

November 5, 2024

**कार्तिक - शुक्ल पक्ष, चतुर्थी
विक्रम सम्मत २०८१**

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 October 30, 2024

In continuation to our earlier communication date October 9, 2024 and October 29, 2024 regarding Investors’ conference on October 30, 2024 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 October 30, 2024 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

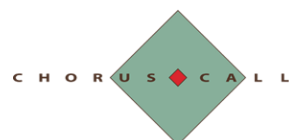
Yours truly

For GHCL Limited

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



“GHCL Limited
Q2 FY '25 Results Conference Call”
October 30, 2024



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

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



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Moderator: Ladies and gentlemen, good day, and welcome to the Q2 FY '25 Results Conference Call of GHCL Limited, hosted by Emkay Global Financial Services. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions at the end of today's presentation. 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 Mr. Meet Vora from Emkay Global Financial Services. Thank you, and over to you, sir.

Meet Vora: Thank you. Good afternoon, everyone. Thank you for joining us on GHCL's Q2 FY '25 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; and Mr. Raman Chopra, CFO and Executive Director of 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. Over to you, sir.

R.S. Jalan: Thank you, Meet. Thank you very much. Welcome to GHCL's Earnings Conference Call for the Second Quarter of FY 2025. Our results and presentations are available on the stock exchange. I'm joined today by Raman, Executive Director and CFO; and Manu Jain from the Finance and Investors Relations.

In the near term, we expect the current operating environment to persist with pricing likely to remain range bound due to the ongoing global industry challenges. We are watchful on the current geopolitical uncertainties, which may potentially have adverse impact on the demand and pricing worldwide.

At the same time, China has recently announced economic stimulus aimed at revitalizing the real estate sector, along with US and Europe, reducing interest rate, which could revive economic activities and offer stability to the soda ash market.

In India, recent discussion with the Planning Commission and NITI Aayog have raised considerations around study of FGD, flue gas desulfurization, at existing thermal plant, and pausing new installations. If implemented, this could impact the high demand growth for sodium bicarbonate from this segment.

Looking ahead, our new project initiatives remain on track, which contributions from our vacuum salt and bromine projects expected in the next fiscal year. Beyond FY '26, we are



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actively pursuing growth initiatives, including 2 phases of greenfield soda ash facility with a capacity of 5.5 lakh ton each, and the development of Zara Zumara land parcel in Kutch to benefit from salt and bromine operations.

So this dynamic market condition, our Q2 results continue to demonstrate resilience maintaining robust operational performance while planned maintenance temporarily impacted volumes, our continuous focus on efficiency helps us reduce the input costs.

We have been consistent with our performance on the back of consistent and best-in-class operations. We are confident that GHCL is well positioned for the future. And as the industry and economic activity picks up, our performance shall further improve.

Thanks for your continued support and confidence in GHCL. In this festive season, we extend our warmest wishes for the celebration filled with light, prosperity and joy. I will now invite Raman to provide further details on our financial performance.

Raman Chopra:

Thank you, sir. A very warm welcome to our earnings call for the second quarter ended 30th September 2024. As you are aware, there is a constant focus on operating excellence by the company, driving better utilization and cost controls. This is visible in the profitability of the business despite challenges faced by the chemical industry and the soda ash market dynamics.

Revenue for the quarter came in at INR810 crores compared to INR817 crores in the corresponding quarter of last year and INR849 crores compared to Q1 of this year. As communicated earlier, we advanced our plant maintenance activities to September from October, resulting in temporary volume loss in this quarter. This resulted in lower revenue compared to the previous quarter. However, going forward, we'll have a normal volume for H2 of this year.

Also, despite the challenging market condition and higher imports, our realization remained similar compared to Q1 of this year. EBITDA for the quarter stood at INR228 crores compared to INR224 crores in Q2 of last year and INR235 crores in Q1 of current year.

On year-to-year basis, this is an increase of 2% due to lower cost. While on Q-on-Q basis, this is a drop around 3% due to maintenance activities. As a result, EBITDA margin for the quarter increased to 28.2% compared to 27.5% in Q2 of FY '24 and 27.7% in Q1 of FY '25.

PAT from the continuing operations stood at INR155 crores compared to INR143 crores in Q2 of last year and INR151 crores in Q1 of FY '25. For the half year, we generated INR389 crores in cash profit after tax. We spent around INR172 crores on capex on growth, INR42 crores on the repayment of loan, while working capital was released by INR82 crores.



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Also INR114 crores has been paid to the shareholders as dividends. We are a debt-free company. And our gross debt was around INR156 crores, whereas we had net cash surplus of around INR861 crores at the end of the quarter.

With this, I conclude my comments and wish everyone a very prosperous festive season. I would now request the moderator to open the forum for questions and answers. Thank you.

Moderator: The first question is from the line of Aditya Khetan from SMIFS Institutional Equities.

Aditya Khetan: Sir, my first question is on to the soda ash. Sir, any idea on to the cycle in terms of the per ton spread? So where we are standing today, are we at the mid-cycle or at the bottom cycle? And what are the triggers like which can help us with spreads to move upwards? And while we are on a journey on improving the spreads, how can the Chinese consumption weakness into the soda ash market, can that impact the Indian market also? Sir, your thoughts on the same?

R.S. Jalan: Yes, Aditya, at this point of a time, it is very difficult. As you know that the geopolitical situations are so uncertain. Things are changing very differently. But as in the past, if I go on the base of the past experience what we have, I think broadly, I would say that we are on the bottom of the cycle based on the data, based on the past experience.

And any volatility into the global market, yes, definitely, that will have an impact on the company. But the company's focus has always been to be the best in class, to operate the best efficiency and focus on the cost and the best performance even to the customer serviceability also. So we continue with that. And you've seen that in this difficult market of entire chemical, we have been performing consistently on its best-in-class kind of situation.

Aditya Khetan: Sir, my second question is also the bromine part that is on to the newer businesses. Sir, what would be our existing salt capacity into our existing salt parcels which we are having? And the new land parcel which we have acquired, how much sold capacity we will be expanding over there?

R.S. Jalan: Yes, Aditya, currently, we have almost around 0.8 million* ton kind of capacity. And once we go with a new land which has been acquired, it can go almost around 3 million put together. That means extra 2 million tons can be produced out of the new land parcel which we have got. (* kindly read as 0.8 million instead of 800,000 million)

Along with that, on the current location on the salt field, we have approximately around 2,800 tons of the bromine project, which is under implementation. And likely, our understanding is 10,000 to 12,000 will be the bromine new capacity, which will get added into the new location.

Aditya Khetan: Got it. Sir, you mentioned the existing salt land parcel, we are having is 8 lakh tons of capacity of salt, right?



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- R.S. Jalan:** Yes, 8 lakhs to 10 lakhs in a way.
- Aditya Khetan:** And sir, with this expansion of 20 lakh tons, are we confident so we could be completely using that salt for captive because we are increasing by almost around -- into the soda ash also? So that completely will be used captive or we would be selling outside also?
- R.S. Jalan:** No, no we will be using completely for captive because in the current location itself, we require another, I would say, 1 million in a way, 1 million extra demand consumption is required in the existing location.
- Plus, the new location also, even if Phase 1 itself will require 1 million ton of the salt. So put together both 2 million extra production will be required. When we go for a 1.1 million ton in the new location, then probably, the additional 0.5 million ton of the production of soda ash, we will have to source the salt from outside.
- Aditya Khetan:** Got it. Sir, any idea from the -- so from these newer businesses, how much additional EBITDA we can contribute from this bromine business?
- R.S. Jalan:** See, at this point of time, it will be difficult to give you the numbers overall. But as you have seen, that the bromine business has a competition. See, our target is, Aditya, is basically to look at how do we become a kind of a significant player in the bromine business and bromine derivative business, right? And for that, after this -- both the plants being put together, we will be having around 15,000 tons kind of production.
- So probably, I think we will be fourth or fifth largest bromine producers into the country. And we are not going to stop only at the bromine. We are very actively working on bromine derivatives. Of course, the plans are still under discussions. So I will not be able to give you a clarity of which segment of the bromine we are going, but a lot of strategies are going on. And based on that, we will be going for a bromine derivative projects.
- Aditya Khetan:** Got it. Sir, just 1 last question. Sir, this new salt land parcels which we have acquired, when are we planning to start the commercial production of bromine?
- R.S. Jalan:** See, broadly, it will take around 3 years of time from now.
- Aditya Khetan:** And sir, what would be the maximum potential or the maximum capacity we can expand into that location, considering that 6,500 hectares which we have got, what would be the peak capacity wherein we can expand without any, you can say, significant capex?
- R.S. Jalan:** I think the capacity which I've mentioned to you is approximately around 2 million tons of the salt and bromine is around 10,000 to 12,000 tons. That's the peak capacity I've told you.



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- Aditya Khetan:** Okay. So we are expanding, sir. So if suppose in future also, if we want to expand on to that. So how much part of that reserve would be utilized for this, that 6,500 hectares which we have acquired?
- R.S. Jalan:** Like I said, this 6,500 of the entire hectares, so this is 16,000 acres of land, will be completely developed and completely fully utilized for the purpose of bromine as well as the salt.
- Aditya Khetan:** Okay. So fully, we can -- okay. So peak capacity would be -- so 16,000 tons only from that. Okay.
- R.S. Jalan:** Correct.
- Moderator:** The next question is from the line of Jainam Ghelani from Svan Investments.
- Jainam Ghelani:** So sir, would you be able to quantify the amount of volume loss due to our shutdown in this quarter?
- R.S. Jalan:** I think we have already communicated while around 14,000 tons, but I think broadly, we have lost around 7,000 to 8,000 tons of the volume.
- Jainam Ghelani:** Sir, what was our blended EBITDA per ton for this quarter? And what could be the sustainable levels going forward, please?
- R.S. Jalan:** I think, if you look at the sustainable level is the number which I said in my opening remarks also, so it's in the same range. And see, again, it all depends on the market dynamics and our focus will always be the best-in-class and our always focus will be more on how to optimize the cost, which we have been demonstrating for the consistent period of long period. We'll continue to do that.
- Jainam Ghelani:** And sir, with the continuing capex going on around the world in soda ash, are we seeing any delay in capex anywhere or most of them are on track globally?
- R.S. Jalan:** See, so far as the China capacity is already coming, okay? Now the US capacity definitely, the new capacity of 5 million tons, at this point of time, we don't have a clarity, but our understanding is this should get some delays.
- Moderator:** The next question is from the line of Saket Kapoor from Kapoor & Company.
- Saket Kapoor:** Sir, firstly, on the FGD issue, sir, if you could just elaborate the thing, what is the current status of the procurement of sodium bicarbonate or the existing capacity? And if you could just throw some more light where -- what does the observation from the -- is all about?



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R.S. Jalan: See, Saketji, if you look at the NITI Aayog has recently come out with a paper, which they are in the process of recommending to the government. And the current -- and this is what our understanding, the current FGD plant, which has already been installed, should be studied further and should be observed that whether the kind of a benefit which we are talking about in the flue gas treatment is are we going to really get a benefit of that into the complete environment.

So because of this, there is a cost escalation into the power cost. So they are in a kind of a recommendation more to the government that we should -- for the time being, we should install the future expansion or the future addition of the flue gas treatment, which is a new plant or the existing plant, which has not yet been installed with flue gas system.

So my understanding at this point of a time is, the current consumption will continue of the FGD, however, that new capacity may get delayed, or the new growth into FGD may get delayed after and they will be giving a kind of a clearances only after the proper study that may take some time. Till the time this grows into the sodium bicarbonate may kind of not slow down.

Saket Kapoor: And sir, this FGD phenomenon is a global story or has this been conceived only domestically for our country?

R.S. Jalan: See, FGD has been widely used into the global market. In the Europe, it is very widely used. And therefore, we are a little surprised also that this kind of a recommendation. But yes, after the proper evaluation sort of they may also come back and then they can revise it.

Saket Kapoor: And sir, second point was about we have been harping on the solar demand feeding the incremental demand for soda ash. So we hear about a lot of solar capacities coming up in our country. And I think there some duty protection has also been some -- duty protection is also there. So what is the pillar for the incremental demand, especially for -- so from solar manufacturers, sir, for Soda Ash, if you could throw some light on the same?

R.S. Jalan: Yes, Saketji, we're very bullish, honestly, on the solar glass new consumption, as you know that a lot of new capacity are getting built up under the, what you call, green hydrogen. And obviously, that will require the soda ash for the solar glass. So we are very optimistic on that, and we are seeing some kind of a sign of consumption getting increased into that.

Saket Kapoor: No, sir, my point was a lot many solar lines are up for this financial year, when we look at your conversation, say 2, 3 quarters back on the last fiscal we were contemplating that a lot of new lines would be starting for this financial year. So we are H1 done for this financial year. So how much have the new lines being and how have their demand being there in the system? I wanted a color on the same, sir.

R.S. Jalan: See, as you know, Saketji, that in the past, because of the significant I would say, import coming from China, the solar glass investment which is already coming in, that capacity has not been fully utilized. However, the new lines are also getting added by all the largest groups. Hopefully,



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in the last quarter, January, March, probably, you will see a significant amount of new capacity getting added into that.

Saket Kapoor:

Sir, one point on the salt part of the story, wherein the new fields which have been allocated to us is totally would be for the bromine story, but sir, we have been working on the salt yield program also. I think so we did a capex of closer to INR150 crores or INR200 crores.

So those benefits are currently being reaped by us for the existing in the new fields, which we will be developing, we will be -- I mean, how will that factor -- what should we factor in, in terms of the salt deal program benefit that goes also for the new field, which is -- which we have been allocated?

R.S. Jalan:

See, Saketji, if you look at the current operations, our focus on the cost optimization, one of the components is the salt yield improvement into our salt fields, okay? And we are getting some advantage out of that. And this journey will continue.

That's why if you note my earlier question where I've answered, 8 to 10. So currently from 5 to 8 we have reached, our target is to reach to 10 on the current location, okay? So that will also -- this means this benefit will further enhance from here.

The second in the new salt fields, clearly as I mentioned to you, we will be completely -- on this existing location, we'll be completely captive, what you call, captive salt availability and that will have a significant advantage of our cost structure.

Saket Kapoor:

Last line, I missed that, sir. That will have a...?

R.S. Jalan:

That will have a significant advantage to our cost structure.

Saket Kapoor:

Right, sir. If I may add one more point, sir, when we look at the P&L line items, especially for power fuel and water expenses, we find Q-on-Q, there is a 10% saving from INR156 crores to INR143 crores. And year-on-year, the savings is significant from INR169 crores to INR143 crores. So if you could just explain to us this first half saving of INR60 crores, what led to this? And whether this is a permanent saving or what have we factored in, in this INR60 crores savings for the first half?

R.S. Jalan:

See, Saketji, there are 2 components of it. One is the efficiency improvement, that's very significant. We have a lot of focus on our energy consumption in every location, every machine, okay? A lot of work has been done. That is going to be permanent to us. And the journey of that also continues going forward as well, right? That's number one. Secondly, market dynamic of the pricing. The combination of these 2 will continue to play out into the benefit of this.

Saket Kapoor:

So this is a permanent saving, sir. This is not one-off any item that we have not booked or -- this trend, we can continue?



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R.S. Jalan: Yes.

Saket Kapoor: Right, sir. And lastly, sir, for sodium bicarbonate part of the story, there are also pharma grade application for sodium bicarbonate. So if we are seeing a dent in demand, I think so we have doubled our capacity from 60,000 to 120,000 for sodium bicarbonate very recently. Are we looking at other avenues wherein we can use our current facility to the optimum use in diversifying the product profile on account of the dent which may happen from the FGD issue?

R.S. Jalan: See, Saketji, so far as our current capacity of 120 is concerned, we don't have any concern because the current consumption pattern itself indicates that kind of a capacity utilization will happen, okay? So on that capacity, we don't have any major concerns.

Because see, 2 components. One is FGD, which has already been started consuming that itself will be sufficient to kind of take care of this capacity along with the demand -- natural demand growth into the normal sectors, right? So therefore, there's no issue on that. In the current run rate, also, it's a similar nature.

Saket Kapoor: Okay. But for future capex or future incremental capacities will be developed only when we get a clarity on FGD.

R.S. Jalan: Yes.

Saket Kapoor: Okay. And I have a question for Raman sir. Sir, for capital work in progress, sir, if you could give us for the first half, how much have we capitalized since the depreciation has gone up by 10%? And what is pending to be capitalized for this current year, we have a closing balance of INR105 crores as on 30th September?

Raman Chopra: Yes, Saketji, in fact, there are a lot of work, which is currently going on in the existing locations. There is seawater pipeline work, there is a compressor work, then there is a power backup work which is going on. So depending upon the completion, these things will be capitalized. Overall, for the full year or for the first 6 months, we have closer to spend INR172 crores on capex in terms of the cash flow, of which greenfield is around INR63 crores and INR109 crores is towards the -- for the current operation. So it depends how much when it will get completed, our target looks like for the full year as a whole, we are looking at around INR200 crores to INR250 crores kind of number.

R.S. Jalan: See, Saketji, let me add to what Raman said. One is this INR109 crores, which is in primarily on 2 components. One is the vacuum salt project, bromine project and the regular. So far your capitalization question is there, so depending on the like Raman rightly said, whatever the project has been completed, that has been capitalized. And whatever the work in process like bromine and vacuum salt projects are under the implementation that has not been capitalized.



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Saket Kapoor: Sir, you mentioned what figure for the greenfield projects, sir? How much have we spent on greenfield for this first half?

R.S. Jalan: Roughly around INR60 crores.

Saket Kapoor: Okay. And sir, where has this money being spent?

R.S. Jalan: Saketji, we can talk on this off-line, okay? Because some numbers are -- okay?

Saket Kapoor: Okay, sir. But -- right, sir, when can we expect, sir, the final node? I think the last 2 quarters, we have been anticipating the same. Now the government being formed, and I think the system being in place, where are we, sir, in terms of the final green node awaiting?

R.S. Jalan: I would say, Saketji, at this point of time, we are on the last leg, it should happen any time now.

Saket Kapoor: Sir, I will join the queue for my follow-up. And best of luck to everybody. I only -- my remaining point or question was, sir, the EBITDA number have remained more or less now stable and this INR225 crores to INR230 crores bracket -- INR230 crores for the last 2, 3 quarters. So taking into account the global market perception also the Chinese stimulus and then the European market in balance, can we take into account that the systems being in place, we can report this steady set of numbers for H2 also?

Barring any unforeseen circumstances, can we worked out with that number for H2, sir? Because H2 is generally better in terms of the offtake also and the market is, as you mentioned, also with solar demand also for the fourth quarter anticipated. So can we work out with that number or it is early to say that?

R.S. Jalan: See, 2 things, Saketji. First and foremost, I would say that you must -- you will appreciate that in this difficult market conditions, the kind of a performance that your company has been able to deliver, okay? And that is possible in spite of such a depressing market conditions of the soda ash globally. So this has been able to -- we have been able to achieve only because of our consistent persuasion on the cost optimization and remain in the best in class.

And that we will continue. That we will continue, the journey will continue. Like I said, even our focus for the future of the captive, 100% captive consumption of salt, all those things are online. The second thing which we are doing, already we are doing is expanding our growth baskets or the product basket also, bromine, bromine derivative, your salt -- means your vacuum salt, so that journey also continues.

So far your third part is concerned, like you very rightly yourself, you said it's a very volatile market. But our endeavor will always be to perform on a consistent basis as we have been performing and remain, kind of deliver the best results which is possible.



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- Saket Kapoor:** Correct, sir. I will not take more time, but I will join the queue for that international forum that happened, the soda ash conference, if you could have given some color on how the global players -- what is the thought process for the global community on the same? I'll join the queue, sir.
- Moderator:** The next question is from the line of Naitik Mody from OHM Portfolio.
- Naitik Mody:** Sir, could you please share the sales volume number for the last 2 quarters?
- R.S. Jalan:** We are not sharing those quantitative numbers, but you can see our revenue numbers, where you can see that the revenues are almost on the same level as compared to the same quarter last year. And you can see that numbers as compared to the last quarter, which is what we call Q2 -- Q1 of '25, we are almost around 5% down.
- Naitik Mody:** And sir, can you give us some sense on what is the demand per megawatt of -- soda ash demand per megawatt of solar glass?
- R.S. Jalan:** It's broadly our understanding, as you know, it's roughly (around for 1 megawatt) is around 15,000 tons per gigawatt.
- Naitik Mody:** 1 gigawatt is 15,000 tons of -- it will require 15,000 tons of soda ash, correct? And what is the - - what percentage of our sales goes towards the solar glass industry?
- R.S. Jalan:** At this point of a time, insignificant, it's not very high. But this all -- the ways that the new capacities are getting built, so roughly you will see that significant amount of number in next 2, 3 years of time.
- Naitik Mody:** So here, for this particular industry, we're targeting the domestic market itself, right?
- R.S. Jalan:** Yes. For everything, we're targeting either the domestic market or is a natural market, which is closure by, if anything is there. But of course, in the solar, we are talking with only domestic market.
- Moderator:** The next question is from the line of Nirav Gandhi from Sunidhi Securities.
- Nirav Gandhi:** So I would like to understand that what were the realizations during this quarter? And what should be the realization going ahead for the next couple of quarters?
- R.S. Jalan:** See, first and foremost, Nirav, I've already said that it is very difficult at this point of time to talk about what is the likely realization in the next few quarters because the market is very volatile. Our focus is more on how do we kind of optimize our cost efficiencies?
- And market dynamics will play out quarter-by-quarter. But I also said that in terms of our past experience of the past data, probably we are on the bottom of the cycle. And so far as the



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realization per ton is concerned, it's almost on the same level what it has been in the past -- in the last -- means, first quarter of this year.

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

Saket Kapoor: Yes, sir. Sir, you were mentioning about the resurfacing of the increased import from other continents. So if you could give us some color of how the numbers have been, the import numbers and which part of the world is facing surplus that is getting exported to our country.

R.S. Jalan: See, if you look at this quarter, this number has been significantly lower as compared to the same quarter last year. However, it is slightly higher than the first quarter.

Saket Kapoor: Okay. Can you quantify? I think the 1 lakh was the number which you -- 1 lakh ton was the number you mentioned last time for the quarter.

R.S. Jalan: Yes, Saketji, on the same range it is there. Like I said, some increase is there in this quarter. So exact number I don't have.

Saket Kapoor: And sir, on the ADD part of the story, where are we, sir, in midst of that is getting implemented or any color on the same?

R.S. Jalan: It is under the initial stage of, I would call it, the investigation by the Ministry. And once the results will come out, we will definitely report to the shareholders.

Saket Kapoor: Okay. Sir, but here, sir, do we see that underpricing or the pricing being lower or it is only the quantity on what promises have we laid down for a request for the same since the availability of material across the globe is higher because of dent in demand in some parts of the world. So are they selling below cost or how are they providing an injury to the domestic industry? So that was the...

R.S. Jalan: It is a very defined process, Saketji, on the antidumping duty, which has many components. One is your margin, second is your dumping and they compare that dumping with the other wherever they are selling in other geography also. There are many. It's a very scientific process. So obviously, when we are going for the duty to the government, we're going with all these points.

Saket Kapoor: Right. Sir, for the last 2 quarters, we have putting our trust on the increasing product basket, especially for bromine and today also, you mentioned about bromine derivative as having -- we would be spending on the same, so what has been our, sir, work?

Because I think so, the product profile and the management bandwidth, what are our preparatory work for entering into this domain. And what kind of capex have we envisaged for the coming 3 to 5 years, especially for being -- as you mentioned about the capacity for bromine and its derivative, so what can we anticipate in terms of the capex?



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R.S. Jalan: Saketji, at this point of time, like I said, we have a 3-pronged strategy on the overall, what you call, growth onto the GHCL. One is the soda ash where we have already kind of a defined the kind of a capex, which we'll be planning to invest into the -- up to 2030, which is almost 6 years from now.

So far as the bromine, bromine also kind of where we have defined at what kind of a bromine volume will get in that. And similarly for the salt production. Last is your vacuum salt that also we have defined and we have reported to the shareholders at what kind of capex will be required for the existing vacuum salt and the existing, what you call, bromine investment which we are doing, which we will be completing next year. The balance investment into the bromine on the new salt field and, what you call, bromine derivatives, the figures are yet to be under study. Once we have that number, we will share with the shareholders.

Saket Kapoor: Right, sir. And sir, lastly, since we have gone through this process where we have seen the peak and trough for soda ash prices. And as you are alluding to the same for the last 2 quarters that we have, we are at the bottom or we have already moved up from the bottom, prices will remain here because of other factors affecting the volume?

So our EBITDA per -- the percentage of 27%, 28%, which was also -- this is our historical averages also do you think that taking into account the current factor these numbers, barring any unforeseen circumstances are stable, and we can look for continuity of the same in terms of the percentage margin?

R.S. Jalan: I think, Saketji, I have said on this call also and the earlier also in my opening remarks also. But our focus is to remain best in the class to remain focused on to get the best out of the existing environments, okay? Second point I've already said that based on -- of course, we can't predict what is likely to happen because geopolitical situation is so uncertain, we can't predict what will happen. However, I have also said that if you look at the last all experience of and the data which we have seen, we believe these are the kind of on the bottom of the cycle. Anything should be better than what we are currently.

Moderator: The next question is from the line of Miten Lathia from Fractal Capital Investments.

Miten Lathia: Just want to understand the supplies for the solar glass manufacturer, will be on a spot basis or on a contract basis, both volume and price tied up?

R.S. Jalan: You see, basically, Miten, this will be depending upon the customer by customer. But generally, what happens in the current context what we are seeing globally, the long-term contracts are getting now is not established, means basically because of so much of uncertainty in everything, periodical contracts are possible, maybe 6 months, maybe 1 year, maybe 3 months kind of a situation. And being a large consumption, you can't have a completely 100% spot also. So you



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can assume that it will be on an average of around 3 to 6 months kind of a situation on an average contracting of the volume and the price will be there.

Moderator: The next question is from the line of Meet Vora from Emkay Global.

Meet Vora: Wanted to understand what is the demand outlook for soda ash in Europe and China currently? And given that what is the export scenario for Turkey and China both?

R.S. Jalan: See, Meet, as you rightly highlighted that the demand into the Europe at this point of a time, is not improving and hope our understanding again, this is very subjective, we don't see, at least for next 2 quarters, there is likely to be a very significant improvement in the demand.

But yes, 1 positive sign is the interest rates are getting softened. So probably that will trigger the demand growth maybe next year. So far as the China is concerned, China demand still up till now was good. But I have said already in my opening remarks also that slight softness is being seen into the Chinese demand on one side in the solar side.

However, on the other side, as I mentioned, that stimulus, which has been given into the China may trigger a kind of a recovery into the real estate. Probably that can lead to the kind of again reviving the complete demand. Keeping all these into account, and like I said, based on the experience, probably the kind of situation should continue the similar kind of a situation, which is continuing at this point in time.

Meet Vora: Understood. Also, can you throw some light on the freight cost from China to India and Turkey to India in terms of land cost and seaborne cost?

R.S. Jalan: See, so far as the China and Turkey costs are concerned, these has softened. Now it is not as high as it was earlier. It has come to the normal level, right? Roughly from China is around \$40 to \$50 and Turkey is also in the same range, \$40 to \$50 kind of a situation.

Meet Vora: Noted. So over the period, like what I've understood the EBITDA per ton of soda ash has improved from 6% to 8% roughly over 10 years. So going forward, what will be the key triggers for improvement in this EBITDA per ton? And will it improve subsequently?

R.S. Jalan: Yes, Meet, as you rightly said, if you look at the last 15, 20 years of the data of soda ash EBITDA per ton, you will see around 8% to 9%, 8% if my memory is correct, 8% growth has been seen. Periodical -- and this is kind of on an average basis, right, on a CAGR basis, okay? But periodical, this may happen, which is happening right now. I believe it's a similar situation, should continue longer term. And trigger point is basically is a demand recovery of Europe and the demand recovery into the US market -- US and the South, what you call, South American markets.



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Moderator: Ladies and gentlemen, we'll take this as the last question. I now hand over the conference to the management for closing comments.

R.S. Jalan: Thank you. Thank you, everyone. And like I've always been saying, our focus will always be to the best-in-class to perform on all the parameters of efficiencies and the cost and to deliver on the best performance results into the industry segment. That focus will continue. And I'm sure that the moment the recovery into the industry demand of the soda ash, this benefit of this work which we are doing will signify the value creation for the shareholders. Thank you very much, and Happy Diwali to all of you.

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