

November 7, 2025

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विक्रम सम्वत् २०८२

**National Stock Exchange of India
Limited**

"Exchange Plaza"
Bandra – Kurla Complex,
Bandra (E), Mumbai – 400 051
NSE Code: GHCL

BSE Limited

Corporate Relationship Department,
1st Floor, New Trading Ring, Rotunda Building, P.J.
Towers,
Dalal Street, Fort, Mumbai – 400 001
BSE Code: 500171

Dear Sir / Madam,

Subject: Filing of Transcript regarding Investors' conference held on November 3, 2025

In continuation to our earlier communication dated October 29, 2025 and November 1, 2025 regarding Investors' conference on November 3, 2025 and pursuant to requirement of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are pleased to attach copy of the transcript regarding said Investors' conference held with the management on November 3, 2025 for your reference and record.

Please note that copy of this intimation is also available on the website of BSE Limited (www.bseindia.com/corporates), National Stock Exchange of India Limited (www.nseindia.com/corporates) and website of the Company (www.ghcl.co.in).

You are requested to kindly take note of the same.

Thanking you

Yours truly

For GHCL Limited

Bhuwneshwar Mishra
Vice President - Sustainability & Company Secretary
(Membership No.: FCS 5330)



“GHCL Limited
Q2 FY '26 Results Conference Call”
November 03, 2025



MANAGEMENT: **MR. R.S. JALAN – MANAGING DIRECTOR**
MR. RAMAN CHOPRA – CHIEF FINANCIAL OFFICER
AND EXECUTIVE DIRECTOR, FINANCE
MR. MANU JAIN – GENERAL MANAGER, INVESTOR
RELATIONS AND FINANCE

MODERATOR: **MR. MEET VORA – EMKAY GLOBAL FINANCIAL**
SERVICES LIMITED



Moderator:

Ladies and gentlemen, good day, and welcome to GHCL's Conference Call hosted by Emkay Global Financial Services Limited. As a reminder, all the 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 touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Meet Vora, Emkay Global Financial Services Limited. Thank you, and over to you, sir.

Meet Vora:

Thank you. Good afternoon, everyone. Thank you for joining us on GHCL's Q2 FY '26 Results Conference Call. I would like to welcome the management and thank them for giving us this opportunity to host them. We have with us today Mr. R.S. Jalan, Managing Director; Mr. Raman Chopra, CFO and Executive Director of Finance; Mr. Manu Jain, General Manager, Investor Relations and Finance.

Before we begin this call, I would like to point out that some statements made in this call may be forward-looking, and a disclaimer to this effect has been included in the earnings presentation shared with you earlier.

I shall now hand over the call to the management for their opening remarks. Thank you, and over to you, sir.

R.S. Jalan:

Thank you, Meet. Welcome to GHCL's Earnings Conference Call for the second quarter and half year ended 30th of September 2025. Our results and investor presentation have been uploaded on the stock exchanges on our website as well.

I shall commence with the thoughts on the soda ash market. The domestic market demand growth remains healthy, and we saw year-to-date demand growing by around 5%, driven by various end user sectors. However, the market continued to be oversupplied. This is primarily due to high volume of cheap imports, which are continuing at a run rate of similar to the Q1 at approximately around 85,000 tons per month. This has impacted realization for the domestic industry for the moment. We, therefore, maintain a cautious price outlook, therefore, in the next 1 or 2 quarters.

On this front, a significant development is the recommendation of antidumping duty on soda ash by the DGTR. This is now awaiting clearances from the Finance Ministry. While it is early to comment, this may provide some respite and help restore a level playing field against predatory import pricing.

Moving on to the global soda ash market dynamics. The overall supply situation that we highlighted last quarter has continued. Moreover, China's domestic year till date demand has declined by around 2% year-on-year, and it has started to export soda ash, adding to the existing global supply.



Demand in the most of the Western markets remain volatile and uncertain due to the ongoing geopolitical situation. As a result, price continue to remain under pressure worldwide. Through this adverse market conditions, we have maintained focus on our driving best-in-class operation.

In the medium-terms, we are diversifying our business mix, where you will see the positive contribution to earnings from initiatives in the bromine and vacuum salt. We have placed favorably in the long-term as well with plan to commission Greenfield expansion soda ash.

In the immediate term, we continue to benefit from the structural operational efficiencies and focused cost optimization efforts we have previously established. These measures are sustainable and continue to support our margin even in this difficult pricing environment.

I must also appraise you that the company undertook a planned maintenance shutdown, which started in the last week of September and has been successfully completed in early October. While necessary for the long-term health, this did have some impact on the production volume and added to our overheads in the Q2 results.

Reflecting our confidence in the long-term value, strong balance sheet and commitment to shareholders, the Board has announced a shareholders buyback program for INR300 crores under the tender offer route. We believe this will optimize the capital structure and create further value for our shareholders.

Finally, on our future prospects, we remain very optimistic about India. Soda ash demand is directly tied to India's robust global story. We also see accelerated growth coming from new applications like solar glass, which are expected to ramp up starting next year. On our diversification and growth plan, bromine and vacuum salt projects are progressing and commissioning is on track to happen in the early 2026 quarter 4.

For our Greenfield soda ash project, the progress has been slower than our expectation, and we are taking appropriate steps to address this. This remains a significant long-term strategic investment that will deliver substantial operational and financial gain.

While this challenging transitionary, our operational efficiencies and diversification will be permanent. We have built a solid leadership position, and we are confident in our ability to navigate today's challenges while building long-term sustainable value. Thank you for your continued trust and support in the GHCL.

I now hand over the call to Raman to walk through the financial numbers.

Raman Chopra:

Thank you, sir. Good afternoon, everyone, and a warm welcome to our earnings call for the second quarter and the half year ended 30th September 2025. Our performance demonstrates resilience and the benefits of our structural operational efficiencies which helped us navigate significant pricing pressure seen across the industry.



I will now walk you through the key financial highlights. Revenue for the quarter stood at INR739 crores compared to INR810 crores in the corresponding quarter of last year and INR823 crores compared to Q1 of current quarter -- current year.

This decline reflects the tough market condition worsened by increased cheap imports, which adversely impacted our realization. EBITDA for the quarter stood at INR175 crores compared to INR228 crores in Q2 of FY '25 and INR225 crores in Q1 of this year. We reported an EBITDA margin of 23.8% in the current quarter.

On a Q-on-Q basis, the EBITDA margins declined by 360 bps, mainly due to the fall in realizations. Our overhead costs were also slightly higher due to plant maintenance activities, and we expect these to normalize going forward.

Our ability to protect profitability even in this environment is a direct result of our deep-rooted philosophy of cost control and operating efficiencies. PAT for the quarter stood at INR107 crores compared to INR155 crores in the corresponding quarter of last year and INR145 crores in Q1 of this year. This demonstrates our ability to respond dynamically to market conditions and partially mitigate the impact of softer prices on our bottom line.

Next, our half yearly cash flow. We generated INR313 crores in cash profit after tax. We deployed INR185 crores towards growth capex, mainly for our new diversification projects of bromine and vacuum salt. We also paid INR115 crores as dividends and repaid INR22 crores in loans. A reduction in the working capital released INR57 crores, thus resulting in an overall net cash generation of INR43 crores for the first half of the year.

Our balance sheet remains very strong with a net cash surplus of INR1,047 crores at the end of half one FY '26. This financial agility supports our strategic capex execution and provides significant growth headroom.

GHCL has announced its third share buyback program to buy back equity shares from its shareholders for INR300 crores under the tender offer route. This shall increase value for shareholders by distributing surplus cash and by improving the EPS and the return ratio.

With this, I conclude my comments and would now request the moderator to open the forum for question-and-answer. Thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question comes from the line of Jainam Ghelani from Svan Investments.

Jainam Ghelani: Sir, I just wanted to know what was the volume loss that we had due to the shutdown that we had taken at the end of September?

R.S. Jalan: See volume loss, primarily this will happen. Some amount -- small amount has happened in the last -- in the second quarter, but some volume loss will be there in the October. So most of the volume loss will happen in the third quarter.



- Jainam Ghelani:** Sir, would you be able to quantify like what would be the quantity for the same, please?
- R.S. Jalan:** Approximately around 22,000 -- approximately 21,000 to 22,000 approximately.
- Jainam Ghelani:** Okay, sir. And sir, as you mentioned that we are going to commence our capex, so what could be the contribution that we could expect in FY '27 from the bromine and vacuum salt plants as well as what could be the margins for the same?
- R.S. Jalan:** Basically, both these projects put together, we are expecting that the full benefit should come in the next year. And that probably will give us around 40% to 45% of the EBITDA margin in this. An absolute number should be in the range of around INR70 crores to INR80 crores of extra EBITDA will be there.
- Jainam Ghelani:** Okay. And sir, what is the decline in pricing year-on-year for us in soda ash?
- R.S. Jalan:** Around 9%.
- Jainam Ghelani:** When we indicate -- you started with the indication that the domestic soda ash growth has been in the range of 5%. And despite the MIP in place, we haven't seen any significant benefit of the overall realization. So how shall one look at the near to medium-term demand growth, which segment will probably be banking on? And in terms of the pricing, do we still feel that the pressure will continue or the current prices are more or less stable?
- R.S. Jalan:** See 3 things I just want to highlight here. One, like I said in my opening remarks, so far as the Indian demand is concerned, that is very healthy. And like I said, run rate approximately around 5%. That will get accelerated in the period to come because of the new renewable energy push, which is happening in India. But on the other side, like I said, the global situation in globe, because of the 3 regions.
- One is China, the demand has slowed down. The second, overall Western countries, the demands are also not growing. And that has led to the oversupply situation globally, and that has led to the higher import into India. And that is putting a pressure on the pricing of the domestic market. However, the third point, we continued our journey on the cost competitiveness and serviceability to the customers.
- So in spite of a drop of the price, which I've just mentioned, we have been able to kind of navigate some of them through our, what you call cost competitiveness and customer services. Going forward, see, 2 things I just want to highlight here.
- One, so far as the pricing is concerned, that period the time will tell us because in this global uncertain environment, it is very difficult to speak about. However, our efforts on the cost competitiveness, our focus on optimizing our cost will continue. And just want to highlight here one thing.
- Historically, this kind of a down cycle we have seen in the past also. And every time when this down cycle has come, the second time our margin has improved. And because that is primarily

because of our journey towards the cost competitiveness and customer serviceability. So our journey of that will continue, and we will be able to navigate this challenge, which we have done in the past as well.

Jainam Ghelani: Can you highlight in terms of the cost optimization activities that have been undertaken which are the levers that we are working on?

R.S. Jalan: See, like I said, there are many components into the cost optimization. On one side, your raw material. The second is your efficiencies. And the third is how do you use the different product -- raw material product mix into your equity. And last, how do you service the customers that also helps you to kind of have a better margin. So these are the 3, 4 things which helps you to navigate your cost competitiveness.

Moderator: The next question is from the line of Saket Kapoor from Kapoor & Company.

Saket Kapoor: Sir, when you mentioned about realization being down by 9%, this is the Q-on-Q realization down or year-on-year effect you have given? And that is on account of our contracts getting renewed that led to it or this is the spot prices that have declined? Sir, some color on how we should read this 9% downward revision in realization?

R.S. Jalan: Saket, as you rightly said, this 9% down each year-on-year basis. And this is the realization what we lost into the quarter-to-quarter basis on the year-on-year basis, right? So that's number one. So keeping that into mind, the drop of 9% has happened on our realization on quarter-to-quarter basis -- on a year-on-year basis.

Saket Kapoor: Okay. So what is then the -- even when we look at the quarter-on-quarter basis, our revenue is down in the similar number only from INR796 crores to INR721 crores. So that is another 9% to 10%?

R.S. Jalan: So let me highlight that also, Saket ji. There are 3 things. One, quarter-on-quarter basis also the price has dropped by around 3% okay, number one. Number two, in this quarter, like I said, some volume loss also because of the excess supply, some volume loss has happened as compared to the quarter-on-quarter basis.

Saket Kapoor: Okay. In tonnage terms, sir, can you quantify, as you mentioned, it is not significant, but the impact is significant, that is what is to be seen flowing through the P&L?

R.S. Jalan: See, there are 3 things which happens, Saket ji, on the quarter-on-quarter basis, the Q1 is always kind of beyond the seasonality. That means there's a peak period for every customer as well, whereas the second quarter is a lean period for the customer as well. So that's number one. So because of that, obviously, the volume on a Q-on-Q basis historically has also been in the Q2, the volume will be lower, right.

Saket Kapoor: Right, sir. Sir, on the second point, when you mentioned about the -- we are awaiting the final word on the antidumping by the Honorable Finance Ministry. So what have been the recommendations there, sir? And if those are implemented, how will it impact the unabated

import from the geographies where this is to be implemented? In simpler understanding, sir, you mentioned that we may be benefited.

So when we are projecting -- as you have told earlier that MIP did not serve the purpose. So are you hinting to the point that even antidumping will not serve the purpose it has been implemented on? Correct me there, sir.

R.S. Jalan:

Saket ji, like I said in my opening remarks also, so far as the antidumping duty is concerned, that has been recommended by the Commerce Ministry or by the designated authority of Commerce Ministry, right? And that is waiting for the Finance Ministry approval.

Now whether this will make an impact on the bottom line, we don't know right now because this always will be dependent on the -- how the market dynamics looks to be in the future and the second is, once this gets approved by the Finance Ministry.

But if I say in terms of the perception, definitely, this will help us in terms of the overall industry by reducing or I would say that by giving a playing field for the domestic industry to play with the international supply. So surely, that will have an advantage. How much advantage at this point of time, very difficult to articulate that.

Saket Kapoor:

Sir, very small point, and then I will ask my next question because sir, every time when we have heard about this antidumping, there is some impact on the import price and a duty is also structured. So the report did speak about per dollar -- per ton basis duty.

So we can very easily get an understanding that if that comes into play, what would be the minimum price for which -- or what will be the duties paid. So why is this ambiguity that it will not serve the purpose? I'm unable to understand that, sir, if you could just...

R.S. Jalan:

So Saket ji, I've never said that it will not serve our purpose. I've said it will serve our purpose because this will give an advantage or this will give a level playing field to the domestic industry, right? That's number one. In terms of quantification, at this point of a time, why we are saying that we should not be able to -- or we will not be able to quantify that because everything depends on the few things. One, how does the demand-supply situation pan out going forward, okay?

What kind of a pricing because of this duty, the importing -- exporting countries take their -- on their account, okay? The third is once this gets approved by the finance, then only the impact will be felt. But definitely, some impact will be there. How much? It will be seen.

Saket Kapoor:

Right, sir. One small point on the, sir, global soda ash Summit happened in the first week of October. So if you could just share some key highlight on how the major players globally, especially the natural soda ash players and the other players who hold a substantial volume are looking into the time ahead. And then one question on buyback, sir?

R.S. Jalan:

Saket ji, like you rightly said, recently, the World Soda Ash Conference has happened. And the summary of this, I have already said in my opening remarks. First and foremost, there is oversupply situation. The pricing are under pressure globally. And the second is right now, we

are seeing some kind of a slowdown on to the new investment of the growth or the new projects. And the third is the focus on the sustainability of the industry. These are the major 3 highlights.

Saket Kapoor:

Right, sir. Sir, as you have spoken that whatever improved demand has happened for soda ash globally also and for the country, we are -- what we are anticipating is from the investment in the solar panel line for the solar investment. So in order to reduce our cost of energy, sir, are we also looking for any renewable energy tie-up in the open access or which is mandatory now for all the corporates?

How are we going to take advantage of the same? And sir, on the buyback front, sir, although if you could just allude to us how did the Board concluded at a price of INR725 crores and INR300 crores amount being envisaged since, sir, because of the change in the tax incidence now on your investors would be on the realized value.

That is we need to pay tax on INR725 and claim the losses on our investment. So that does not hold true for the -- our shareholders having investment above INR2 lakhs. So had the Board deliberated on the merits of going through the process? How will your shareholders benefit out of the buyback, sir?

R.S. Jalan:

Yes, Saket ji, you rightly said the Board has deliberated all the relevant provisions of the new tax law, which has been implemented. And based on that, they have taken the decision. You must -- if you go back and you see that many of the companies in the past after this regime has changed or these tax laws has changed, has successfully has implemented the buyback, and this has been successfully been accepted by the shareholders. So that's number one.

Second, as you rightly said, in terms of the amount, you see depending upon the resources and depending upon the market pricing, the Board has deliberated various options. And based on that options, they have decided about this amount.

And the last point I would just want to add here. See, like I said, the small investors, as you rightly said, small investors, institutional investors, they will directly get the benefit. And the other investors like you will get indirect benefit because the capital allocation will become better. This money is going back to the shareholders. Therefore, the EPS will improve. Overall, intrinsic value of the company will also improve.

Saket Kapoor:

Right, sir. And our investment in solar energy and other renewable source of energy, sir, what is our thought process?

R.S. Jalan:

Yes. So 2 things, Saket ji. First and foremost, solar energy requires the solar ash. And one of the major advantage which we are going to get is the demand outlook or the demand growth in India will be very good. Let me reiterate this point again. See, like I said, even in this turbulent time, Indian soda ash demand has grown by 5%, number one.

Number two, the kind of Indian government's region is for the solar glass or solar investments. Today, around 119 gigawatt solar establishment is there in India. And the government wants this to go to 300 gigawatts. A lot of large houses are setting up the solar glass production.

Out of them, some of them are likely to be starting in this year's end, maybe February, March and the next year, the full production will come. Similarly, the other players also, they are starting, and that will also happen next year, maybe a few more -- after 1 or 2 quarters. So next year onwards, probably the soda ash demand will improve.

Now let me also tell you one more thing here. In next 5 years, in India, at least we require an extra 1 -- more than 1 million ton of soda ash requirement -- demand will grow. So that means from the Indian perspective, this is a very kind of a positive environment for the industry which we are operating.

Saket Kapoor:

Right, sir. But my question was particularly on how are we going to reduce our cost of electricity, which we use through our investment in solar energy. Means many corporates, we are seeing that they are going to the open access route wherein they are getting solar power at a much cheaper rate and then supplying it to the grid and thereby reducing their power cost. So how are we going to take benefit of the same? That is what my question was pertaining to say?

R.S. Jalan:

Yes. So Saket ji, so far as our usage of the renewable energy, we have already invested in the last year renewable energy to the extent which we can utilize, number one. Because please understand in the soda ash industry, there is the process of steam and power, both are required, okay?

And that has to be produced in a manner so that you can get both the things from the same process. So for us, going very significant way into the solar energy investment for the uses of the power into our system may not be that great. But we will be significantly getting an advantage because of this what you call your renewable energy demand going up.

Saket Kapoor:

Correct sir. And one question for Raman. I'll join the queue, sir. I have taken lot of time. I'll join the queue and let me speak again.

Moderator:

The next question is from the line of Abhijit Akella from Kotak Securities.

Abhijit Akella:

The first one was actually on these antidumping duty recommendations themselves. So from the perspective of the uncertainty that we are still seeing regarding the impact of those measures, is it coming primarily from the low duties imposed on one of the Turkish suppliers itself, where I believe the duty is only about \$17 or so.

Is that the main reason for the uncertainty Or could it -- is it that there are other countries that are outside the ADD net such as maybe China who could potentially start to become more aggressive in terms of supplies into India? So I would appreciate your perspective on that?

R.S. Jalan:

No, very valid, Abhijit, the question which you have raised. See, why we are a little kind of not quantifying the benefit, I have said this, the benefit will be there. How much we are -- at this point of a time, we are not quantifying, number one. Number two, rightly, you said that China is not included into the antidumping list because there was no imports coming from China. That's one.

The second is still the process is underway. The Finance Ministry has not yet put their signature on this. That's also very important. The third, as you rightly said, in Turkey, one company, but we don't see that as a major because there are certain countries where the current imports are happening, they will probably get eliminated in the entire process. So once this gets implemented, definitely, this will have a benefit. How much? Only time will tell you.

Abhijit Akella:

And just one other point with regard to our expansion plans for soda ash. You mentioned that in your opening remarks that maybe the Greenfield project is running a little bit behind our initial expectations. So is there a revised time line sort of that we can indicate regarding by when Phase 1 might be commissioned?

And would also be eager to hear your perspective on just at the global level, what are the significant capacity addition and reduction plans that you are seeing for soda ash over the next few years? That would be great to know?

R.S. Jalan:

Yes. Abhijit, thank you very much. Let me first give you my perspective about our Greenfield project. First and foremost, as you know, this Greenfield project is a very significant long-term strategic advantage to us. And also, that executing a large hydro project definitely have many complexity, right?

Various approvals are required and we are in that process. We have got all the major approvals like we got the environmental clearances, we got all other approvals. Only the land clearances are pending or land -- some portion of land and some portion of the land means what we call regulatory approval from the government is pending. We are working on that.

The third point I just want to highlight is that, our plan at this point of time is very clear that we want to complete our both the expansions within the defined time line, which we said. Maybe the Phase 1 will get slightly delayed. But overall, March 30, the vision which we have of around 1.1 million tons, we would like to complete.

Now just now I've given to the other person that the demand growth, which we see the way we see, the demand growth are significantly going to be much higher. And therefore, the need of the Indian producer to cater to the demand, I think we are on a much advantageous position at this point of time. So we would like to pursue that.

Your last point was more on the -- how do you see the global perspective of this thing. See, first and foremost, last 2 years, '23, '24, I would say, '23 calendar year and '24 calendar year, China has added almost around 10 million tons. Broadly, I'm giving you the number, okay? A little bit here and there, but overall capacity -- global capacity has been added around 10 million to 11 million tons.

Current, my understanding is all the synthetic soda ash producers, particularly China, they are losing money. And therefore, our belief at this point of a time is the new capacity addition will get slowly down. However, some new capacity will also get closed over a period of time in China.

And China will be in a position of more of like a balancing the demand and supply for the domestic production and maybe a little bit of a quantity to further import to the country, which are natural market for them. This is a slightly longer-term view. One more important point here is the new capacity which is getting added is more on the natural soda ash side.

So gradually, in the U.S., once the demand grows, the new, what we call natural soda ash capacity will get added in the U.S. and some portion in the China as well. However, like you know that 80 million to 90 million tons of the total demand is there globally.

And even if I take 2%, 2.5% or 3% of kind of a demand growth globally, that requires around 2 million tons of the extra production, and that will cater over a period. I don't see for a long period of time, Abhijit, a very kind of an oversupply situation globally.

Abhijit Akella:

That's really helpful. Just one last clarification, if you'll permit me, sir, a quick one. You mentioned a short while back that we are expecting at least 1 million tons of additional demand to come up in India over the next 5 years, largely driven by solar. And our Greenfield also by March 30 is 1 million tons or slightly more than that. So is it correct to interpret that we are basically aspiring to capture the entire -- pretty much the entire incremental demand coming up in the country by then?

R.S. Jalan:

Abhijit, if you look at today, approximately around 1 million tons is getting imported also number one, right? And the minimum 1 million ton. Because if you look at historically, also the demand growth has been around 5%. Even for a minute, if I don't take a solar, your demand in next 5 years is going to be around 1 million ton extra. And solar will get added to that, right?

Some of the competitors also are going to put up some capacity. And the second is your natural market. There are certain markets which are closer to the India, which will also need to be serviced from the -- by the Indian producers. All put together, we will be able to supply. Of course, our market share will improve. How much? That all depends on how the overall demand growth happens.

Moderator:

The next question is from the line of Darshita from DSP Asset Managers.

Darshita:

One, is it safe to assume that our volume was flat on Y-o-Y basis? You mentioned there was some volume loss. If you could just put a number to it, that would be great?

R.S. Jalan:

Yes. Darshita, like I said, in terms of the production, our number has been higher by around 5%. However, our sales was down by approximately around 2% -- sorry, 2% in the first half. In the complete first half, our production was up by around 5%. However, the sales was down by 2%.

Darshita:

That's clear. And secondly, on the INR70 crores to INR80 crores of incremental EBITDA that we'll get from the capex that we are doing, will that entire INR70 crores to INR80 crores be reflected in our FY '27 numbers or will it be more in a phased manner?

R.S. Jalan:

No, that will happen in the '27. Maybe some percentage here and there, but largely that will accrue in '26, '27.



- Darshita:** Got it. Okay. And our capex will commercialize from some time in the second half of FY '26, if I'm not wrong?
- R.S. Jalan:** Yes. I think both the plants are under commissioning. And I think in the last quarter of this year, both will start kind of commercial production.
- Moderator:** The next question is from the line of Saurabh Jain from HSBC.
- Saurabh Jain:** Pardon me, I joined the call just now. In case you have answered these questions, it would be great if you can repeat those, please. My question is on the antidumping duty, which I think GHCL has been talking about in the media before also.
- So I'm not asking if this is going to happen or no, but my question would be, if ADD sees an execution and implementation, would you believe that the pricing in the Indian domestic markets can increase meaningfully? And if it happens, then is it possible to quantify what could be the possible price increase? That is my first question.
- R.S. Jalan:** Yes. Thank you, Saurabh. Let me -- like you rightly said, we have responded to that, but let me repeat that. See, 2 things, as you rightly said, first and foremost, that is underway. It is still to kind of get implemented and needs a signature of the Finance Ministry.
- The second is, yes, that will have an impact on the overall Indian pricing as well as the demand outlook. How much? It is very difficult at this point of a time to quantify. And the reasons of that quantification, first and foremost, how the global pricing will seem to be in the next few quarters. Number one, China is not included into this at this point of how the China -- because till now China was not exporting anything into India.
- So China is not included in that. So that's the second, that's how the China works out. But positive part is there are certain countries where probably the imports are happening that may kind of taper down in a significant manner. So all put together, benefit will be there. How much benefit that only once it gets implemented, we will be able to quantify or we will be able to give you some guidance on that.
- Saurabh Jain:** Yes. That is useful. But what could be the quantity of China imports that are seeing through into the Indian markets as of now? Because I believe the overall imports are somewhere about 1 million tons or so?
- R.S. Jalan:** Yes. So at this point of time, 1 million tons is the right number, which is given. In that China business is almost negligible. And because of that only, the name is not included into the antidumping list because unless you have an import from that country, that cannot be considered for the antidumping duty import season.
- Saurabh Jain:** That's right. But I think that is more like looking into the history because how imports were coming into the India in the last 2 years, that has decided what all country should be looked at. But currently, are you saying that there are virtually negligible China imports flowing into India because I thought the China imports have increased?



- R.S. Jalan:** I think marginally, it has increased in last 1 or 2 months. But if you look at in '24, '25 or maybe the first quarter, you won't find any very significant amount of imports coming from China. How that will shape up in going forward because China till '24, they had a kind of -- themselves they had a significant demand growth. In '24, they have grown by around 16%. The demand growth has been 16%. But however, this year, the demand growth is almost slightly 2% minus than the year-on-year basis.
- Saurabh Jain:** Sorry, how much is the demand growth this year?
- R.S. Jalan:** This year is minus 2%.
- Saurabh Jain:** Minus 2%, okay.
- R.S. Jalan:** First 6 months. So because of that, I would say that -- not 6 months, 9 months, I would say that, because their year starts from the calendar year, right? So the demand degrowth is around 2%. How this is going to shape up in the future. But one positive thing there is their construction industry is a little bit reviving. Of course, not very significant at this point of a time, but people are still positive about the construction industry.
- Saurabh Jain:** Understood. Okay. That is useful. My second question is, there is a minimum import price that is already into play. And we saw some sort of margin improvement for some of the other industry players in the first quarter?
- However, 2Q, again, there have been commentaries that there are pricing headwinds and there are challenges in terms of reduction in prices. So what is leading to this price reduction, if there is already a minimum import price that is into play, what's causing that?
- R.S. Jalan:** See, the purpose, Saurabh, for the minimum import price has been more like -- this was the price, which was more of a rock bottom prices. And that's a very short-term benefit, which has been kind of visualized by the Commerce Ministry. I would say, Finance Ministry not the Commerce Ministry. The prices was very significantly lower than that. So therefore, the major advantage of that, of course, a little bit of a kind of -- in the first quarter, as you rightly said, a little bit of a kind of a slowdown has happened on that.
- But overall, no benefit. I think this has been indicated by us in the last quarter as well that we are not seeing any significant advantage or any major advantage out of the minimum import price. But antidumping duty definitely will have an advantage.
- Saurabh Jain:** Sure. Any time lines that you believe this antidumping duty, if at all, if it comes into play, what could be the broad time line?
- R.S. Jalan:** See generally, Saurabh, depending upon how the Finance Ministry looked at, generally, people say in the other cases, it has taken around 2 to 3 months for the Finance Ministry to kind of take a decision on this.
- Moderator:** The next question comes from the line of Rohit Nagraj from B&K Securities.



Rohit Nagraj:

Sir, first question is on the domestic supplies incrementally. So you also mentioned that on a yearly basis, domestic market will need about 2.5 lakh to 3 lakh tons of incremental supply given the growth rate of, say, 5% to 6%. So till the time our first phase doesn't come in, how these supplies will be met? So are there any domestic capacities which are expanding or will it have to be completely met by imports?

R.S. Jalan:

No, Rohit, first and foremost, as you know that today, because of this global demand-supply situations, Indian producers needs to be exporting a lot of quantity. Obviously, when the demand growth of India happens, this will get diverted to the domestic market. Second, as you know, some of our competition has also expanded their capacity. That will also help to kind of navigate this demand growth.

And last but not the least, I think some of the headroom to the industry will be there to ramp up their production, and that will also help to this thing. So this is what my understanding is that these are the 3, 4 steps, which will take care of this gap. And if anything is left over, then surely that will go to the import.

Rohit Nagraj:

Right. Got that. Sir, second allied question to this. Now given that Chinese consumption has slowed down during this year and it may not improve to the extent of double-digits incrementally. And since they have the excess capacity, is there any possibility of China starting -- directing their material to Indian market till the time the domestic capacities -- I mean the domestic demand in India is growing.

And given that there is no history in terms of earlier imports, the ADD will happen only once there is a history of at least few years before, say, Chinese supplies can be stopped. Just a broader thought process from your end?

R.S. Jalan:

Rohit -- just let me kind of articulate the same thing. First and foremost, China, if you look at slightly longer-term, okay, China has been -- in the past has been exporting a significant amount of volume into the global market, including in some periods to the India as well, point number one.

Second, in terms of the cost competitiveness, I can only tell you that Indian producers are very well cost competitive vis-a-vis the China. So that is also a very significant amount of -- and the third, which is again very important, till last year, there were almost like a balanced demand-supply situation, okay? Whether they have imported some of the quantity from the other part of the world.

So will they have a very significant amount of volume to export to India or other global players? Yes, some volume will be there, but not a very significant amount. This is what my understanding that China will not kind of come and say, okay, I'm putting a kind of 0.5 million ton or 300,000 tons or 400,000 tons to India. No, I don't see that likely to happen.

Rohit Nagraj:

Sure. That's very helpful. Sir, just one last clarification. So can we assume that the Phase 1, given the regulatory process and all approvals are in place, will be commissioned sometimes by, say, mid-2028 or end-FY '28 or so.



- R.S. Jalan:** I think Rohit, it should happen. But like I said, the pending point at this point of time is the land clearances or land. By the way it's all approvals, environmental kit, which is a very significant part of the entire -- such a large project has already been obtained. So hopefully, if this land clearances gets cleared, hopefully, I think we should be able to kind of go in the end of '28 kind of a number should happen. But again, it all depends on how do you navigate this land clearances.
- Moderator:** The next question is from the line of Renuka from FWC & Associates.
- Renuka:** So largely, my questions have been answered. Just a couple of them on the realization front. So you mentioned year-on-year realizations have dropped 9%. So currently, if you can give some light as to how the trend has been in the month of October and going forward? Is it a larger pricing pressure that we have seen or something similar?
- R.S. Jalan:** See, Renuka, like if you look at in the -- like you said, year-on-year basis, the price drop has been 9%. If you look at on a quarter-to-quarter basis, yes, there is around 3% price drop. Going forward, it will all depends on how the things happen. There are 3 things. One, if the antidumping duty gets implemented, things could be different.
- If the antidumping duty does not get impacted, things could be different. How will the China work on going forward, that has to be seen. So at this point of a time, it is very difficult to kind of say that how the likely scenario because it's such a high volatile geopolitical situation to kind of give a guidance on the pricing.
- Renuka:** Okay. And just to clarify again. So earlier, we were guiding for the bromine and vacuum salt to come in Q3, but it has gotten slightly delayed and you have mentioned it will come in Q4 of FY '26. So just wanted to understand...
- R.S. Jalan:** Yes, Renuka. Very rightly you said. Yes, small delay there because of this unfavorable weather, which you must have noticed in the entire country, more particularly in Gujarat. Definitely, that has led to kind of some delay, but not a very significant delay. And hopefully, in the Q4, we will start getting accruing the benefits to us.
- Renuka:** Okay. And lastly, in the Greenfield soda ash project, apart from the land clearances, are there any other sort of regulatory approvals that are pending or once that is received, the construction is expected to begin?
- R.S. Jalan:** Yes, Renuka, I think the major at this point of time is only your land clearances, some land acquisition and land clearances. The major, I would say, that small, small things, I don't see any major hurdle on that.
- Renuka:** Okay. So we shouldn't expect any other further delay like by March '28, at least is what we are hoping that Phase 1 will get commissioned?



R.S. Jalan:

Renuka, like I said, first and foremost is the zero date will be able to -- we will be able to predict the zero date only when we get the land clearances and the land acquisition, okay, which is in any of the large projects, it is kind of a complexity to happen.

And in the past also, we had -- like I said in my opening remarks also, it has not progressed the way as a management, we were expecting this to progress. But yes, if this gets progressed quickly, then '28, '29 probably we will be able to commission the first part. And hopefully, very soon after that, we will be able to commission the second part also.

Moderator:

The next question is from the line of Gaurav.

Gaurav:

So regarding that bromine project, so I have a question. So given that in the presentation and you also stated that the likely margins are going to be in the 40% area. Now, Archean which is one of the largest exporter of bromine from India, their margins are 30%. So what explains the additional margins which you have forecasted? This is my first question.

R.S. Jalan:

Right. See, Gaurav, let me give you our perspective on this. First and foremost, this what we are setting up is a kind of an add-on to our existing soda ash salt production facility. So all the costs which are relating to the soda ash production is already there. Whereas in the other case of the competition, we don't know the margin of the competition. But in our case, this is an add-on to the existing soda ash fill which we have. And we are reasonably confident of achieving this margin, which I've just mentioned to you.

Gaurav:

Okay. The second question is regarding the ESOP policy, which you have. So 90% of the ESOP is amongst how many people? I mean -- and what was the trigger for you, the 3 -- the senior management guys to sell the shares at around INR635? And see the shareholders' return has been less than 6% on a 12-month basis. But it seems that the top management got a fair chunk of the ESOP plan and they liquidated that also at INR635?

R.S. Jalan:

Two things, Gaurav, in this. First and foremost, this ESOP plan, which has been given is widely distributed to the middle level to the senior management. That's point number one, okay? And this has been decided almost around 2 years -- 3 years back, number one. The second, like you said, liquidation.

See, some of the management definitely has liquidated. And you can understand as a professional, we need the resources for our other activities as well. It is not that we have liquidated the entire ESOP what we got or whatever the holding we have, we have only a fraction of the investment which we have made into this, we have -- the senior management has sold, okay?

So therefore, it is not -- I would not -- you should not assume that the senior management has sold the entire -- even the last allotment, which has been given to the senior management. There also, some of the portion has been sold, not the 100%. And they require their liquidity for their other purposes -- other domestic needs.

Gaurav:

So when you are saying that it's widely distributed, 90% is among how many people?



R.S. Jalan: It's around approximately my understanding, I just don't have the number, but I think this is widely to roughly around how many people Raman...

Raman Chopra: 50, 55 people.

R.S. Jalan: 50, 55 people we have distributed, this is the number. This is from the middle management to the senior management.

Gaurav: And also in the past, we have -- sorry, I just want to...

Moderator: Mr. Gaurav, can you please...

Gaurav: Yes, this will be my last question.

R.S. Jalan: Let him complete.

Gaurav: I've been a shareholder in this company from last 15 years. I've been tracking this company, correct? So see, regarding in the past about 2 years back, the excess cash, we have been chatting about how the utilization of the excess cash will be used. And you had said you are evaluating inorganic opportunities for growth.

Now I think probably Saket also asked you about that the utilization of the proceeds in the buyback, correct? And when it is not taxpayer friendly for the equity holders now, correct? So what led the decision to move away from the inorganic growth opportunities which you were evaluating where you had said in the past that due diligence has also been done, and you just decided to pay back that money?

R.S. Jalan: See, Gaurav, 2 things. First and foremost, our inorganic growth, we have been evaluating many of the opportunities. But unfortunately, we have not been able to close to a deal, which is a value creation for our shareholders, first and foremost. Second, we -- our growth journey of either the inorganic or the organic growth will continue. You know that out of the total resources, we are only a small portion we are going to distribute.

And we are a cash-generating company. If you look at slightly medium-terms, we are generating almost around, I would say, INR500 crores, INR600 crores of the cash generation. What we thought is that -- and we have in the past also, we have done 2 buybacks. Don't forget that, okay? So we always believe that the value creation for the shareholders are very important that we try to return some resources to the shareholders in addition to the dividend.

And this is what we have done it. In the past also, we have done it, and we have done it also. For the growth, the resource problem will not be there because we are a completely deleveraged company. We have the ability to raise a significant amount of resources from the market as well. In spite of that, we will not cross 1:1 equity.

Still, we have a lot of opportunity of taking that. Even if I distribute the yearly income, 50% or 60% of the income, we will be able to do this kind of a buyback on a consistent basis kind of a

situation, okay? So instead of putting this money into the, what you call, into the low income on our what we call treasury, we thought let the shareholders get this money.

In terms of the tax friendliness, like I said already, there are many companies we have studied all those companies, they have successfully done the buyback after this change in the regime, and it is beneficial to many of the small investors as well as some of the institutional investors. So this will definitely have a value creation for the -- even the larger shareholders as well. This is what our Board believes, and we believe.

Moderator: The next question is from the line of Satyam Agarwal.

Satyam Agarwal: Sir, I just wanted to understand, what is the current realization per metric ton and what is the current EBITDA per metric ton?

R.S. Jalan: Satyam, first and foremost, like I've already given the number, basically, the prices are fallen as compared to the last quarter by 3% and as compared to the year-on-year basis, the 9%, okay? And EBITDA also I have already given -- you have the number that how much EBITDA per ton or I would say the margin, which is approximately our EBITDA margin is around 24% vis-a-vis which was around 27% in the same quarter last year -- 28%, sorry, and it was 27% in the Q1 FY '26.

Satyam Agarwal: And sir, if I want to know that if anti-dumping duties are being imposed, then there will be some benefit on the realization front. And I just wanted to understand whether it will be, I mean, directly being affected to the EBITDA or some portion would be, I mean, cut down?

R.S. Jalan: Sorry, I've not been able to understand your question, because your voice is not clear. Can you repeat your question please?

Satyam Agarwal: Sir, my question is, if there is been imposing anti-dumping duty on the Finance Ministry, there will be some benefit on the realization front. So if there is some benefit on the realization front, how much of it will be reflected in the EBITDA?

R.S. Jalan: See, first and foremost, let this to happen, first and foremost. And how much that will make an impact on to the pricing, that we'll kind of decide. But like I said, already my cost competitiveness or our work on the cost is on the way. And so therefore, I think a significant portion should get added to the bottom line.

Moderator: Ladies and gentlemen, this was the last question for today's conference call. I now hand the conference over to the management of GHCL Limited for their closing remarks. Over to you, sir.

R.S. Jalan: Thank you very much. Just let me kind of reiterate some of the points which I have mentioned in my opening remarks as well as in the questions. As a management, and we have a kind of a history of many years, we have delivered our commitments on a consistent basis. Like in this quarter also, in the last quarter, we have already indicated the prices are challenging and the overall the industry cycle is on the downward trend.



And I think based on that, the numbers which you are seeing are the numbers which are true reflecting to our commitment, first and foremost. Second, our growth journey on this business continues and we are here only to create a value for our stakeholders.

That's our mission, and we will continue to do the journey of a growth, journey of cost optimization, journey of better serviceability to the customers and to create a value for all our stakeholders, including the shareholders.

This buyback has been very well thought of by the Board and by the management, and this was only a kind of a step towards the rewarding the shareholders, which we have done in the past as well. The dividend and other things will continue.

We will do a very responsible capital allocation all along, and we will make sure that, that gives a maximum return to our shareholders. Thank you very much for all the support which you people have given, and we will look forward to kind of a valued questions as well as a valued input from you people so that we continue to do our journey and justify our efforts, which we do. Thank you very much.

Moderator:

Thank you, sir. On behalf of Emkay Global Financial Services Limited, that concludes this conference. Thank you all for joining us, and you may now disconnect your lines.