Operator: Ladies and gentlemen, good day and welcome to the Q3 and nine-month FY26 Earnings Conference Call of OCCL Limited. As a reminder, all participant lines will be in listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touch-tone phone.

Before we begin, a brief disclaimer: this conference call may contain forward-looking statements about the company, which are based on the beliefs, opinions, and expectations of the company as of the date of this call. These statements are not guarantees of future performance and may involve risks and uncertainties that are difficult to predict. I now hand the conference over to Mr. Akshit Goenka, Joint Managing Director of OCCL Limited. Thank you, and over to you, sir.

Management: Good afternoon, everyone, and a very warm welcome. Joining me today is Mr. Anurag Jain, CFO, along with our Investor Relations advisor, SGA. We have already shared our financial results and investor presentations for the quarter and nine months ended December 31, 2025, on the stock exchanges and our company website, and we hope you have had the opportunity to review them.

The broader macro environment has been supportive. Calendar year 2025 has seen strong growth in automobile sales driven by multiple positive factors such as the reduction of GST, income tax reductions, and a more accommodative monetary policy. India's economic performance has remained resilient despite global headwinds, and these developments have led to higher vehicle production and improved capacity utilization across the tire industry.

A large share of our exports is directed towards Europe, where relations remain stable and constructive. Additionally, the reduction in US tariffs from 50% to 18% is expected to aid contribution over time, which will help improve our margins. On the domestic front, following the imposition of anti-dumping duty on imports from Japan and China combined with the strong performance of the Indian automobile industry, the operating environment has become increasingly favorable. This positions the company well to pursue strategic objectives of growing domestic market share and increasing it over time.

Though all-time high prices of sulfur are affecting our margins, we expect either the sulfur prices to come down or for our competition and us to pass on these increasing raw material prices to our customers. The Indian tire industry is expected to grow by 7-8% in FY26. This outlook has been further strengthened by recent budget announcements, particularly the increase in government capital expenditure.

To conclude, supported by a strong financial foundation, operational agility, and long-standing customer relationships, we remain confident in our ability to emerge stronger as market conditions stabilize, with signs of recovery already visible in the domestic market. Now, I will hand the line over to Mr. Anurag Jain.

Management: Thank you, Akshit. I will now take you all through the financials of the company. The highlights of Q3 FY26 are as follows:

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Total income for Q3 FY26 stood at 114.6 crores as compared to 96.5 crores in Q3 FY25, a growth of 19% year-on-year. EBITDA for Q3 FY26 stood at 21.2 crores as compared to 16 crores in Q3 FY25, a growth of 35% year-on-year. EBITDA margin stood at 17.6%. Profit after tax for Q3 FY26 stood at 6.5 crores as compared to 5.2 crores in Q3 FY25. PAT margin stood at 5.7%.

Now, let me highlight the performance for the nine months ended FY26. As the company had accounted for the demerger of the chemicals business of AG Ventures Limited (formerly known as Oriental Carbon and Chemicals Limited) into the company with effect from the appointed date of July 1, 2024, the nine-month results for FY26 are not comparable with the corresponding nine-month data of the previous year, as the company did not have operations until July 1, 2024.

Total income for nine months FY26 stood at 358.7 crores. EBITDA for nine months FY26 stood at 67.1 crores. EBITDA margin stood at 18.7%. Profit after tax stood at 28.4 crores, while PAT margin was 7.9%.

Management: We can now go to questions and answers.

Operator: Thank you very much. We will now begin the question-and-answer session. Anyone who wishes to ask a question may press star and one on their touch-tone telephone. If you wish to remove yourself from the question queue, you may press star and two. Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles.

The first question is from the line of Aditya Khetan from Smith Institutional Equity. Please go ahead.

Aditya Khetan - Smith Institutional Equity: Thank you, sir, for the opportunity. Just a couple of questions. When we look at sulfur prices from August 2025 till date, the prices have doubled in this period. I want to know the strategy on this cost front. I have read some reports mentioning that for the complete calendar year, prices might remain at an elevated level. Since sulfur prices do not seem to be coming down, how will the company's strategy change? Can the contracts be renegotiated at higher prices? Considering growth is weak, how much can customers absorb this higher cost?

Management: You are right. The average price for July to September was about 29 rupees; the current price is about 52 rupees. There has been a substantial increase in sulfur prices. The only way we can pass it on—we have been able to pass some of it on in the domestic market, but not in the international market—is if the competition also increases prices. We believe that because the sulfur price increase was initially viewed as temporary, the competition may not have increased prices yet. Now that it has been a long period of price increases, we feel it will be difficult for even the competition to absorb the price and they are bound to increase prices, which should help us.

Secondly, wherever our pricing is formula-based, the pricing will follow the formula and we will get the increase or decrease as applicable. However, in sulfuric acid, we are able to pass on the increase because sulfuric acid is also sold based on the sulfur price.

Aditya Khetan - Smith Institutional Equity: Got it, sir. My second question is about the outlook in the exports market. You were targeting the North American market and had highlighted energy and

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competition issues. India now stands at an advantage compared to global peers. Can we see an increase in volume in the US and Europe markets? Are there changes in strategy or higher volumes that can take our capacity utilization to higher levels, as our utilization still remains low?

Management: When the American tariffs increased, we had to give deep discounts to maintain our supply to America, which affected our margin. But since the tax credits have been rolled back significantly, our discounts will also go back. Even though our carriers are at an advantage relative to China, most of the supply of insoluble sulfur in America is local from American plants, so it does not depend on tariffs. Our strategy with the export market continues as before. It was suspended because of the tariff, but now that the tariffs have been rolled back, we are looking at the export market with renewed vigor, though it will take some time.

Aditya Khetan – Smith Institutional Equity: In the quarter, if you can give some quantitative data on how much volume we could have lost and how much discounting we took, potentially hitting the bottom line?

Management: When the tariffs went from 0% to 50%, you can imagine that to maintain the same price, we had to give discounts in the American market in the range of 25%.

Aditya Khetan – Smith Institutional Equity: During the quarter, other expenses look lower compared to the top line. Was there a one-off impact? Also, considering the financial position, it seems the complete anti-dumping duty benefits have been taken away. How are you seeing volumes and margins playing out in the near term?

Management: To answer your first question, as of September 30, there was one-time expenditure on account of duty and also sulfuric acid annual shutdown expenditure, which is why it was a bit higher in the preceding quarter, but it is the same as the same quarter last year.

Coming to your second question, the fact that the tariff did not increase the price even though the raw material prices have increased means they have taken away the benefit of the anti-dumping duty. As far as quantities are concerned, our strategy of gaining domestic market share remains the same. We are aggressively looking at increasing our share in the domestic market, and that strategy is going to get more focus in the coming year.

Aditya Khetan – Smith Institutional Equity: So the pressure on competition will continue?

Management: There is pressure on margins. Even though we got the anti-dumping duty and were able to increase our prices, our margins did not increase; in fact, they came down a little bit because of the sulfur prices. We are hoping that since sulfur prices have been high for more than six months, there will be an impact on the profitability of competitors and they will also increase prices, or sulfur prices themselves will come down.

Aditya Khetan – Smith Institutional Equity: Got it, sir. Thank you.

Operator: Thank you. The next question is from the line of Siddesh Gandhi from Discover Capital. Please go ahead.

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Siddesh Gandhi – Discover Capital: Hi. How much do you estimate is the impact of this tariff in the US, and now that they have been removed, what sort of an impact will we see in terms of EBITDA?

Management: It is very difficult to give figures like that because these tariffs happened midway through the year. We have our own internal calculations as to how much margins were hit and how much we will recover, but it would not be possible to give out numbers that correlate precisely to the P&L.;

Siddesh Gandhi – Discover Capital: Can we assume that even at existing prices of our product, we should see a reasonable amount of enhancement in Q4, or at least a couple of hundred basis points since the tariffs have gone away?

Management: I will allow Anurag to answer, but I would like to make one clarification: the tariffs have not gone away yet. We do not know which day the tariffs are going to go away. It has not been notified, so we do not know the day it will be notified.

Siddesh Gandhi – Discover Capital: It could happen right now?

Management: Effectively right now, anything you export is still subject to the tariff. My understanding is it is still subject to 50%.

Siddesh Gandhi – Discover Capital: Even regarding exports today, will that 50% apply?

Management: No, even if some exports go today, it will attract 50%.

Siddesh Gandhi – Discover Capital: I think this is a gray area. Let us set aside whether it is applicable now; do we expect a reasonable uptick or a marginal uptick once the notification comes?

Management: As far as America is concerned, I have already said we have had to give discounts in the range of 25%.

Siddesh Gandhi – Discover Capital: Right now, how much is the approximate revenue from America?

Management: We cannot disclose that.

Siddesh Gandhi – Discover Capital: Are we talking about 15–20% of revenues, or 30%, or is it inconsequential?

Management: The revenue we have is an amalgam of sulfuric acid as well as insoluble sulfur, and the percentage changes depending on the price of sulfuric acid. For me to give a specific percentage would not be correct because it changes. However, what we can say is that our estimated calculations on the bottom line are not insignificant. If this tariff had continued long term, it could have had a decent impact on the bottom line.

Siddesh Gandhi – Discover Capital: So you are saying once it normalizes, there should be a reasonable impact on the bottom line?

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Management: Yes. In the current year, the impact of the tariff is only from August and not for the full year.

Siddesh Gandhi – Discover Capital: Assuming in Q3 there was no tariff, we would be at a reasonably higher EBITDA number?

Management: Yes, that is right.

Siddesh Gandhi – Discover Capital: Is part of the reason you are unable to pass on higher raw material prices because there is a supply glut where supply is higher than demand?

Management: Yes, that is true.

Siddesh Gandhi – Discover Capital: How long before it normalizes? If people have already put up incremental capacity, you would want to run utilization as high as you can even if you take a hit in terms of margin. Could this lead to multi-year compression and lower margins?

Management: The current capacity utilization levels are between 70% and 75% as per our reckoning. If we look at a 2-3% global growth in demand for insoluble sulfur, and if we think 85% is a healthy capacity utilization, it will take about 4-5 years.

Siddesh Gandhi – Discover Capital: The Indian market is growing at a much faster pace. Regarding India, is it that the benefits of the anti-dumping duty are being offset because the Chinese are taking a hit in terms of prices just to get volumes?

Management: The anti-dumping duty impact has kept our margins intact despite sulfur prices going up. Contribution has not improved, but it has remained stable. Had the anti-dumping duty not been there, our contribution would have been very badly hit.

Siddesh Gandhi – Discover Capital: Got it. That is all from my side.

Operator: Thank you. The next question is from the line of Anubhav Mukharji from C Capital. Please go ahead.

Anubhav Mukharji – C Capital: Am I audible?

Management: Yes, you are.

Anubhav Mukharji – C Capital: Can you share the current realization in the domestic market in India compared to the period before the anti-dumping duty? My understanding is that before the anti-dumping duty, prices in India were below 1,000 dollars per metric ton.

Management: The duty was in the range of about 300 dollars. The impact is not exactly 300 dollars because material comes from Malaysia, Japan, and China, but on average, we were able to get an increase in selling price in terms of rupees around 200 dollars plus or minus from that time.

Anubhav Mukharji – C Capital: Even with this 200 dollars, have you been able to mitigate the impact of sulfur prices?

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Management: Until now, we have been able to mitigate it, though my contribution is going to be a little lower. The impact of the increase is about 20–22 rupees, but it might go up to 25 rupees.

Anubhav Mukharji – C Capital: In January, have there been any price increases? I read that some players in the domestic market have taken a price hike to pass on sulfur costs.

Management: We have been in touch with the domestic market. We have been able to get some increases with some companies, but it is not consistent throughout. We have not covered the whole price increase because our capability to get increases is limited by import prices.

Management: We hope to see significant improvement in the future, but as of now, there has been no significant change.

Anubhav Mukharji – C Capital: Have you seen any change in market share or import volumes?

Management: It is difficult to talk about market share in the short term. We will be able to tell you more about market share after the current year is completed. For a short period, it depends on shipments coming in more in one month than others.

Anubhav Mukharji – C Capital: Are you also trying to approach the government regarding this?

Management: Yes, we had to go against that and we are monitoring the situation.

Anubhav Mukharji – C Capital: Are there any issues when exporting to certain regions?

Management: It is within the limit of what is going out.

Anubhav Mukharji – C Capital: What about the volumes?

Management: The volumes for that are stable. You still make a margin there.

Operator: The next question is from the line of Madhur Rathi from Counter Cyclical Investments.

Madhur Rathi – Counter Cyclical Investments: This quarter, how much was the contribution from sulfuric acid?

Management: It is significant, but I will not be able to give the exact number. It changes.

Madhur Rathi – Counter Cyclical Investments: Is there any update from the promoters regarding a buyback? Years back we were waiting for the demerger to happen, and now that it is complete, is there any update?

Management: There are no plans for a buyback.

Madhur Rathi – Counter Cyclical Investments: What is the import duty right now for competition?

Management: It depends on many things, but it is around 3.5%.

Madhur Rathi – Counter Cyclical Investments: What is the current utilization?

Management: It has come down to about 70%.

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Madhur Rathi – Counter Cyclical Investments: In the international market?

Management: The conditions are challenging.

Operator: The next question is from Piyush Bangar from Visit Global Services Private Limited.

Piyush Bangar – Visit Global Services Private Limited: Regarding the current capacity, is it 70%?

Management: Yes, 70%.

Piyush Bangar – Visit Global Services Private Limited: Do you expect the same for the next year?

Management: That is difficult to predict.

Piyush Bangar – Visit Global Services Private Limited: Fair enough. What is the outlook for the export market?

Management: It remains our primary focus market.

Operator: Since there is no response from the next participant, we will take this as the last question for today in the interest of time. I now hand the conference over to the management for closing comments.

Management: I would like to thank everyone for being part of this call. We hope we have answered your questions. If you need more information, please feel free to contact us or Mr. Deven Dova from our Investor Relations advisor. Thank you.

Operator: Thank you very much. On behalf of OCCL Limited, that concludes this conference. Thank you all for joining us today and you may now disconnect your lines.

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