer-led campaigns has significantly amplified brand visibility, translating into higher product inquiries and stronger brand equity across all geographies.

Fertilizer.

The Urea business remains largely stable. We continue our efforts towards improvement in energy consumption, maximizing urea production, as well as control on fixed expenses. In view of the ongoing West Asia war, there may be a reduced availability of natural gas due to disruptions in LNG supplies and increase in subsidy outstandings.

Bioseed

This year the industry faced a challenging scenario for cotton seeds for a variety of reasons. Going forward, Bioseed is well positioned to navigate growth with a strong pipeline of new product launches across key crops. New introductions are witnessing increasing acceptance from farmers, supported by improved genetics, yield stability, and consistent field performance.

The business remains focused on portfolio premiumization, disciplined execution, and strengthening farmer and trade engagement. I will now request Ajit to provide the financial perspectives. Ajit, over to you.

**Ajit Shriram:**

Thank you. Good afternoon, everyone. I will now take you through the financial performance for Q4 FY '26. Net revenues, net of excise duty, for Q4 FY '26 were at INR3,193 crore versus INR2,877 crore in Q4 FY '25, an increase of 11% year-on-year. PBDIT for Q4 FY '26 was at INR400 crore versus INR426 crore last year.

Chemicals

The business saw an increase in revenue of 32% year-on-year. The caustic soda volumes were up 2%, while ECUs were down by 4%. Advanced materials, which include glycerine to ECH to epoxy value chain, has also contributed positively to the top line. PBDIT for the quarter was flat at INR163 crore due to elevated fixed costs associated with business expansion and stabilization. There was a one-time positive impact of INR19 crore due to incentive received from the government of Gujarat relating to the projects commissioned in previous years in Bharuch.

Vinyl

The Vinyl business revenues increased by 19% year-on-year driven by volumes of both PVC and carbide, up by 23% and 5% respectively. PBDIT for the segment improved by 68% to INR39 crore led by higher prices and further supported by lower energy costs and better operating efficiencies.

Sugar and ethanol

Sugar and ethanol business revenue, net of excise duty, was down by 3% to INR991 crore. Domestic sugar volumes and prices were largely in line with the same period last year. Ethanol volumes were flat

in the quarter, while prices were down 15% on account of change of sales mix. PBDIT for the segment came in at 18% lower at INR207 crore owing to the higher cost of production of sugar due to the increased cane price by 8%. Sugar inventory was lower at 32.2 lakh quintals as against 39.9 lakh quintals last year. The inventory is valued at INR3,876 per quintal.

#### Fenesta Building Systems

Fenesta Building Systems reached a milestone of crossing the revenue of INR1,000 crore during the year by clocking a revenue of INR1,112 crore, a growth of 28%. For the quarter, the business reported a growth in revenues by 34% year-on-year led by higher prices across the segments and better volumes in the project segment. PBDIT for the quarter was up 6% at INR37 crore led by volumes, partially offset by increased fixed costs towards enhancing capacities, higher sales promotion, setting up of new business platforms like facade, wooden doors, and acquisition-related costs. The order book is up by 15%.

#### Shriram Farm Solutions

This quarter is an off-season for the business. Revenues increased by 32% year-on-year supported by volume growth across all verticals.

#### Fertilizer

Fertilizer revenue was down by 11% mainly due to a maintenance shutdown taken during the quarter to coincide with lower gas supply. PBDIT was INR28 crore as against INR9 crore last year. There was a one-time gain of INR33 crore on account of revision of retention price of the previous years. Outstanding fertilizer subsidy was INR189 crore as against INR161 crore last year.

#### Bioseed

This quarter is an off-season for the business. Revenues were down by 1%, while PBDIT was at a negative INR8 crore as against INR2 crore last year.

Coming to the highlights of FY26.

FY26 net revenues, net of excise duty, was up 12% year-on-year at INR13,538 crore. All the key businesses, especially Chemicals, Fenesta Building Systems, and Shriram Farm Solutions, except Sugar, have contributed towards the top line growth supported by volumes. Similarly, PBDIT was up 15% at INR1,694 crore. Chemicals, Sugar, SFS, and Fertilizers was the key contributor to growth.

Our net debt remains at a comfortable level of INR1,767 crore as on 31st March '26 versus INR1,395 crore on 31st March '25. Return on capital employed for March '26 has come in at 13% as against 14% last year. Further, investments made in prior periods that were commissioned over the last one or two years are scaling up and will further strengthen the businesses and enhance the ROCE.

The Board has recommended a final dividend of 200%, amounting to INR62.38 crore in this Board meeting. The total dividend for the year is 560% amounting to INR174.66 crore. As we successfully

conclude our major capex cycle within our chemicals business, our fortified balance sheet and strong cash generation open a new chapter of strategic capital deployment.

We are now exceptionally well positioned to explore synergistic value chain integrations across our broader manufacturing portfolio. I remain deeply confident in our ability to leverage these financial strengths to deliver sustained and responsible growth for all our stakeholders. That concludes my opening remarks and I request the moderator to please open the forum for the Q&A. Thank you.

**Moderator:**

Thank you very much. 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 then two. Participants are requested to use kindly handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles. A reminder to all, you may press star and one to ask a question.

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

**Pujan Shah:**

Thanks for the opportunity. My first question pertains to the vinyl segment. So just want to understand the broad aspects on the pricing what we should expect going forward. So we have seen the real estate prices of China is at 20-year low and how do we see this situation impacting PVC business in general, versus we are also hearing out that inefficient plants of PVC are being shutting down in China. So how to read that in terms of considering the positive news flow of anti-involution versus the negative news flow of real estate not picking up?

**Ajay Shriram:**

Okay, thanks for this question. I think the pricing as I mentioned a little earlier has been very volatile in the last 3 - 4 months. Its actually led by China dumping earlier, then the import duties in India were reduced and thereafter because of the shortage of availability, the prices went up again, but now they have come down again.

So I think it is very difficult to give an indication of what will be the prices going forward. I think because of the West Asia crisis, it is very difficult. We sincerely hope one small advantage is the devaluation of the rupee, that is giving the imported prices a little higher position, so that helps the domestic industry also.

But I think the prices of PVC are very volatile and if the West Asia crisis is sorted out in the next few weeks, it will still take some months before there will be any stability. We are hoping that from 1st July the import duty of 11% which was removed earlier, we hope that comes back. That will give us the advantage of our pricing for the domestic market because considering the energy costs, industry today is under a lot of stress.

So we are hoping that the government will look at it positively and bring back this import duty. And we hope the West Asia war is sorted out soon so there is stability in the world geopolitical business environment. So impact one does not know. China plants closing, frankly China's capacity is so large that we do not know what is closed, what is running, what is not and they have been dumping for a long time not only PVC, but many other products. So we really do not know what their policy is going to be.

**Pujan Shah:** Got it. And, just to understand a broader aspect, we have been discussing about the MIP and versus the industry has also initiated ADD, but it did not succeed in November, right? So are we going for because MIP is a short-term phenomenon where we are able to protect our margins or our industry structure, but on a longer term are we still going for ADD to get a longer-term protection from the government side?

**Ajay Shriram:** Yes, the industry has taken it up; CPMA has had multiple meetings in the government over the last couple of months including one which was held last week with the new Secretary Chemicals who has come in now. And we have mentioned that look, we gave the data for the imported prices for the last 5 years.

In the last 4 months since the dumping started, the prices have fallen dramatically by almost USD150 to USD200. So we have suggested that you please revisit. The ADD application which will go again because it got rejected just some months back. MIP also is very much on the agenda. They have recommended a price, but that is pretty low. So we are actually talking to the government saying that please look at the MIP in a realistic manner and then recommend to the Finance Ministry. So dialogue is on with the government.

**Pujan Shah:** But just to understand a broad aspects considering the crude price has already been up, I understand we have been a carbide base, but just to understand as crude has already been up by a significant percentage while considering the other ethylene-based route PVC manufacturers might not get their RM and that is why they will always keep the inching up the prices?

Again the only the negative side would be the China keep dumping because they have that carbide capacity. Other than that it seems like – it seems that price should sustain around 85-90 in PVC per kg or it would be difficult situation to call right now because all the scenarios are not been under a one conclusion?

**Ajay Shriram:** No, you are right, it is a little difficult. Our prices are ranging between 81-82 in that range right now. But you know China dumping can come in at any time. We do not know at what price and what is their policy behind it. So it is very uncertain. I think and energy prices have gone up not only gas but even coal. So all these are impacting the cost of production. So I think there is a lot of uncertainty in this market.

**Pujan Shah:** Sure. Thank you.

**Ajay Shriram:** Thank you.

**Moderator:** Thank you. We will take the next question from the line of Rohit Nagraj from 360 ONE Capital. Please go ahead.

**Rohit Nagraj:** Thanks for the opportunity. Sorry for harping on the PVC front. So one is that when do we expect the MIP to come in place because it has been since a while that the PVC ADD is now out of question? And just second question in terms of the anticipated increase in import duties again post June, is there accelerated dumping which is happening from China or probably some kind of inventory build-up by the domestic producers at the lower prices? Thank you.

**Ajay Shriram:** So the MIP actually we are in dialogue with the government to look at a reasonable MIP. That is the conversation going on right now. The industry is representing again giving the cost of production, giving all the data to the government of what is the reasonable MIP based on the past prices, based on what is the China prices, etc.

So that dialogue is going on. I think that is one thing. Secondly, the price stability no one can say because you know the uncertainty in terms of availability of the movement of material, goods, etcetera that is open and China can dump and I mean they are actually exporting to India quite a bit. In the last year, 50% of India's imports were from China.

So the quantity was very large. So we are in fact in dialogue with the government if this import duty is removed at the end of June and we get the 11% back, that will be a saving grace and a real breath of life for the PVC industry. So let us hope that happens. But the pricing mechanism is very open-ended. No one can give any commitment of any time.

**Rohit Nagraj:** Sure. Thanks. Sir, second question is again on the caustic front. Given that there is a sizeable amount of alumina capacity in Middle East which is gone off-stream, how do you foresee the caustic balance in the global market? Is there a possibility of again that particular material which was supposed to go to Middle East can be routed to Asia and that will have again some kind of implications on the domestic pricing? So just your thoughts on this? Thank you.

**Aditya Shriram:** Yes. So as we mentioned earlier in the call as well, the global caustic capacity is close to 109 million metric tons and of course the demand is spread across globally. So there are always regional balances and regional dynamics that come into play. So you are right that some particular utilization in the Middle East has reduced, but we have to see how it all plays out.

The unpredictability remains very high and there are always many factors in determining the price of any commodity really, including caustic. So we cannot correlate it very directly, the impact of one demand area going down. But we do expect in the long term, we expect the Indian situation to be quite robust, while there might be some short-term volatility.

**Rohit Nagraj:** Sure. Just if I can squeeze one more small question. What is the current ECU?

**Aditya Shriram:** The current ECU is in the range of INR32,000 to INR33,000 per metric ton.

**Amit Agarwal:** And just to add, this is ECU without including the flakes element because some of the peers include flakes element as well. So this is for lye.

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

**Ajay Shriram:** Thank you.

**Moderator:** Thank you. We will take the next question from the line of Ahmed Madha from Unifi Capital. Please go ahead.

**Ahmed Madha:** Yes, thanks for the opportunity. First on caustic, is the export volume steady or has there been any impact because of logistics?

**Aditya Shriram:** So as a country, our exports have been increasing steadily over the year. In fact, India was a net importer a few years back. Last year as a country, we exported over 600,000 metric tons of caustic. For us as well, if we look at the financial year, well in the last quarter you are absolutely right, there is some implication which is there, but if we look at the last financial year our exports have gone up significantly and we are now exporting approximately 12% of our capacity.

**Ahmed Madha:** And is there any caustic production constraint you see because of chlorine disposal issue and is there more room to improve volumes for caustic soda as a whole for FY '27?

**Aditya Shriram:** So the unpredictability of course with the war in the Middle East is very high and while not directly an implication for us, but a lot of our customers do consume products that come from the Petrochem value chain. So there can be an impact of that. But we do see that between domestic demand and global dynamics, we do expect at least our capacity utilization to stay robust in the coming year.

**Ahmed Madha:** Sure, got it. On the ECH, you have mentioned that the plant got fully commissioned from April. What will be the current utilization as of Q1 if you can say and what utilization you are expecting for full year FY '27? And also in terms of margin profile at current prices with the full value chain, glycerine and so on, what sort of margin profile one should consider for ECH?

**Aditya Shriram:** Yes, so the ECH plant, as you rightly mentioned, was fully commissioned in April 2026. Now actually the plant is running at close to 60% to 70% capacity utilization and we are ramping up the capacity. The product approval from customers has been coming in regularly and so we expect a steady ramp-up in the coming next quarter or two.

In terms of the margins, it is not always so easy to say. For instance, crude glycerine price has gone up significantly and while we do have refining capacity, so we refine our glycerine and then of course convert that into ECH. So the margins will depend again on how the raw material prices and how the finished good prices move. But overall, there has been an increase in the raw material cost and an increase in the ECH selling price. So we do expect again a healthy margin to continue in the ECH plant.

**Ahmed Madha:** Sure. And for epoxy, in terms of volumes how is it currently and in terms of break-even for the acquired entity as a whole, what sort of timeline one should assume?

**Aditya Shriram:** So epoxy as you would know, we acquired Hindustan Specialty Chemicals Limited in August, we completed the process in August 2025. So it has been a couple of quarters now. We are in the process of doing, smaller de-bottlenecks, some improvements, safety focus areas, etc. So it is now I think running well. We are running at capacity. Of course we want to increase the capacity of the unit.

The Board, as you would know, has approved a capex of INR101 crore in its Board meeting 2 days ago to enhance the formulated resin capacity from what was earlier 14,000 tons per annum to 50,000 tons per annum. So this is a material expansion in the formulated resin capacity which we expect to complete by Q2 FY '28. And with the ramp-up of this, we are very confident that the profitability of the advanced materials vertical will move up.

**Ahmed Madha:** If possible give a sort of a timeline based on the efficiencies you are trying to achieve and volumes you are trying to achieve, whether the break-even will be achieved in probably this year itself or you see it to be extending?

**Aditya Shriram:** Yes, we expect to achieve break-even this year.

**Amit Agarwal:** Ahmed, the way it will work is that first 6-8 months we utilized to stabilize the operation. It was loss-making unit. I believe this year we should be a little better than break-even because we have just expanded our formulated resins from 7,000 to 14,000 which Aditya was mentioning. So that would also improve our margin profile. So this year should be good and then, you know, we will keep adding the formulated resin capacity which are high margin and high returns. So that will, you know, change the face of this business that we have got into.

**Ahmed Madha:** Okay, sure. And for ECH, coming back again, could you quantify margin? I think a couple of quarters ago in the con-call you had given 20%, 25% range. Is that sort of a range one should assume for our Epichlorohydrin plant?

**Amit Agarwal:** So I feel, Ahmed, the way we look at, you know, because Bharuch where we have multiple businesses now, and each of these businesses are linked to each other in terms of their some or the other feedstock. Caustic going into it, chlorine going into it, hydrogen going into hydrogen peroxide.

So it is best to look at what is the profitability of the entire setup, the entire chemical complex. And also because it is a complete value chain, something is down, something is high. So that is only, you know, it is best to look at how the overall complex is performing. And if at all it is not performing well, what is pulling it down?

So I believe currently the way it is happening, if you see the last full year numbers, our revenue went up by about 38%, EBITDA went up by about 50%. So that shows that one, the volumes that are getting added are helping the overall profitability of the complex. The other good thing that has happened is that before the start of this last financial year, the new products were contributing about 14% to the total revenue. Now the new products contribute about 34% or 35% and going forward this will increase. So that will also strengthen the whole complex. Like today we just talk about caustic soda and what really happened in caustic. I think it will be beyond that. So gradually it is gaining strength. There have been some technology issues and X, Y, Z, what we are now, we have got over it largely, right. Some bit is yet to be resolved, but then we are almost there and we should progressively see more stability and better earnings.

**Ahmed Madha:** Sure, I get it. This helps. I was coming from the standpoint that for caustic we generally take per ton margins and then in this it is very hard to segregate. But considering you report as a whole chemical business, margins which were 20% for at EBITDA level for FY '26, do you expect as a whole that number to improve materially considering all the new products you have added or this sort of range will be a number to take going forward?

**Aditya Shriram:** You know, it will be hard to give a number on this because it is a forward-looking situation and the unpredictability with the global geopolitical situation etc is very high. But at least what we can say is

we always look to run our operations and run our businesses in a very efficient manner. So we do expect that, you know, in case the raw materials and the finished good prices are reasonable, that we will make reasonable margins.

**Ahmed Madha:** Sure. Question on the sugar side of the business. You have been very vocal about the industry support and obviously there are a lot of challenges. Now ethanol thing is probably become very critical. So is it fair to assume that considering current prices of sugar, ethanol and your cost of inventory, it will be very tough to make a reasonable margin in this business and it is likely that we make some money but it will not be material?

**Amit Agarwal:** So see, yes you are right, the margins are currently they are definitely lower than what they were last year. But you know, again, given that the inventory levels are very low now, right, they are all-time historical low of about 4 million tons in the country, expectation is that prices should be a little better than where they are right now.

This export ban announcement really does not make any impact except for some sentimental piece for a very short tenor. So I feel prices should improve a little bit. Margins may not be the same what they were last year. So there will be some shrinkage in profitability, but that, but you know, it is not very significant shrinkage is what our estimate is.

**Moderator:** Sorry to interrupt, Ahmed, I would request you to please rejoin the queue again for more questions. Thank you. We will take the next question from the line of Manish Bhadane from 360 One Capital. Please go ahead.

**Manish Bhadane:** Hi, thank you for the opportunity. I just want to understand like we are into the ECH, so how much ECH do we captively consume to manufacture the epoxy resin? Like currently what it is and in future what it will be?

**Aditya Shriram:** So, our ECH capacity is 150 TPD, so that is roughly 52,000 tons per annum. Our LER capacity which consumes ECH is a smaller capacity. So, we do expect to sell a large percentage, close to 70-75% of our ECH in the market. That is the current situation.

**Manish Poddar:** Okay, thank you so much. That is all from my side.

**Aditya Shriram:** Thank you.

**Moderator:** Thank you. Before we take the next question, a reminder to all, you may press star and one to ask a question. We have the next question from the line of Riya Mehta from Aequitas. Please go ahead.

**Riya Mehta:** Hi, thank you so much for giving me the opportunity. So, my first question is in regards to the Shriram Farm Solutions business. In the last couple of years, we have made it really big and I think our R&D efforts have put in place. I just wanted you to elaborate on what kind of efforts we are taking and what business potential we see out of this business in the next two-three years.

**Ajay Shriram:** Well, as I mentioned earlier, Shriram Farm Solutions has three verticals. One is the seeds business, the other is the crop protection business, and the third is the specialty nutrients business. So, we have research going on in all three of these verticals quite actively and aggressively.

As you rightly said, the seeds business, wheat has been a touch wood, a good success for the business and is doing well even this year in spite of the earlier rains and the heat etcetera, the off-take has been pretty good. We are focusing on the crop protection also where we have a tie-up with a couple of international companies to get molecules in which we are doing in our outsourced processing plants and we are making the product and selling that in the market for the farmers, which is also doing well.

And we are continuously working on that of getting more tie-ups as well as our own R&D on the crop protection. In the specialty nutrients business, as you may be aware, we have a factory in Kota called Shriram AgSmart where we manufacture specialty nutrients. That is there plus we get some more products from outside plus we have an R&D and as I mentioned in my opening remarks, we have made a couple of new products in crop protection and in specialty nutrients from our own R&D plus from outside which have got a good response in the market. So, our plan is to grow in all three.

**Riya Mehta:** Got it. And my next question is in terms of Fenesta. So Fenesta we have been doing excellently in the last couple of years and currently with the metal prices going up, aluminium also reaching all-time high, how are we passing on the cost and how do we see the margin going forward? And also, one question is in terms of margin and second is in terms of demand. Are we seeing any demand fall back since the cost has increased so much?

**Amit Agarwal:** So, one is on passing on the cost to the customer. So, there are two types of customers, one is the retail customer, the other is the institutional customer. In retail customer it becomes a little difficult to pass on the cost if, you know, although the contracts also are of a shorter value and of shorter tenor, but then it is difficult to pass on the cost there. However, in institutional clients, a lot of our contracts are made in such a way that there is a tolerance level post which the cost is passed on, you know, to the builder. However, till the tolerance level it does impact our margins.

Now in terms of your second question on demand, I think we are seeing good demand even now. If you see our Q4 numbers also, they were pretty good. So, we have had record order book. So, demand is pretty good right now.

**Riya Mehta:** Got it, got it. Now my third question is in regards to the PVC business. Considering that currently China has been dumping, etcetera. In the current scenario do you think prices will fall down to as like similar to 60-65 level which were there in say November-December? Or what kind of, because I am assuming that China will also be under energy cost pressures and they would also likely increase the prices?

**Ajay Shriram:** Well, what you are saying we sincerely hope not. I mean that is the thing. And also, one is seeing because freight, international freight and movement of goods is also not so easy now because of the disruptions happening across the board. So, I think the price of 80-81-82 which is prevailing now, we do hope that it stays.

It might go down a little bit. This is also like a situation where if suddenly, excess material comes in, it affects the market price straight away. But then after a couple of weeks, it can go up a little bit again. But it is very difficult to predict on any of these commodities what the price will be, but we hope it stays somewhat stable.

**Riya Mehta:** Got it. Thank you so much. That it from my side.

**Ajay Shriram:** Thank you.

**Moderator:** Thank you. A reminder to all, you may press star and one to ask a question. We have the next follow-up question from the line of Ahmad Madha from Unifi Capital. Please go ahead.

**Ahmad Madha:** On the Fenesta margins, is there any impact on margins because of the acquisition of DNV, if you can quantify the number?

**Amit Agarwal:** No, there is no significant impact right now because that is a separate entity, and we are still buying on the same arm's length basis as we were doing earlier. So, there is no impact on the margins. The reason for that acquisition was more in terms of indigenization and therefore our lead times improve. It is also about doing more R&D in-house to come out with newer products on the windows hardware. So, I think we are we are progressing that well.

**Ahmad Madha:** Sure. And for overall capex, what sort of number one should consider for FY27 for the overall company as a whole?

**Amit Agarwal:** So that should be in the range of around INR1,000-INR1,200 crore including the normal capex as of now, which has been let us say approved by the board, but we have few projects in the pipeline as well. So let us see how that pans out. Currently committed is to that range.

**Ahmad Madha:** Okay, got it. Last question on the Bioseeds. Obviously kharif placement should have started by now or something of that sort. So, can you give some sense, just not company specific, but in general what trends you are seeing across crops, cotton, paddy, maize, in terms of channel inventory, pricing discipline, off-take, if you can give some broad sense based on the trend you are seeing in the market?

**Amit Agarwal:** See, as of now placements are good, although there are apprehensions because of expected El Nino. So, the placements are happening. The only place where we are seeing some apprehensions beyond El Nino is on cotton because every producer in the country has huge inventory of cotton. And therefore, how the discounts will be passed and all that has to be looked at. Yes, but otherwise it is reasonable start to the season.

**Ahmad Madha:** Okay, sure. Thank you.

**Ajay Shriram:** Thank you.

**Moderator:** Thank you very much. Ladies and gentlemen, we will take that as the last question. I now hand the conference back to the management for the closing comments. Thank you and over to you, sir.

**Ajay Shriram:**

Thank you. Ladies and gentlemen, thank you very much for your participation in our earnings conference call. As we navigate an evolving global landscape, we are actively fortifying our resilience and growth by one, driving operational excellence. We remain hyper-focused on optimizing our core manufacturing base, ensuring our operations are lean, agile, and capable of sustaining healthy margins across our portfolio.

Two, deepening our value chains. We are strategically strengthening integrations across our business verticals to invest and unlock synergies and enhance our competitive edge. And three, accelerating digital transformation. Technology is the backbone of our evolution. We are embedding data-driven insights and automation into our daily operations to drive efficiency and sharpen our strategic decision-making.

Furthermore, environmental stewardship is no longer a peripheral objective. It is the cornerstone of our capital allocation. By building greener, future-ready operations, we are securing sustainable long-term value for our shareholders. Thank you once again for your continued trust. Goodbye.

**Moderator:**

Thank you members of the management. On behalf of DCM Shriram Limited, we conclude this conference. Thank you all for joining with us today and you may now disconnect your lines. Thank you.

**Disclaimer: This is a transcription and may contain transcription errors. The transcript has been edited for clarity. The Company takes no responsibility of such errors, although an effort has been made to ensure high level of accuracy.**