Date: November 11, 2026 **VCL/SE/73/2026-27**

To

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Dalal Street, Fort
Mumbai – 400 001
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Through: BSE Listing Centre

National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G
Bandra-Kurla Complex, Bandra (East),
Mumbai 400 051
NSE Symbol: VISHNU
Through: NEAPS

Dear Sir/ Madam,

Subject: Transcript of the Earnings Call held on 06th November, 2026 on Q2 FY27 Financial Results

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 enclosed please find transcript of the Earnings Call held on Friday, November 06, 2026, to discuss Financials Results for Q2 FY27.

This information will also be available on the website of the Company www.vishnuchemicals.com.

This is for your information and record.

Thanking You.

Yours Faithfully,

For Vishnu Chemicals Limited

Vibha Shinde
Digitally signed by Vibha Shinde
Date: 2026.11.11 10:25:46 +05'30'

Vibha Shinde
Company Secretary & Compliance Officer

Encl: As Above

“Vishnu Chemicals Limited

Q2 FY27 Conference Call”

November 06, 2026

MANAGEMENT: **MR. SIDDARTHA CHERUKURI – JOINT MANAGING DIRECTOR – VISHNU CHEMICALS LIMITED**
MR. HANUMANT BHANSALI – VICE PRESIDENT, FINANCE AND STRATEGY– VISHNU CHEMICALS LIMITED

MODERATOR: **MR. GAGAN DIXIT – EMKAY GLOBAL FINANCIAL SERVICES LIMITED**

Moderator: Ladies and gentlemen, good day. And welcome to Vishnu Chemicals Limited Q2 FY27 Conference Call hosted by Emkay Global Financial Services 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 Mr. Gagan Dixit, Emkay Global Financial Services Limited. Thank you, and over to you, sir.

Gagan Dixit: Yes, good afternoon, everyone. I would like to welcome the management and thank them for this opportunity. We have with us today Mr. Siddartha Cherukuri, Joint M.D., and Mr. Hanumant Bhansali, VP Finance and Strategy. I shall now hand over the call to the management for the opening remarks. Over to you, sir.

Siddartha Cherukuri: Good afternoon, everyone. And welcome to second quarter earnings conference call FY27. We are pleased to report another quarter of steady performance building on momentum established during the first quarter and reflecting the resilience of our business amid a challenging global operating environment.

During the quarter, our consolidated operating revenue grew by approximately 7% Y-o-Y basis to INR430 crores, while EBITDA increased by 10% and profit after tax grew by 8% on a year-on-year basis. First half of FY27, we delivered a revenue growth of over 15%, accompanied by similar growth in profit after tax.

Geopolitical situation, particularly in West Asia, continues to impact international shipping and freight market. During the quarter gone by, our shipping and forwarding expense increased to 8.8% of operating revenue compared to 5.9% in the preceding quarter of this financial year. We have been able to sustain our operating margins despite continued pressure from elevated logistics costs and uncertainty in the end-user market. Our ability to serve both domestic and international market also provides us with greater flexibility in responding to changing market dynamics.

Coming to our individual chemistries, in our Chrome business, we continue to focus on improving our product mix through a shift towards higher-value-added specialty derivatives. This remains an important part of our long-term strategy, enabling us to strengthen our competitive positioning and improve margin profile in the coming years.

We are also pleased to share an important strategic development in our chromium business. During the quarter, we entered into a joint venture agreement with DCX Chrome, France, to establish a manufacturing facility for high-purity chrome metal in Visakhapatnam, with a proposed annual capacity of 6,000 metric tons of chrome metal. This initiative represents a significant step in our strategy of moving further up the value chain and expanding into specialized chrome products.

Our Barium business continues to remain an important and stable contributor to our operations, and we continue to achieve solid cash flow generations. We remain focused on

strengthening its cost competitiveness through operational efficiencies, and further backward integration. And also looking at other value-added products which can be used in the MLCC and other battery applications in the related chemistry.

In Strontium, continue to focus on scaled-up operations, expanding market opportunities, and improving contributions from this business. Strontium carbonate will progressively strengthen our diversified specialty chemical portfolio alongside these initiatives; we remain committed to improving our energy efficiency and reduce our dependency on conventional power sources.

We plan to add approximately 20 MW of solar power capacity, which will increase our solar power generation capacity to nearly 6x from current levels. Our diversified product portfolio, balanced geography revenue mix, increased focus on value-added chemistries, and ongoing investments in forward integrations provide us with multiple avenues for future growth.

With that, I will now hand over to Mr. Hanumant to take you through our financial performance for quarter in a greater detail. Thank you. Over to you.

Hanumant Bhansali: Thank you and good afternoon, everyone. Let me now take you through the consolidated financial highlights of Vishnu Chemicals Limited for Q2 FY27. The company reported steady year-on-year growth in Q2 FY27, supported by higher revenues, improved operating profitability, and growth in domestic sales.

On a consolidated basis, the company reported operating revenues of INR429.53 crores in Q2 FY27 compared to INR401.15 crores in Q2 FY26, representing a growth of 7.1% on a Y-o-Y basis. Gross profit for the quarter stood at INR207.79 crores compared to INR172.8 crores in corresponding quarter last year, a growth of 20.3% on a Y-o-Y basis.

The consolidated EBITDA stood at INR64 crores in Q2 FY27 compared to INR58.2 crores in Q2 FY26, a growth of 10% on a Y-o-Y basis. EBITDA margin of the company stood at 14.9% in Q2 FY27 compared to 14.5% in the corresponding quarter last year.

Profit after tax for the quarter stood at INR35.57 crores compared to INR32.88 crores in the corresponding quarter last year, reflecting a growth of 8.2% on a Y-o-Y basis. The PAT margin of the company in Q2 FY27 stood at 8.3%.

On a half-yearly basis, the company reported operating revenues of INR862.3 crores in H1 FY27 compared to INR748.06 crores in H1 FY26, delivering a growth of 15.4% on a Y-o-Y basis. The consolidated EBITDA stood at INR129.49 crores in H1 FY27 compared to INR113.92 crores in H1 FY26, a growth of 13.7% on a Y-o-Y basis.

The EBITDA margin of the company in the first half of FY27 stood at 15.00% compared to 15.23% in H1 last year. The profit after tax in H1 FY27 stood at INR75.21 crores compared to INR65.11 crores in H1 FY26, a growth of 15.5% on a Y-o-Y basis. PAT margin of the company in H1 FY27 stood at 8.7%. This is similar to H1 FY26 last year.

As of 30th September 2026, the company's consolidated debt-to-equity stood at 0.67x, while Debt-to-EBITDA stood at 2.8x. We are also pleased to highlight the recent upgrade in the

company's credit rating, with ICRA assigning an A-Stable rating to our long-term banking facilities compared with earlier A-minus rating by CARE.

This represents an important milestone in our financial journey and reinforces our commitment to prudential financial management. The company maintained a well-diversified geographical revenue mix, with domestic sales contributing 58% and exports accounting for the remaining 42% of consolidated sales.

The company's balanced domestic and export sales mix provides a natural hedge against rising international freight and logistic costs, helping to partially mitigate their impact on overall profitability.

With this, I conclude my remarks, and we can now open the floor for Q&A session. Thank you.

Moderator: Thank you very much. We have first question from the line of Sagar Jethwani from PhillipCapital PMS. Please go ahead.

Sagar Jethwani: Yes, thanks for the opportunity. Our export sales are down on a Y-o-Y basis, because of the supply chain disruptions. Have you lost any sales during the quarter? And also, if you could quantify the amount.

Siddartha Cherukuri: Good afternoon. Well, yes, logistics, particularly towards the West, which is Americas and Europe, has remained a challenge. But it's slowly subsiding, and we are witnessing some improvements in this quarter. And hopefully by Q4, it should come back to the levels where it should be, particularly, for our base.

For your question related to where our impact is coming from, mainly on the base cargo for our leather business, where the freight plays approximately 20%-25% on the overall selling price. That's where we have seen the volume drop. Otherwise, our other value-added products like Chrome Oxide, Chromic Acid, and Dichromate, and even Barium Chemicals were not impacted.

Sagar Jethwani: So, what was the lost sales during the quarter? And is it the permanent loss, or will we be seeing the recovery in Q3, some of the spillover that we can potentially, see?

Siddartha Cherukuri: Definitely, I would say Q4 will be more realistic than Q3 because typically customers look at five to six months of a contract. And we remain very positive. And in fact, we see it actually helped globally to increase the actually absolute selling prices as well. So, we are expecting the volumes for this particular business to come back in quarter four.

Sagar Jethwani: And what was the value loss?

Siddartha Cherukuri: Value loss, I would say, would be INR20 crores-INR30 crores a quarter. INR30 crores, INR25 crores-INR30 crores a quarter.

Sagar Jethwani: Understood. And as per the historical trends, Q-on-Q margins in both chrome and barium businesses both have been volatile. So, what's the optimum margins that we can expect going

further -- going in future? Can there be a consistency be maintained going that, considering also the fact that we have been backward integrating these businesses? So, what's your thoughts on the margin's consistency?

Siddartha Cherukuri: We remain optimistic in spite of current challenges related to logistics and general market conditions. We are expecting, especially the US market to improve, by Q4 or early next year. So, the volume -- we are seeing good volume growth coming during this year. And we remain more positive in terms of gaining more customers, increasing the volume in the existing customer in that part of the world. And it's also value-effective that way.

Sagar Jethwani: So, you expect some directional improvement in the margins, is that understanding, correct?

Siddartha Cherukuri: Yes, we expect a direction improvement in the margins, and also the change in the product mix, yes, which we are, -- I mean, envisaged, is also going in the right direction. We are going to focus more on our oxide business and acid business for the next year, and for especially oxide business, we have a clear purchase order from our partner in Europe.

So that's definitely going to add to the revenue and give us a lot more visibility. Chromic acid, especially in India with the infrastructure growth and the automobile industry outperforming, is also -- we are seeing a steady growth and we continue to have 60% to 70% market share.

The domestic market remains resilient. Export with the product mix change, it's definitely going to improve both the top line as well as the gross margins moving forward. The backward integration, we are expecting the Chrome Ore, to start coming and to see the benefits in the quarter four of this year.

I think it's very much in line. So all the factors put in together, I think we are definitely expecting a better next year and targeting a 18% to 19%, EBITDA margins for next year.

Sagar Jethwani: Good to hear that. And, just recently we have shut the plant in Vizag. That's a temporary plant closure that I'm talking about, with effect from 20th October. Has the plant started? Is the forward integration complete now? Will there be any potential loss due to this temporary shutdown, or we were ready with some inventory in advance that was maintained accordingly?

Siddartha Cherukuri: Well, there is no business loss, which means that we have enough inventories, both of starting as well as value-added products. So, there won't be any business loss per se. And we had a strong cyclone, actually two cyclones in that part of that part of Andhra Pradesh.

So, we thought it's better to take a plant maintenance and do the connection to complete our ongoing capex, and it actually worked out quite well. And we are planning to restart day after tomorrow.

Sagar Jethwani: And on this UAE-based subsidiary we are winding up, so what's the cost for that winding up the subsidiary? When are we incurring it?

Siddartha Cherukuri: It's not very significant, let's put it that way.

Sagar Jethwani: Okay, and, this JV with DCX Chrome, when can we start expecting the revenue flows? Have we engaged in the client? What's the timeline for sample supplies? Some thoughts on that would be helpful a gain.

Siddartha Cherukuri: I think we've already started shipping to their facility in France, so we do have a clear purchase order for next few quarters, and the product is already approved. This is to their facility, which is an established facility in France. And about our project we are targeting Q4 of next financial year to start the first phase of production in Andhra Pradesh for Chrome metal.

Sagar Jethwani: And last bit on the capex this year and next year, what are the capex plans?

Moderator: Mr. Sagar, sorry for the interruption. Please join in the queue for the more questions. Thank you. We have next question from the line of Nirali Gopani from Unique PMS. Please go ahead.

Nirali Gopani: Yes, hi. Thanks for the opportunity. My first question is on the Strontium part. Sir, last quarter we had mentioned that it contributed roughly INR25 crores of revenue and the profitability is not what we would have expected. So, it is stabilized now, and what was the contribution for this quarter?

Hanumant Bhansali: Good afternoon, Ms. Nirali. I request you to repeat your question.

Nirali Gopani: My question is on strontium carbonate. The last quarter it contributed roughly INR25 crores of revenue, but the profitability is not what we would have expected. So, how is it changed this quarter? If you can give out some numbers, how much did it contribute and the margins?

Hanumant Bhansali: I won't be able to share the revenues of the strontium carbonate business as of now, but the numbers were very much similar to last quarter. The positive thing is that we have started getting major approvals from customers in India.

Some of them who were completely relying on imports for the requirement of strontium carbonate. So that is the positive that we take from here, and we are quite optimistic about this product that in the quarters to come, it will start contributing at a higher level to our overall consolidated figures.

Nirali Gopani: Okay, so but by when do we expect it to reach 25% of EBITDA margin? By next year?

Hanumant Bhansali: We've not given a guidance on the EBITDA margin for strontium carbonate. But yes, on a capacity utilization, we expect it to reach its optimum level of 70% by next year.

Nirali Gopani: Okay. And the barium part of the business will continue with this EBITDA, right? There is no change there. You don't expect any change on that side?

Hanumant Bhansali: See, the barium business is doing reasonably well because over there we have completed both the backward as well as the forward integration, capex. At a gross block of close to about INR375 crores, we are seeing an EBITDA which is quite -- we have already recovered the payback of significant amount of gross block that we invested in barium business.

On the EBITDA margin front, it all depends on a lot of factors including some of them which are not in our control, like the macro factors. So, we are expecting that the margins to sustain provided the markets remain stable.

Nirali Gopani: Fair enough. And do we plan to do any capex on the barium side? And what is the capacity utilization there currently?

Hanumant Bhansali: The capacity utilization is close to about 70%, and right now there are no other plans of capex in barium business.

Nirali Gopani: Okay. And the logistics cost, which was you, I know you had guided in the last quarter which was expected to reach about 21%-20% of the revenue. Have we been able to pass some of it? And how do we see that over the next two quarters now?

Hanumant Bhansali: So good question and quite correct. Our overall logistic cost as a percentage of export sales was about 20.9% in the current quarter i.e. Q2 FY27, compared to 10.7% of the export sales on a consolidated basis in Q1 FY27.

There has been an increase, but we have balanced it out by focusing more on domestic market in Q2, and that's where you have seen that our overall contribution from domestic market is 58% in Q2 FY27 compared to 45% in Q1 FY27.

Moderator: We have next question from the line of Kaushal Sharma from Equinox Capital Venture Private Limited. Please go ahead.

Kaushal Sharma: Hi sir, very good afternoon. Am I audible? So, question is on your chromium metals that you have just announced the JV with one of the partners. So, could you tell me what kind of amount have you invested in this so far, and could you explain some unit economics in terms of EBITDA margin, capex, and asset turn, and overall industry, overall, TAM of this particular segment of this market?

Siddartha Cherukuri: I can share you part of the information which is not confidential about the product. So, we are going to manufacture chromium metal and related grades which is going into aerospace as well as defense and nuclear power industry. It's also used in welding electrodes.

Currently, there is no manufacturer for chromium metal in India, and most of the requirement in India is met through imports. So, this seems this is a very attractive proposal.

Kaushal Sharma: And so, what kind of EBITDA margin can we expect from this?

Siddartha Cherukuri: Right now, we won't be able to give any guidance on that because again it's a very volume-driven thing, I can say. That since it's a higher value-added product, the gross margin to EBITDA, there is not a significant delta, which means that we are looking at upwards of 20% EBITDA margin in this particular business given the value of the product.

Kaushal Sharma: Can you highlight on the industries, like what kind of demand in India and overall world, and what are the key geographical mix in the world with this product?

Siddartha Cherukuri: As per the latest statistics, for the last two years there's been about 1,700 tons to 1,800 tons imports of chrome metal into India, and it's growing close to 12% to 13% year-on-year basis. So yes, we'd say around 2,000 tons of demand in India. But I think along with our partner, what we are targeting is 60% to 70% of the production will be exported.

Kaushal Sharma: 60% to 70%. Currently it is more or less coming from China?

Siddartha Cherukuri: It's coming from Europe; it's coming from China.

Moderator: We have next question from the line of Sheel Shah from Sameeksha Capital. Please go ahead.

Sheel Shah: Hello. Yes, so my question is on cash flow for inventory and receivable days have increased. If I compare with the last year first half and even the full year. So, if you can help us understand the reason behind that.

Hanumant Bhansali: Mr. Sheel, I request you to repeat your question, please.

Sheel Shah: Yes, just a minute. I hope, now I'm clear. Yes, so inventory and receivable days, my question is on that. So that has increased, if I compare them with the first half last year and even for the full year. So, if you can help us understand the driver behind that.

Hanumant Bhansali: Thank you so much for your question. The change in inventory days is predominantly because of macro environment, the higher logistic cost and uncertainty due to geopolitical situation globally. At the same time, our receivable days has remained quite similar to what it was last year a t this point of time. It's not gone up significantly.

It was 62 days last year, and as of September 30th, 2025, has gone up to about 72-73 days now. So, this situation will subside over a period of time because we don't think this environment is going to last quite long.

So, in the short to medium term, we expect that the overall situation will stabilize, at least from where it is, with what we have seen in Q2, and that also will reflect in the numbers going forward.

Sheel Shah: Understood. And if you can give us on a capex side, so we have done a significant amount of capex in the first half, so what is the guidance for the full year and next year as well?

Siddartha Cherukuri: Yes, one second. Our total capex outlay is around INR52 crores, and so far, we have incurred close to INR190 crores, and that's already reflecting in our balance sheet in the form of increase in debt, and partly it's coming from our contribution as well. So, yes, the deposit we have INR300 crores of capital plan.

Sheel Shah: Okay, and what about next year, '28?

Siddartha Cherukuri: Yes, so next 12 months we are going to spend INR300 crores.

Sheel Shah: Okay, understood. And if you can help me under -- give me some numbers on utilization. I think you talked about barium but what about chromium side?

Siddartha Cherukuri: Yes, we are over 75%, and similarly in the barium as well.

Sheel Shah: Understood. And we were looking to add some capacity on the chrome side by 10,000 tons. So, what is the status there?

Siddartha Cherukuri: Yes, mostly we are looking at the capacity addition in the value-added products like chromic acid and chrome oxide green, and our sodium dichromate capacity expansion has already completed. So, we are at 90,000 tons.

Moderator: Thank you. We have next question from the line of Prasad Vadnere from Union MF. Please go ahead.

Prasad Vadnere: So, Siddharth, there are two questions from my end. Firstly, on the existing business on the barium side, if you see--

Siddartha Cherukuri: Mr. Prasad, you are not audible.

Prasad Vadnere: Okay, am I audible now?

Siddartha Cherukuri: No, sir.

Moderator: Thank you. We have next question from the line of Mr. Parin Gala from Mavira AMC LLP. Please go ahead.

Parin Gala: Hello. Yes, am I audible? Good afternoon. Thank you for the opportunity. So, my first question comes for overall capex cost and capacity. Maybe we are looking to build up for each product, maybe by metric tons. If you can give us some idea on that, maybe a big turnover or a capacity realization which we can expect.

Siddartha Cherukuri: Sorry, your voice is not audible.

Parin Gala: Hello? Yes, is it audible now? Yes, so my first question is overall, capex cost and capacity built up for each product, maybe by metric ton and the realization, which big turnover, which we can expect. If you can just throw some light on that.

Hanumant Bhansali: Good afternoon, Mr. Parin. Thank you for your question. So, on the chromium metal joint venture, as stated earlier, we are setting up a capacity of 6,000 tons of high purity chrome metal. The plant is going to come up as a greenfield expansion in Vishakhapatnam.

I won't be able to share the exact realization too early at this stage, but globally, if you see the index of chrome metal, it trades at close to about $10, say approximately $10.1 to $10.5 per kg, which is approximately INR1,000 per kg.

On the Dimethyl Sulfoxide plant, which is expected to commence operations in Q1 of FY28, we are setting up a capacity of 10,000 tons per annum and on Strontium Chemicals, we have already set up a capacity of about 12,000 tons per annum.

And next year we are targeting utilization of 70% in our second year of operations. On Chromium Chemicals, further we are adding specialty derivatives, like chrome oxide green, chromic acid, which will be approximately 30,000 tons in total.

So, chrome oxide green will be approximately 20,000 tons of incremental capacity, and chromic acid will be about 5,000 to 6,000 tons of incremental capacity. So, this is our overall mix of expansion in terms of volumes.

Parin Gala: Thank you. Just to understand on a better understanding, are the products sold at spot rates or on a long-term contract specifically for the aerospace? And what are the margins we are looking out in that segment?

Siddartha Cherukuri: We will be a Tier 2 kind of a supplier to the aerospace as well as the defense industry, I would say. Mainly this is used particularly as an anti-corrosive agent to prevent any high thermal stability issues in the engine as well as the propeller.

Just to give you an idea, around 220 kgs of chrome metal is used in an Airbus A320 engine. I mean, just to give you a perspective on where and how much it is used.

Yes, in terms of margin profile, again, it's too early and it will be very much volume-driven. We've run through the business plan along with our partner. I think its gross margins as well as EBITDA margins, even at a 60% operating level are looking very promising.

Parin Gala: That's great to hear. Sir, any plans for future expansion into electrolytic chromium metal, maybe from aluminothermic electrolytic process?

Siddartha Cherukuri: Electrolytic chromium metal, well we starting off with air-melt grade. Okay, from air-melt grade also, by going through vacuum furnace, we can produce a quality of product which is similar to electrolytic chrome metal.

The reason why we choose an aluminothermic process is more energy efficient, whereas electrolytic process is very high on energy. Through this process and one step forward, which we will take probably year, two years' time, we can achieve the same electrolytic metal quality to alumina thermic processing.

Parin Gala: Right. So, one more question. How volatility on the prices front for our products we are seeing with the current scenario and maybe the going forward?

Siddartha Cherukuri: We are witnessing more volatility related to the sea freight, especially since we are -- all the Asia-bound exporters including India, China, and Vietnam and all of the Far East countries are experiencing higher sea freight towards the rate. That's the current challenge. In terms of end-user market, especially in India, it remains quite resilient.

Europe remains relatively strong and given the factoring in that, we'll be shipping more Chrome Oxide to our partner in Europe in the coming months. So, our share of Oxide and outside India, Europe will be contributing larger share to our revenue. US also remains promising.

We have achieved some good customer wins over the last few quarters and having a good visibility from our marketing team for the coming quarters. The volatility it's more to do with the raw materials, like energy-related costs, which has impacted in the quarter gone by, as well as one of the key raw materials like sulfuric acid and sulfur.

Also, there has been a significant impact, they impacted us. At EC, we see more volatility when it comes to raw material and energy cost rather than the end user market and the price again.

Moderator: We take the next question from the line of Anukool Arora from Shagun Capital. Please go ahead.

Anukool Arora: Yes, hi. So, thanks for the opportunity. Most of my questions have been answered. I had just one question on the progress of South Africa ore mine. If you could just share some light on that.

Hanumant Bhansali: Good afternoon. Mr. Anukool. In South Africa, we continue to work as guided towards operational readiness for our processing plant. We are already taking a lot of measures towards commissioning it at the earliest possible, and with teams from India, South Africa, and UK working on it.

And there is due emphasis on operational safety, reliability, and consistency of the output that comes from the processing plant. The mining operations have already started and we are seeing some very good output. So, once the processing plant begins, we are targeting to ship the material in a quarter to India.

Anukool Arora: Okay, sir. So, any timeline by which quarter or by which year should we expect? By next year, FY28, or by when should we expect this?

Hanumant Bhansali: Yes, so next year will be a year where we will see significant contribution from the operations in South Africa, and we would like to start commencing the shipment from South Africa to India from next quarter onwards, that is Q4 onwards.

Moderator: We have next question from the line of Mr. Darshil Jhaveri from Crown Capital. Please go ahead.

Darshil Jhaveri: Hello, thank you so much for taking my question, sir. Firstly, congratulations on a decent set of numbers in a challenging environment. So, I just wanted to understand in terms of H2 outlook in revenue how do you see it as because we've lost some export sales, but that might bounce back. So, what would your full year revenue target be, sir?

Hanumant Bhansali: Good afternoon. Thank you so much for your question. More than the loss of sales, it is a diversion. We have a very balanced market mix in both domestic as well as export markets. So, in certain quarters you will see export outperforming the domestic and vice versa.

In the half-yearly details that we shared at the beginning of this call, our company has already reported a growth of 15.4% on a Y-o-Y basis compared to last year, and we will continue to work on the same metrics and deliver a strong overall annual performance in FY27.

Darshil Jhaveri: Yes, fair enough. Sir, but because growth had moderated slightly in Q2, so I just wanted to understand will Q3 also have some moderation and pickup from Q4 or do we see Q3 as a normalized quarter, sir?

Hanumant Bhansali: Very early for us to comment on…

Darshil Jhaveri: I don't want exact number just a qualitative statement from you like is it traditionally, is or if it's been a month since Q3, so it's just -- are things like Q2 or are they normalizing? If it's just a track, also help.

Hanumant Bhansali: Yes, it is. It seems to be on a positive trend compared to Q2, and we hope that the next two months are more productive than the quarter gone by.

Darshil Jhaveri: That's helpful, sir. And so, I just wondered earlier in the call you mentioned FY28, 18% to 19% EBITDA. I'm sorry, was that for the consolidated business or a for a specific segment, sir?

Hanumant Bhansali: In the earlier call?

Darshil Jhaveri: No earlier today in the call you were mentioning 18% to 19% EBITDA in FY28. I don't know I heard correctly or not.

Hanumant Bhansali: FY28, yes, next year.

Darshil Jhaveri: So that consolidated or…

Hanumant Bhansali: Yes, so for the first half of this year we've delivered a 15% EBITDA margin. And if you see nearly 3% increase has been there in the logistics cost on a quarterly basis. So, we expect that to subside in the quarters to follow. That will help us inch back to about 17% to 18% in the year to follow.

Darshil Jhaveri: And we'll get some benefit from our backward integration, right? So that will also help.

Hanumant Bhansali: Combination of, yes. Combination of both backward integration and forward integration due to a change in product mix that will overall improve our margins.

Moderator: We have next question from the line of Mahek Talati from Agility Advisors. Please go ahead.

Mahek Talati: Hi, sir. Thank you for the opportunity. So just wanted to understand, you said that mining will start, will be there by Q4. So, is there any reason for further delay by a quarter or so?

Siddartha Cherukuri: Well, we remain very positive the mining is happening quite well. We are seeing good output. We are in the final phase of commissioning the beneficiation plant and getting the write up.

Mahek Talati: Okay, so beneficiation is still the bottleneck.

Siddartha Cherukuri: I don't see a reason for it to go beyond quarter four.

Mahek Talati: Okay, and you just mentioned that you are expecting a 3% margin to 18% in Q4, and 3% would be from logistics, but given the backward integration…

Siddartha Cherukuri: Yes. So that was a guidance for next financial year, not Q4. I mean…

Mahek Talati: Yes, I am asking about next financial year for FY28. So, you said that 15% and 3% logistics cost should inch back, but given that we are backward integrating, shouldn't the margin expansion be much more than the expectations?

Siddartha Cherukuri: It should be because we have also product launch happening next financial year, which is dimethyl sulfoxide. And also, with the change in product mix the revenues on a standalone basis will also improve.

Mahek Talati: Yes, so that's why I was asking that it should be about 20 -- okay, no, so that's why I was asking that given that forward integration will be there, backward integration is shaping up, so strontium will be having a good utilization. So, it should be more than 19%-20% is what I was asking.

Siddartha Cherukuri: It is very much possible. I mean, again we'd like to be cautiously optimistic, and it could be -- I mean, our target, I think what was on the horizon is 20% on a consolidated basis. We might as well achieve that. I mean; we remain very positive and optimistic that if things fall in place

Chrome ore output meeting our 80% to 90% of our requirement. DMSO stabilizing within a quarter or so. Very interesting product, again, an import placement story. And also, oxide plant coming up, and improved shipments to Europe, all falling putting all into if everything falls in place, yes could be close to even 20%.

Moderator: Thank you. We have next question from the line of Dev Mehta from Unique PMS. Please go ahead.

Dev Mehta: Yes, sir. So, I just wanted to ask for our DMSO business, what could be the EBITDA margin and, in what period of time do we look at a utilization of, let's say, 70%-75%? Any timelines on that?

Siddartha Cherukuri: These are -- I mean, for Vishnu Chemicals, this is our first venture into organic chemistry. We remain very excited, and we're expecting two to three months of stabilization should be enough. And for product approval also will be parallelly happening.

I think in the first year we are targeting close to 50% to 60% operating level. I think ideal because even the customer approvals have to fall in place during that period.

Dev Mehta: Okay, the margins will be similar to barium, 25%?

Siddartha Cherukuri: I mean, this is not the right time. I won't be able to comment. Like I said, at a 50%-60% operating level, then we have to wait and see how things span out. Probably, this time next year I'll be in a better position to give you a visibility on how things are moving, so.

Dev Mehta: Got it. But upwards of 20% is what we target, right, for this particular product?

Siddartha Cherukuri: I mean, one of the key raw materials is coming from our barium plant. And the other products the gross margins -- again, when we run through the business plan and when we see the raw material cost is only 35%-40%, so I think at the gross margin level it's looking very promising. Again, at what volumes, the economies of scale will define our EBITDA margin.

Dev Mehta: Got it. And just two more questions. One is, you mentioned that INR524 crores of capex were the spent, is the total spent, out of which INR190-odd crores were…

Siddartha Cherukuri: INR190 crores are spent and we have about another INR330 crores to be spent.

Dev Mehta: Got it. So how are we going to fund that? Are we going to take more debt? And what will be the peak debt level for our company?

Siddartha Cherukuri: So, our current debt level is at INR717 crores including working capital, and it will be close to INR800 crores -INR820 crores. You will see this capitalized over the next year, and rest is coming from internal accruals.

Dev Mehta: Okay, so peak debt will be INR800 crores to INR820 crores is what you're implying, right?

Siddartha Cherukuri: That's right.

Dev Mehta: Okay, and this INR520-odd crores of capex includes your DMSO, chrome metal, chrome oxide green, and chromic acid. Anything else apart from this?

Siddartha Cherukuri: It's not including chrome metal. Chrome metal is it -- I mean, it's including DMSO, chrome oxide. And it's not including chrome metal because that's a separate company and it's 50:50 JV.

Dev Mehta: Okay, so if you can just give a broad bifurcation of these INR520 crores, just wanted to understand?

Siddartha Cherukuri: Yes, about INR250 crores for DMSO and INR220 crores for oxide expansion.

Moderator: Thank you. That was the last question from the participants. I now hand conference over to management for closing comments. Over to you, sir.

Hanumant Bhansali: Thank you everyone for taking out today. In conclusion, kindly note that our results have been uploaded on the Stock Exchanges and the company's website. The investor presentation and press release will follow. If you have any further questions, please feel free to reach out to us on investors@vishnuchemicals.com.

On behalf of Vishnu Chemicals Limited, we wish you all a very happy Deepavali. Please take care of yourself and your dear ones. Thank you so much for your valuable time.

Moderator: Thank you, participants. On behalf of Emkay Global Financial Services Limited, that concludes this conference. Thank you for joining us, and you may now disconnect. Thank you.