

Date: February 09, 2026

VCL/SE/106/2025-26

To
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai – 400 001
Scrip Code: 516072
Through: BSE Listing Centre

To
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

**Subject: Transcript of the Earnings Call held on 06th February, 2026 on Q3FY26
Financial Results**

Dear Sir/ Madam,

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, 06th February, 2026 to discuss Financials Results for Q3 FY26.

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
Company Secretary & Compliance Officer



**“Vishnu Chemicals Limited Q3 FY-26 Earnings
Conference Call”**

February 06, 2026



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

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

Moderator: Ladies and gentlemen, good day and welcome to the Vishnu Chemicals Q3 FY26 Earnings 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 “*” then ‘0’ on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Meet Gada from Emkay Global Financial Services Limited. Thank you and over to you sir.

Meet Gada: Thank you. Good afternoon, everyone. Welcome to the Earnings Conference Call of Vishnu Chemicals Limited for Q3 FY26.

I would like to welcome the Management and thank them for giving us this opportunity to host them. We have with us today Mr. Siddartha Cherukuri – Joint Managing Director and Mr. Hanumant Bhansali – Vice President, Finance.

Before we begin this call, I would like to point out that the discussion during this call may contain forward-looking statements reflecting the company's current view of future events and their potential effect on Vishnu Chemicals' operating and financial performance. These statements involve uncertainties and risks which could cause actual results to differ. The company is under no obligation to provide subsequent updates to these forward-looking statements.

I shall now handover the call to the Management for their opening remarks. Thank you and over to you Siddartha.

Siddartha Cherukuri: Thank you, Meet. Good afternoon, everyone. Vishnu Chemicals continued to deliver resilient performance during the quarter despite a soft macroeconomic environment globally. Tariff-related uncertainties and cautious customer sentiment continued to influence demand patterns in Quarter 3 FY26. However, our cost discipline, diversified market presence, and customer-focused approach enabled us to navigate these headwinds effectively.

Quarter marked the achievement of several important strategic milestones for our company. We successfully completed the acquisition of Mining Complex in South Africa. This is the third acquisition undertaken by the company in the last 3 years, following Ramadas Mineral and Jayansree Pharma. Integration process is progressing as planned and we expect the commencement of operation in phased manner from Quarter 1 FY27. This acquisition represents a key backward integration initiative aimed at securing long-term supply of crucial raw materials. While it is early to quantify the financial benefits, we believe it will contribute to improved margins, stability at consolidated levels post-stabilization.

On growth initiatives from Vishnu Strontium Private Limited successfully commercialized operations in Quarter 2 FY26, company has launched Strontium Carbonate, a new speciality chemical with applications across magnets, ceramics, metallurgical industries, including zinc electrolysis. The company is now focused on introducing new range of specialty chemicals aligned with our manufacturing capabilities and with a strong R&D support, which we have been working for over the last few years. Company has initiated plans to fall into new production lines for dimethyl sulfoxide, also known as DMSO, and select specialty derivatives of related chemicals. These projects are expected to be commercialized by the end of FY27 and represent forward integration opportunities that should enhance our product portfolio and profitability over the medium to long-term.

Overall, Vishnu Chemicals entered Quarter 4 with healthy business momentum, a relentless focus on manufacturing operational excellence and strategic investment positions as well for sustained and profitable growth.

Now I will ask Mr. Hanumant to walk you through financial highlights. Over to you, Hanumant.

Hanumant Bhansali:

Thank you, Mr. Siddartha and good afternoon, everyone. Compliments of the new year to all of you.

Let me now take you through the financial highlights for the quarter ended 31st December 2025:

On a consolidated basis, the company reported operating revenues of 411.3 crores in Q3 FY26 as compared to 401.1 crores in Q2 FY26, a growth of 2.5% quarter-on-quarter. Gross margins improved during the quarter and stood at 44.8% in Q3 FY26 compared to 43.1% in Q2 FY26, an expansion of 170 basis points approximately on a quarter-on-quarter basis. Our absolute gross profit at a consolidated level increased to 184 crores, up 6.5% Q-on-Q. The EBITDA for Q3 FY26 was 61.7 crores, reporting an increase of 6% growth on a quarter-on-quarter basis. The EBITDA margin also improved to 15% from 14.5% in Q2 FY26. The profit after tax for the quarter stood at 33.7 crores compared to 32.8 crores in Q2 FY26, reflecting a growth of 2.6% sequentially.

Moving on to the 9-month performance:

For the 9-month ended 31st December 2026, the consolidated operating revenues stood at 1,159 crores compared to 1,053 crores in 9-month FY25. This is a healthy year-on-year growth of 10%. The gross profit for 9-month FY26 increased to 515.2 crores, up 9.2% year-on-year from 471.9 crores in the corresponding period last year. The EBITDA for 9-month period stood at 175.6 crores, reflecting a 6.9% year-on-year growth. The profit after tax for 9-month FY26 was 98.8 crores compared to 87.7 crores in 9-month FY25, a growth of 12.7% year-on-year. A revenue mix remained well balanced with a domestic to export sales mix of 49:51 on a

consolidated level during 9-month FY26, reflecting the strength of a diversified market presence. With this, I conclude my opening remarks and we can now commence the Q&A session. Thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Raghav from Kamayakya Wealth Management. Please go ahead.

Raghav: Thanks for the opportunity and congratulations to the management on a good set of numbers. Looking at the growth ahead with the Strontium Carbonate plant coming live and South Africa's mine acquisition completed, so what kind of top-line addition can we expect and especially when can we expect because I know approvals take time and it's a new product. It's an import substitution kind of story playing out. So, when can we expect the top-line addition from Strontium Carbonate plant?

Siddartha Cherukuri: Good afternoon. We are expecting to receive customer approvals before end of Quarter 4 this FY26. While we see good traction, especially coming from the magnet side of the application, especially the ferrite magnet being a good substitute for neodymium magnets. And we are going to see some volumes coming mainly from the magnet application. So, we are expecting regular sales starting from Quarter 1 FY27 for Strontium Carbonate.

Raghav: My next question would be on the competition landscape and the PBS segment. PBS dumping by China has been a bit of a concern. So, what is the status of that and overall, what are the dynamics in this?

Siddartha Cherukuri: Well, I mean over the years, it's been 3 years since we have launched PBS and we are having a strong order book and consistent supply from our side to the clients. And we see that we are able to demonstrate a resilient supply chain over the last 2 years and especially the top six customers are very happy with the quality and the regular supply is what we have established. So, today in terms of the demand and our market share, we have already got to 60% market share in India. We continue to work with a few other customers and going to increase the market share in FY27 for PBS as well. Again, there is a bit of capacity constraint as well from our end. Currently we are operating at 70%-80%. So, we are also contemplating on adding capacity during FY27. We are still looking at it. We have not taken a decision on whether we are going to do it in FY27 or FY28. I am talking about PBS capacity expansion.

Raghav: Understood. I have more questions. I will join back in the queue.

Moderator: Thank you, sir. The next question is from the line of Nirali Gopani from Unique PMS. Please go ahead.

Nirali Gopani: Hi, thank you for the opportunity. My first question is regarding the last call you had mentioned that, during the course of the year, you will see some pent-up demand coming back. So, the growth that we see in the quarter, does it reflect any of it or it is yet to come?

Siddartha Cherukuri: Well, I mean, we all know what I mean with the tariffs coming down. This is definitely positive news for our chrome chemicals. Because in the last 6 months, we could not export chrome chemicals to the United States, mainly on account of close to 53% tariffs. So, now we are quite confident that we are going to get back the volumes. What we have already had with a few clients there and hopefully increase it over the few quarters.

In terms of volumes, last three quarters gone by, the domestic market remained quite resilient. In terms of volume, we have managed to increase market share both in electroplating, wood preservative, as well as pigment sector. Although macroeconomic conditions were not favorable, but the domestic market remained resilient. As well as the dollar-rupee has definitely been supportive to improve the realizations for mainly in the export market. So, with this US tariffs coming down, we are hoping that the volumes will increase in North America in the coming quarters.

Nirali Gopani: So, as such, we don't have a huge exposure to US. You are talking about the ripple effect that it might have on the overall export, right?

Siddartha Cherukuri: Our overall exposure is close to 9%. So, I mean, it's still a good share. And we have been actually growing in that side of the world with our volumes, with the portfolio of products what we had. So, the high tariffs have created roadblock. And we are confident that our share in North America over the year or two will go up to 14% to 15% in overall revenue of Vishnu Chemicals. Because we have been working with, even during this time, we were working very closely with the customers for the product approvals, which takes slightly longer than rest of the other markets, in general speaking. So, we remain positive, especially with the US market opening up and having a few approvals during this phase. So, definitely volumes are going to increase. And also, it's a more value assertive market in terms of better margins. And we do have an edge in terms of the overall tariffs compared to our other peers in Turkey and South Africa. And definitely that's going to put us in a better position in the quarters to come.

Nirali Gopani: Perfect. And when you mentioned about DMSO and other chromium derivatives, can you give some more details? What are the CAPEX that we are looking at? What kind of capacity we would intend to put, anything that you would like to highlight?

Siddartha Cherukuri: Yes, I think company continues to focus on niche products, which are import replacement. So, we have been working very closely with our R&D, especially on this DMSO project for the last 2 years. And there is definitely a synergy and it's a kind of a forward integration, what we are doing. Dimethyl sulfoxide is a very important solvent going into agrochemicals, pharma, and a few other applications. And we will be the only producer in India now. And this market is growing close to 12% to 13% year-on-year.

Regarding CAPEX, this year, I mean, we still have a quarter to go. We are going to do about 180 to 190 crores of CAPEX. This includes DMSO and our investment into mine in South Africa. And next year, we are planning to invest close to 300 crores into CAPEX. This

includes chrome oxide green, chrome metal expansion, as well as dimethyl sulfoxide. Because certain CAPEX have been done for dimethyl sulfoxide during this year already.

Nirali Gopani: Also, my next question is on the chrome metal side. So, when do we start, see the revenue start coming in? Will we see some of it in FY27?

Siddartha Cherukuri: I would expect it to be in FY28, because it's linked to our chrome oxide expansion project. So, we will be going to work on it parallelly as we move forward. So, I would say FY28 is when we would expect to see revenues coming from chrome metal.

Nirali Gopani: Perfect. And one last question on the Strontium Carbonate. So, will it be possible for us to ramp up the full capacity in FY27, given we had this, the Mexico plant which went off and it was larger than what the capacity that we have put in. So, will it be possible to ramp up in FY27 itself?

Siddartha Cherukuri: We remain positive. It all depends on the customer approval. It is taking slightly longer than we expected, but we remain positive to ramp up the production. But largely this product has to be exported as well. So, the approvals have to come from the Indian customers as well as clients who are outside India. So, the marketing team is working very closely on both fronts.

Nirali Gopani: Perfect. Thank you for answering my question sir.

Siddartha Cherukuri: Thank you.

Moderator: Thank you, ma'am. The next question is from the line of Sagar Jethwani from Phillip Capital PMS. Please go ahead.

Sagar Jethwani: Thanks for the opportunity. So, imports from China for barium will now attract a heavy import duty in Europe given that there is only one player in Europe competing with you in a huge market. How do you see the opportunity for barium exports to Europe given China competition has now vanished? How do we read this development?

Siddartha Cherukuri: So, let me just correct it. It is mainly for Barium Carbonate. Europe has levied 84% anti-dumping duty on Chinese products. Chinese Barium Carbonate coming into EU. So, this is quite positive and it's been applied. It's been 2 months since it has been effective. We see a lot more demand coming from Europe. A good order pipeline as well as improved realizations. That's all I could say. So, as on today, our main market for Barium Carbonate outside India is Europe and United States and Japan. That's where we are quite focused on given the production and given our market share flow.

Sagar Jethwani: So, what will be our pricing strategy then in this case because we have a significant pricing advantage now and one more follow-up on that is Kandelium that is a local player adding the capacity for barium too, any news on that?

Siddartha Cherukuri: So, our pricing strategy will be aligned to the application market as well. So, we don't want to take our clients for granted. Of course, we will see price increases coming but in tranches and slowly understanding what's happening in Europe already there is a pressure on the manufacturing side. So, we don't want to add a lot but we will see what needs to be done at appropriate time. And we have already managed to get 10% to 15% price increase, and we will take one step at a time on what needs to be done and not to do it in a very hurry. What was the other question?

Sagar Jethwani: So, I was asking is Kandelium also adding the capacity for Barium Carbonate?

Siddartha Cherukuri: Not that I have heard of. I think they do have a sizable capacity and it's a fungible asset which is based in Bad Hönningen in Germany. So, they can switch between Strontium Carbonate as well as Barium Carbonate in the same facility in Bad Hönningen. So, not that I have heard about their adding capacity at the moment.

Sagar Jethwani: And lastly, do you expect the benefit to come from the Q4 itself? Are you witnessing any client touch up on this?

Siddartha Cherukuri: So, what I can say is that we are seeing a very strong order book with improved margins and we will see how things progress in the Quarter 1 FY27. That's all I can say at the moment.

Sagar Jethwani: Sure. Thank you, sir.

Moderator: Thank you, sir. The next question is from the line of Raghav from Kamayakya Wealth Management. Please go ahead.

Raghav: Hi, this is a follow-up question. So, I wanted to understand with this chrome mine acquisition what kind of margin benefits are we expecting from Q1 if it's completing by Q1. So, what kind of margin benefits are we seeing in this particular segment and also on a consolidated level?

Hanumant Bhansali: Good afternoon. Hanumant with you on this. The chrome ore mine acquisition comes with a string of benefits that are very long-term in nature. Though on the financial side we are quite confident that it is going to improve our overall margins in the medium to long term at a consolidated level but it's very early for us to share those numbers with the markets when the operations begin which we are expecting it to start sometime around Q1 of FY27. That's just one quarter away.

Raghav: Understood. Those were my questions, sir. Thank you.

Moderator: Thank you, sir. The next question is from the line of Kush Joshi from Suresh Advisors. Please go ahead.

Kush Joshi: Thank you for the opportunity. This is Suyash Advisors. So, I just want to understand about where we stand on the CAPEX program for Strontium Carbonate and when we are targeting

the when we are starting the customer approvals for the same and commercial supplies for the same. Thanks.

Hanumant Bhansali: Good afternoon, Mr. Kush. The Strontium Carbonate plant is already operational. We commenced operations in Q2 FY26 and as mentioned during the call earlier we are already discussing with clients both in domestic market as well as export market which we are quite confident that given our quality and given the pricing that we are providing given the pricing that we are providing to our customers we are quite confident of getting the necessary approvals in a quarter or so. The project has already been capitalized in our books. We have spent close to about 110 crores approximately which was which is the total of both the acquisition of the erstwhile Jayansree Pharma Private Limited and the additional CAPEX that we did to bring the product on stream. Right now, we are operating at about 20%-25% levels but like I said it's early days for the product and we are quite confident that next year we are going to see significant scale-up in this product depending on the approvals that we are expecting.

Kush Joshi: And can you just brief me about the competitive scenario in this particular product for us? Where we stand today?

Hanumant Bhansali: Sure. There is, the major update is that we are the first manufacturers of strontium carbonate in India and India's demand is close to about 4000 tons per annum. It's a complete import-substitute product and it is exported from majorly from Mexico and Belgium and into India. Mexico and Belgium combined are close to about 77% of total exports to India followed by China about 9% Spain about 5% and Germany about 4%. The others are around 5% to 6%. So, this is the break-up of where the product is coming into Indian market so far.

Kush Joshi: And how about the pricing scenario for this? How will we be competitive compared to this import pricing?

Hanumant Bhansali: We are quite competitive because we are new entrants in the market. Having said that, our product quality is at par with the other players which are already exporting their products in the Indian market. We had access to technology. We have spent quite a bit of time in bringing the product at par with the currently available products in the market thanks to our R&D. And that's why our pricing, though in the initial stages, we are competitive to the exports being done to India. But yes, in the long term, we will be at par with them depending on how the overall market cycle turns in favor of this product.

Kush Joshi: And you mentioned that the customer approval takes time. How long is that cycle?

Hanumant Bhansali: It takes close to 3 to 6 months to get customer approval. While we started the operations in Q2 FY26, we commercialized the operations and started sharing samples to the customers towards the end of Q2 and early Q3. And everybody knows that most of the Western markets especially go on a prolonged annual vacation during the Christmas time. So, the efforts are

afoot. We are expecting any time during the current quarter, most of the approvals to come through.

Kush Joshi: Understood. And you mentioned, what is the 4,000 ton? I just missed out. 4000 ton is our imports or it's our capacity?

Hanumant Bhansali: India's total demand.

Kush Joshi: And what is the growth rate of this demand?

Hanumant Bhansali: The market in this product is growing in the range of about 5% to 6% on an annual basis.

Kush Joshi: And just last question. Industry-wise, can you just break up which is the main industry which you are focusing for these products?

Hanumant Bhansali: Not necessary. The product has been designed to meet the requirement of all the customer applications including magnets, be it ferrite, permanent or flexible magnets which goes into electrical appliances such as motors, speakers, goes into all the automobiles, white good appliances. So, quite open to meeting the customer requirements across the industry. .

Kush Joshi: Thank you so much for all the answers. All the best.

Hanumant Bhansali: Thank you.

Moderator: Thank you, sir. The next question is from the line of Shrishti Jain from Monarch AIF. Please go ahead.

Shrishti Jain: Thanks for the opportunity. Are there any capacity expansion plans for SDC anytime in the near future?

Siddartha Cherukuri: Well, I mean, we have already updated during the last call that we are planning to expand SDC from 82,000 tonnes to 92,000 tonnes. Put together both our facilities in Vishakhapatnam and Bhilai. And this will be completed during Quarter 3 FY27.

Shrishti Jain: I must have missed that. And what are the current utilization levels in the chromium segment? If you could share that.

Siddartha Cherukuri: This year the operating levels were over 90%. We have actually set a milestone in terms of reaching the highest production ever in terms of SDC. Also, other related products.

Shrishti Jain: Perfect. Thanks.

Moderator: Thank you, ma'am. The next question is from the line of Raghav from Kamayakya Wealth Management. Please go ahead.

- Raghav:** Yes, so just a small question. Since now we have started talking to customers, what kind of revenue potential are we targeting with the optimum capacity utilization from our Strontium Carbonate plant? And if that's not a clear number, then what kind of asset turn do we have on this case?
- Siddartha Cherukuri:** We are expecting, I think, at an 80% operating level, we are expecting an asset turn of close to 1.5 to 1.8. Although the asset turn looks slightly less, the gross margin should be close to 50 to 52% in the Strontium business.
- Raghav:** That's 52%, how much?
- Siddartha Cherukuri:** Gross margins will be at 50% to 52% is what we are expecting.
- Raghav:** Understood, that helps. Thank you so much.
- Moderator:** Thank you, sir. The next question is from the line of Mahek from Agility Advisors. Please go ahead.
- Mahek:** In Strontium chemicals, what is the total installed capacity?
- Hanumant Bhansali:** Good afternoon, Mr. Mahek. The total installed capacity for Strontium chemicals that we are currently operating right now is about 10,000 tons, which is expandable to about 17,000 tons once we do the phase-wise expansion upon achieving the current scale.
- Mahek:** You updated about three capacities chrome metal, chrome oxide, and DMSO. So, what is the capacity which you are planning, and what is the domestic demand of this product?
- Siddartha Cherukuri:** For DMSO, we are going to come up with a capacity of 10,000 tons, but it will be in a phased manner. The first phase will be operating at 5,000, and thereafter to 10,000. And chrome oxide, we are going to come up with a capacity of 20,000 tons in Vishakhapatnam. And chrome metal capacity would be 6,000 tons. Of course, these are installed capacities and will be operated in a phased manner based on the market demand will be scaled up.
- Mahek:** And what is the peak revenue potential, and how much is the domestic demand of this product?
- Siddartha Cherukuri:** I would say we are expecting, instead of numbers, I can give you an idea on the asset turn. Today, Vishnu Chemicals' net asset turn is almost 3, and gross asset turn is close to 1.7-1.8. So, I mean, with this investment, close to a CAPEX of 150 this year and 300 next year, we are expecting an asset turn of 1.5 to 1.8 on a gross asset basis. That's what I can say.
- Mahek:** And in terms of domestic demand of this product, because you would be exporting also, right? All the products are there for domestic market.

- Siddhartha Cherukuri:** It will be very similar to what we are doing today, a balanced approach. So, today, 51% is export and 49% is domestic. So, we will be in range bound those levels like 50-50 levels.
- Mahek:** And how are we funding this CAPEX for 500 crores, approx?
- Siddhartha Cherukuri:** It's a combination of internal accruals and debt.
- Mahek:** Last question was, if we see the EBITDA margins of our chromium segment, they have been some 15% for the last four to five quarters. So, what are the specific reasons behind this?
- Siddhartha Cherukuri:** Subdued demand in the global markets and the elevated chrome ore price over 2 years have been impacting our EBITDA margins. But we are addressing that not just through chrome ore acquisition which definitely will improve EBITDA margins from FY27. Also, the better economies of scale in terms of chrome oxide addition and chrome metal coming up and DMSO also supporting Vishnu Chemicals overall revenue numbers. We are positive that the EBITDA margins will continue to get to the 20% level by FY28 which we have been targeting. It's not just on account of chrome ore benefit but also on better economies of scale value addition and improved product mix.
- Mahek:** Understood. That's it from my side.
- Moderator:** Thank you, sir. The next question is from the line of Kush Joshi from Suyash Advisors. Please go ahead.
- Kush Joshi:** I just want to understand what is our current capacity for Strontium Carbonate today?
- Hanumant Bhansali:** We have about 10,000 tons operating capacity at current levels today.
- Kush Joshi:** We also mentioned that we would like to target export markets for this particular product. So, any key export markets which you have shortlisted as of now?
- Siddhartha Cherukuri:** We are mainly looking at the flexible market which we see based on the statistics, based on the peer analysis, the main market is in the Far East. We will be focusing in that part of the world.
- Kush Joshi:** I just want to because the point here is that China is very competitive in this particular product. So, how will we be catering to this product in the international markets?
- Siddhartha Cherukuri:** Based on our analysis and what we are seeing, they are not that competitive because even they have to import the raw material and they do have logistics issue wherever the Belgium Strontium facility is a bit far away from the major seaport. Most importantly, the China, there is a sizable demand for ferrite magnet and whatever Strontium produced in China is sold in China. So, they are not really aggressive to export Strontium Carbonate out of China. So, that was one of the reasons I would say more also for us to look at this product. And you see globally, the German producer who is also having a subsidiary in Mexico is having 70%

market share. Actually, a little over 70%. Yes, I mean the Kandelium which was formerly Solvay.

Kush Joshi: Yes. Understood. And this 10,000 tons capacity, what period would we like to peak that capacity utilization?

Siddartha Cherukuri: I reiterate what I said. I think we are waiting for customer approval. Probably in the next con-call we will be able to update you, but we remain positive especially on account of domestic demand as well as way things are progressing with client approvals in Fareast Asia.

Kush Joshi: Thank you so much, sir.

Moderator: Thank you, sir. The next question is on the line of Harshal from ITI. Please go ahead.

Harshal: On this chrome metal 6,000 tons capacity, when is it expected to be online?

Siddartha Cherukuri: FY28.

Harshal: What kind of realization is there in this metal?

Siddartha Cherukuri: I think I would not be able to talk about numbers, but in generalizing, I mean in terms of product mix, in terms of value addition, we see it's going to improve our EBITDA margins and also gross margins as we progress. And again, it's an import substitute product.

Harshal: So, what are the dynamics for that? How much of this metal is being imported?

Siddartha Cherukuri: Based on the statistics, close to 2,000 tons is being imported. And its year-on-year, if I see, there is almost 14% to 15% growth. Especially that the Defence and aerospace as well as the welding electrode market has been growing in India, as we all know. So, it will be growing parallelly with the demand.

Harshal: Understood. And what is the demand in India for this metal?

Siddartha Cherukuri: The demand in India is based on imports. If there is no producer in India at the moment, the demand in India is 2,000 tons.

Harshal: And any ballpark number on what kind of gross margins can we make on this thing?

Siddartha Cherukuri: Again, I reiterate what I said that it will improve our overall gross margin because we look at a consolidated basis. We don't go by the product. We look at blended realizations and blended EBITDA margins. That's how we look at the business overall. Not at a particular product.

Harshal: Understood. That's it. Thank you.

- Moderator:** Thank you, sir. The next question is from the line of Raghav from Kamayakya Wealth Management. Please go ahead.
- Raghav:** Just a clarification. What kind of raw material do we have in Strontium Carbonate? And where do we procure it from?
- Siddartha Cherukuri:** The main raw material is called celestite, majorly imported from Spain and Mexico. And there are other related raw materials like carbon, fuels and certain solvents which are used in the process. Main raw material, which is a key variable cost driver, is celestite ore. And if you have seen the recent budget, they have given preference for this particular raw material and there is no custom duty on this product coming into India in the recent budget update. This is very positive for us moving forward.
- Raghav:** And then also from this recent budget and also the EU FTA that was signed and that's going to be implemented soon. What kind of benefits, in which segments we are seeing the benefits? Like when you said that raw material imports for strontium carbonate are now custom duty free. So, that's a good thing. What else are we targeting?
- Siddartha Cherukuri:** This is one major benefit we have seen is the celestite ore, they have revoked custom duty. And in terms of EU FTA, we are very happy to see this happening but again the timelines are not clear though. It could take a year or two, but we are working very closely with the customers, and this is going to give us a lot more leverage in terms of negotiation because today the customers are paying close to 6% custom duty in Europe which will eventually come down to zero in a year or two. So, with this thing in place, we will be working very closely with certain clients who are relatively price sensitive and hopefully we can convert them in the near future.
- Raghav:** Right. Thank you, sir and all the best.
- Moderator:** Thank you, sir. As there are no further questions from the participants, I now hand the conference over to the management for closing comments.
- Hanumant Bhansali:** Thank you very much. In conclusion, kindly note that our results, investor presentation, earnings release have already been uploaded on the stock exchanges and the company's website. If you have any further questions, feel free to reach out to us on investors@vishnuchemicals.com. Thank you so much for your valuable time.
- Moderator:** Thank you, sir. On behalf of Emkay Global Financial Services Limited, that concludes this conference call. Thank you for joining us and you may now disconnect your lines.