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17th November 2026

BSE Limited
Scrip Code: 500300

National Stock Exchange of India Limited
Symbol: GRASIM

Dear Sir/Madam,

Sub: Transcript of post Earnings Call
Ref: Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Please find enclosed the transcript of post Earnings Call held on 13th November 2026 on the Unaudited Financial Results (Standalone and Consolidated) of the Company for the quarter and half year ended 30th September 2026 and the same is also available at https://www.grasim.com/Upload/PDF/grasim-earnings-call-transcript-q2fy27.pdf

Thanking you,

Yours sincerely,

For Grasim Industries Limited

NEELABJA CHAKRABARTY
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“Grasim Industries Limited

Q2 FY27 Earnings Call”

November 13, 2026

Management: **Himanshu Kapania – Managing Director And Business Head, Birla Opus Paints**
Hemant Kadel – Chief Financial Officer
Vadiraj Kulkarni – Business Head, Cellulosic Fibres
Jayant Dhobley – Business Head, Chemicals, Fashion Yarn and Insulators (CFI)
Sachin Sahay – CEO, Birla Opus
Sandeep Komaravelly – CEO, Birla Pivot

Disclaimer: E&OE - This transcript is edited for readability purposes, factual and verbatim errors. In case of discrepancy, the audio recording uploaded on the website on 13th November 2026 will prevail.

Moderator: Ladies and gentlemen, good day and welcome to the Q2 FY27 Earnings Call hosted by Grasim Industries. 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 the conference call, please signal an operator by pressing star and then zero on your touchtone phone. I now hand the conference over to Mr. Ankit Panchmatia, Head Investor Relations of Grasim Industries. Thank you, and over to you.

Ankit Panchmatia: Yeah, hi. Good evening and Diwali wishes to everyone. Thank you for joining Grasim's Second Quarter Financial Year 2027 Earnings Call. The quarterly earnings collaterals are already uploaded on the website of stock exchanges and our website for your reference. For safe harbor, kindly refer to cautionary statement highlighted in the last slide of our presentation. Today, we have with us our management team, which is represented by Mr. Himanshu Kapania, Managing Director of Grasim Industries Limited & Business Head of Birla Opus Paints and we have with us Chief Financial Officer, Mr. Hemant Kadel. Also, we have with us joining Mr. Jayant Dhobley, Business Head of Chemicals, Cellulosic Fashion Yarn and Insulator Business. Mr. Vadiraj Kulkarni, Business Head of Cellulosic Fibers Business. Mr. Sachin Sahay, CEO of Birla Opus. And Mr. Sandeep Komaravelly, CEO of Birla Pivot. Let me now hand over the call to Himanshu sir for his opening remarks. Over to you, sir.

Himanshu Kapania: Thank you, Ankit. And good evening, ladies and gentlemen. A very warm welcome to all present on the call and thank you for joining us today. Before we begin, on behalf of the entire Grasim Industries team, I would like to wish all our investors, analysts, and stakeholders a very happy Diwali and a prosperous New Year. May the new Samvat bring good health, happiness, and continued prosperity to all of you.

As we begin Samvat 2083, let me take a few minutes to share our perspective on prevailing global and domestic macroeconomic environment. The global economy continues to demonstrate resilience despite navigating a challenging environment characterized by geopolitical tensions, energy market disruptions, and evolving trade dynamics. According to IMF's October 2026 outlook, global GDP growth is projected at around 3.1% in 2026, with inflation expected to remain elevated at approximately 4.7%. The ongoing tensions in West Asia have added to energy price volatility and supply chain uncertainties, while concerns around elevated sovereign debt and tighter financial conditions continue to weigh on the global outlook. At the same time, investments in artificial intelligence, digital infrastructure, and technology-led productivity improvements are providing important growth opportunities. Overall, the global environment remains cautiously optimistic, but uncertainty and volatility are likely to persist.

Against this backdrop, India continues to remain one of the fastest-growing major economies, supported by strong domestic demand, resilient services, activities, infrastructure investment, and sustained government focus on manufacturing and capital expenditure. The IMF has revised India's FY27 GDP growth projection upwards to 7%, reflecting stronger-than-anticipated economic momentum. High-frequency indicators continue to point towards healthy activities across industry and services, although some moderation in manufacturing growth has

been visible. On the inflation front, there is emerging pressure from high energy and food prices alongside supply-side uncertainties. The RBI has responded by increasing the policy repo rate by 25 basis points to 5.5% in the October policy review, while continuing to balance growth and inflation considerations. India's external environment remains challenging, particularly given its dependence on imported energy. Our resilient domestic consumption, infrastructure development, a strong services sector, and continued policy support provide a meaningful cushion against global volatility. Overall, while the global environment remains uncertain, we believe India's structural growth opportunity remains intact. The government's focus on Viksit Bharat, infrastructure development, manufacturing, urbanization, and rising consumption continue to create significant opportunities across our businesses.

At Grasim, with our diversified presence across cellulosic fibers, chemicals, building materials, paints, B2B, e-commerce, and renewables, we remain focused on strengthening our competitive position and creating sustainable long-term growth. This diversified portfolio is exactly what is powering our numbers. On a consolidated basis, revenue for Q2FY27 stood at the highest ever of ₹50,105 crores, up 26% year-on-year, driven by strong all-round performance across our businesses. On a trailing 12-month basis, consolidated revenue stood at ₹194,234 crores. Already up 7% compared to FY26 numbers. We are now at a striking distance of ₹2 lakh crores. The same story is visible in the standalone business, where portfolio works as a balanced engine of core and growth businesses. Standalone revenue for quarter 2 grew faster by 33% year-on-year, reaching an all-time high of ₹12,747 crores. In a sense, this is how our diversified model creates value. Our core businesses provide resilience and steady cash flow, while our growth engine adds scale and future earning potential. Together, this allows us to deliver consistent performance through cycles and builds sustainable long-term value for all our stakeholders.

With that, let me now move to the performance and key developments across our businesses. Let me now start with our paints business, Birla Opus. In the market shaped by decades of brand loyalty and deeply established relationship, presence is the first milestone. Preference is the next. Execution is the ultimate game changer. Over the past two years, we have worked relentlessly to establish Birla Opus in the market, not just through scale of our manufacturing, but by building pan-India distributions, sustained brand investment, expanding our product portfolio across each category, and engaging more deeply with dealers, contractors, painters, architects, builders, and engineers, and many more. Today, these investments are beginning to come together. Our products are reaching more markets, our brand is becoming more salient, our distribution network is expanding, our engagement with people who influence purchase decisions is getting stronger. We are creating the foundation for business that can compete not just on availability, but on consumer preference and trust. The work of the past two years have been about establishing our presence. The next phase is about converting that presence into stronger market share, accelerating growth, and building a portfolio of profitable, sustainable, and enduring business.

For H1FY27, the revenue stood at one shot of ₹3,000 crores, growing 50% year-on-year. This quarter, Birla Opus recorded a revenue of ₹1,337 crores with a year-on-year growth of 35%. The H1 volume grew by 33% and quarter 2 volume by 20% on year-on-year basis. As

confidence on brand and product quality grew, we took a bold call to reduce our price versus market leader in a step-by-step process. We believe that in the month of September, our prices are within 2%-4% distance, excluding 10% impact versus the monopoly player. The company intends to fight the market leader, leveraging its own ongoing efforts in distribution, brand, product quality, exclusive franchise setup, customer and influencer engagement, and 10P.

Quarter 2 is traditionally a softer quarter for decorative paints industry, as the monsoon impacts painting activity and dealer stocks higher inventory of existing market leaders rather than newcomers. Birla Opus strength is retailing, not whole selling, and therefore company's dealer inventory stock is lower than the market leaders. This year was no different, with broader industry also witnessing a seasonal slowdown, resulting in intense competitive activities on scheme and almost flat QoQ rate realization despite higher dealer price list increase. But our focus is not on seasonality of a quarter. Our focus is on the strength of the business we're building and on how effectively we convert that strength into growth when the market accelerates. We have already demonstrated that we can build a meaningful presence in a highly competitive market in a remarkably short time. Combined market share, including Birla Opus and Birla White Putty, remains at early teens, bridging the distance with existing number two. Our ambition now is to take the progress further with a clear focus on reaching double-digit revenue market share in H2FY27 with Birla Opus alone. The work to get there is in progress across every part of our business.

The first focus area where we have strengthened our competitive position is distribution. In paints, you win when your product is available where the consumer wants it, when the dealer is confident in your brand, and when your presence is felt in every market that matters. Billed dealers continue to strengthen quarter-on-quarter. Our cumulative retail footprint now stands at 61,000 plus dealers billed at least once across 12,600 plus towns. Even in quarter 2, more than 44,000 dealers build our products as our presence expands fast across geographies and every product in every state of the country. Besides multi-brand outreach, Birla Opus divides its own strategy to grow decorative paints retailing consumer experience. Happy to report that Birla Opus has the largest exclusive franchise network in India for decorative paints. Our exclusive branded franchise network continues to expand with approximately 300 additions during the quarter, with our operational franchise network at 1,760 plus stores, strengthening our service commitment to market. Every franchise outlet offers additional services, including company-promoted painting services, PaintCraft, EMI services, Opus Assurance, and warranties.

Every new dealer expands our reach, every franchise store strengthens our visibility, and every productive channel partner brings us closer to the consumer. To support this expanding distribution footprint, we have built a robust supply chain network of nearly 150 depots across the country, offering just-in-time and high-service standards delivery to the dealers. Besides strong trade channel, our institutional channel, which took longer to take off, has grown 59% year-on-year, with nearly 10,000 project sites built during the quarter. The company has 60,000 plus project sites at various stages of work, including in pipeline, and we expect institutional volume to accelerate in H2. We are not building distribution for numbers alone. We are building distribution to win market one dealer, one town, and one customer at a time. The next phase is to deepen productivity across this expanding network and ensure that our

presence translates into stronger sales, greater consumer pull, and profitable growth. Distribution gets us to the market, but it is our product that must win the consumer's confidence, which brings us to our second focus area, which is product innovation. During quarter 2, we introduced 11 new products and 360 plus SKUs, taking our portfolio to 239 products and 2,300 plus SKUs, almost filling most gaps across categories of trade and institution channel, including emulsion, enamel, waterproofing, wood finish, wallpaper, et c, range of products. Our pipeline continues to develop with focus on differentiated offering, superior product performance, and premiumization. Importantly, our growth is not limited to few categories. We are seeing encouraging traction across the portfolio, with premium and luxury portfolio still contributing approximately 63% of our sales value despite a weak quarter. Our waterproofing portfolio has been particularly strong, delivering 2x revenue growth this year. We are building a portfolio that can serve a wider range of consumer needs, applications, and price points. The objective is not simply to have more products on the shelf. It is to give dealers, painters, and consumers compelling reasons to recommend, experience, and choose Birla Opus. We want to move beyond being a new brand on the shelf to become a brand that consumers actively seek and recommend.

That brings me to the third focus area, building Birla Opus brand as a consumer first choice preference while painting their homes. A strong brand is not built through a single campaign. It is built through a consistent presence, and we maintain an uninterrupted advertising presence every single day, building not only on sales, but consistently building unique brand proposition, the brand proposition of ‘Naye Zamane Ka Naya Paint’ and ‘Duniya Ko Rang Do’. We continue to invest aggressively in strengthening brand Birla Opus with aided brand awareness reaching enviable 92% and unaided brand awareness at 59% in quarter 2, a satisfying outcome for the last two years' enduring campaigns. As per internal studies, Birla Opus, in a very short period of time, rose to the second most loved brand in the decorative paints industries. Our advertising is now shifting from brand advertising to blend of product-led campaigns and brand-led campaigns, like the recent “Main Bhi”. We promoted our first product-led campaign using Style, our sub-brand of economy, which is deployed across Hindi heartland, especially for markets of U.P., Bihar, Rajasthan, and Madhya Pradesh. This campaign demonstrates the power of Birla Opus superior coverage in interior economy range of products.

Also, to build cultural connect with community, we chose to associate the power of Birla Opus colors strongly with festivals of India. In quarter 2, we launched emotionally endearing campaigns for Onam, Ganpati, and Durga Puja. These are deepening consumer connect by bringing the brand closer to local festivities and celebrations. We also decided to advertise 10% free paint proposition, reinforcing our strong value proposition for consumers and influencers, and confirming that this promotion will be done for a longer period. We are now taking the next step in our communication journey from establishing the brand and its promise to showcasing our products and their benefits to the consumer. In this series, second campaign has just been introduced in November 2026, the Opus Alldry sub-brand campaign. Series of three different advertising promoting wide range of interior, exterior, and roof waterproofing products and solutions. Advertising reinforces Birla Opus is now a full waterproofing solutions

company. This is an important evolution. You can expect more sub-brand advertising in H2. First, we wanted consumers to know Birla Opus. Now we want them to know why they should select Birla Opus. Moving on to PaintCraft, which I mentioned is available through our exclusive franchise outlets. Our painting services platform is now present across 7,700 plus PIN codes on a pan-India basis. Revenues from PaintCraft has grown 1.5x over last quarter. PaintCraft not only brings us closer to consumers but also boosts our confidence in our R&D efforts and superior quality as we have direct contact with consumers. Nearly 12,000 plus PaintCraft sites have been executed not only in the metros and larger towns, but also in mid and small towns, giving a whole new experience to small-town citizens.

Last but not the least is our fourth focus area, the influencers, our contractors and painters, as they have the power to shift consumers' final choice. In the paint industry, the final decision is shaped not only by what consumer sees, but also by whom consumer trusts. The painter's recommendation can make a real difference to the brand that ultimately gets applied on the wall. That is why contractor engagement is central to our strategy. Using product demonstrations, on-ground interactions, events, and sustained engagement, and through our digital-first, contractor-friendly platform, Opus ID, we are working to make Birla Opus more familiar, more trusted, and more frequently recommended by this community. We are happy to report that nearly 1 million contractors and painters have applied Birla Opus products at least once from the time Opus launched. In quarter 2, over 3 lakh of these contractors have applied the Opus paint, and the reported secondary volume through contractor-painter scans grew by 34% year-on-year versus primary sales volume, which grew by only 20%, as reported in revenue briefing earlier. This indicates that the inventory of our dealers is fast depleting, and the same was therefore reflected in a strong October sales.

We want Birla Opus to be more than a brand that consumers recognize. We want it to be a brand that painters recommend with confidence. When our distribution reaches the dealer, our brand reaches the consumer, our products deliver value, and contractors advocate for us, the entire growth engine begins to work together. That is the business we are building, and we are beginning to see encouraging signs that these efforts are translating into market momentum. The capabilities that we have been building are meeting a more favorable market environment, and October is giving us strong reasons to be optimistic about quarter 3. Volume growth this October is far higher than the average Y-o-Y growth in H1. Our focus now is execution, making our products widely available by activating more dealer and contractor networks, sustaining consumer engagement, and converting the festival season opportunity into business performance. We want to carry this momentum through the quarter and hope to deliver a strong quarter 3, both in volume and value terms. Because winning market share matters, but winning market share ultimately leads to building a sustainable, profitable business, and the same matters even more.

Let me leave you with three thoughts. First, we built the foundation of a serious challenger. Our distribution network is expanding, our brand is gaining recognition, our product portfolio is developing, and our engagement with contractor painters is deepening. Second, we are moving from building capabilities to extracting greater value from them. The next stage is about turning reach into productivity, then to awareness into preference, and scale into

profitable growth. Third, the early signals from October give us confidence as we enter H2. We have an opportunity to build on the momentum, execute with greater intensity, translate the work of the last two years into stronger business performance. Our ambition remains unchanged, to become India's second-largest decorative paints company and build ₹10,000 crores brand by exit of FY28. We know the scale of that ambition. It will be earned through the choices we make every day in our product, in our distribution, in our brand, our customer relationship, and above all, quality of our execution and operational excellence. We are building more than paints business. We are building a brand with ambition to lead, capabilities to compete, and a determination to win.

Now, coming to B2B e-commerce business. Let me start with a question. When you think about the biggest shift in how India does business over the next 15 years, what comes to your mind? Maybe it is UPI, maybe it is manufacturing. Today, I want to talk about something that sits underneath all of it, and that most people are still underestimating how businesses in India buy and sell from each other. That is right, online. I would share why we think that B2B e-commerce is one of the great opportunities of this decade, and why Birla Pivot is built to be part of it. India's B2B trade pool is about USD4 trillion. That is USD4 trillion of business buying from other businesses. How much of that happens online today? Roughly 2% in fiscal 2026. Now look at where others are. Online share of B2B sales is 25% in China, 20% in U.K., 18% in U.S.A. We believe that India is at the very beginning of this curve, and the beginning of that curve is exactly where Birla Pivot is standing. We expect India to cross 5% by year 2030. That alone is USD200 billion of B2B e-commerce market.

Birla Pivot is steadily evolving into a scaled digital B2B commerce platform, connecting businesses with a growing ecosystem of suppliers and enabling procurement through a more organized technology-led experience. Importantly, the focus is increasingly shifting from customer acquisition to improving customer engagement, transaction frequency, and share of wallet. The platform is working towards strengthening repeat purchases, increasing the number of active transacting buyers, and improving the breadth of products purchased by existing customers. On the supply side, deeper brand and seller partnerships are enhancing product availability, pricing competitiveness, and fulfillment capabilities. Continued improvement in operational execution, particularly on-time, in-full deliveries, in short, OTIF, supply chain reliability, and customer experience are expected to support the stronger customer retention and higher transaction volumes. The platform is witnessing increasing traction across its customers and supplier ecosystem, supported by a rapidly expanding product portfolio, deeper customer relationship, and growing participation across the building material and industry supply chain. Its growth is being driven by a combination of project-led and manufacturing demand, alongside an expanding retail proposition.

Today, the platform is seeing meaningful transaction activity across both projects and retail, with month-on-month growth in orders. The business has built a sizable customer and supplier ecosystem, which continues to strengthen execution and working capital discipline as it scales. Importantly, we are beginning to see the benefits of a more diversified platform model. Retail is developing as an attractive complementary growth engine, broadening Birla Pivot's participation beyond larger project-led transactions and creating opportunities for more

frequent customer engagement. The retail business is already profitable at the EBITDA level, providing an encouraging validation of the underlying model. Another important differentiator is the integrated financing ecosystem being developed through Pivot Vault and partnerships with leading banks and NBFCs. By combining credit-linked commerce with procurement and fulfillment capabilities, Birla Pivot is addressing one of the key constraints faced by dealers, contractors, and MSME customers: access to working capital.

These financing solutions are expected to improve purchasing capacity, facilitate large transactions, enhance customer stickiness, and unlock incremental business opportunities across the ecosystem. Revenues for Q2 FY27 grew by 66% Y-o-Y to ₹2,785 crores. The business annualized revenue run rate crossed ₹11,000 crores this quarter and aims to cross ₹12,000 crores of revenue for full year FY27. That is nearly 50% year-on-year growth on a reasonably large base. Sustained customer acquisition, healthy repeat engagement, superior fulfillment strength are growth flywheel. They give us the scalable platform for sustained growth. With the scale now established, Birla Pivot is ready for its next phase of growth. The focus will be increasingly on translating the scale into stronger economics through deeper customer engagement and expanding supplier ecosystem, improved margins, tighter working capital management, and greater operating leverage. Gross margin continued to improve. However, Q2 FY27 EBITDA was affected by one-time employee-related expenses. The business remains on track to reach break-even in H2 FY27. The progress achieved so far provides a strong foundation for Birla Pivot to move from rapid scale creation towards sustainable profitable growth and long-term value creation.

Let me now hand over to Hemant, our Grasim CFO, for updates on cellulose fibers, chemicals, other businesses, and on overall financials.

Hemant Kadel: Thank you, Himanshu sir. Good evening, everyone, and thank you for joining us today. Before I go through the business-wise performance, let me first explain the exceptional charge related to AV Group NB, our dissolving grade pulp joint venture in Canada. It has affected our reported PAT, and we have given the details in the notes to accounts in reported results. After a careful review of market conditions and plant running, the Board of the joint venture entity has decided to idle the operations of the pulp mill located at Nackawic. As a result, in quarter 2 of FY27, we have recognized a total charge of ₹825 crores in standalone results and ₹767 crores in consolidated results, shown as an exceptional item. Excluding this charge, consolidated PAT was ₹536 crores, and standalone PAT was ₹3,132 crores. Consolidated PAT was also affected by tax on dividend income. While consolidated PBT grew 34% year-on-year, adjusted PAT declined 10%. Also to share that standalone business now contributes 24% of overall consolidated revenue earnings.

We believe for the current quarter, standalone results reflect actual underlying performance. The dividend from UltraTech of nearly ₹4,000 crores is cash received, which is accounted in standalone, however, gets eliminated in consolidated results. Talking about standalone numbers. Revenue for the quarter stood at all-time high of ₹12,747 crores, up 33% year-on-year, outpacing the consolidated revenue growth. The main drivers of this growth were cellulosic fibers, chemicals, and textiles. EBITDA was higher by 2.6x at ₹4,615 crores, led by

dividend income from UltraTech. Also to share that cash profit for the quarter stood strong at ₹3,968 crores, up 2.5x on year-on-year basis.

Now let me start updating on business-wise performance. Starting with the cellulosic business, let me begin with global cellulosic fibers market. China's CSF market in quarter 2 FY27 remained strong, with operating rates of 93% and inventory days now at six days, signaling a healthier demand-supply balance. Subsequently, global CSF price has now risen for four consecutive quarters, with the Q2 FY27 average at USD1.85/ kg, up 23% year-on-year. The structural opportunity here is that cellulosic fibers are the fastest growing part of textile basket. Cotton constraints have created a gap. The cellulosic fibers are the best placed to fill it. Cellulosic fibers are also biodegradable and environmental friendly, which makes them one of the most sustainable option. Given its growth opportunities, we are expanding here, especially in specialty fiber segment with a planned capacity of 165,000 tons per annum in two phases. Phase I of 55,000 tons per annum has nearly completed all the procurement deliveries. For phase II of 110,000 tons per annum, the environmental clearance application is at advanced stage of submission. Overall, cellulosic fiber segment revenue grew by 29% year-on-year to ₹5,344 crores, supported by volume growth, favorable product mix, and stable domestic realization, despite geopolitical issues and higher input and logistics cost.

Coming to chemicals business segment, which has three parts: caustic soda, chlorine derivatives, and specialty chemicals. Revenue grew 15% year-on-year to ₹2,759 crores. The growth was broad-based across all the three parts. We are India's leading pan-India chlor-alkali player with total capacity of nearly 2.6 million tons per annum, split between 1.5 million tons of caustic capacity and 1.1 million tons of chlorine derivatives. The caustic business serves varied manufacturing segments like alumina, organic and inorganic chemicals, textiles, FMCG, and others. In chlorine derivatives, two key projects at Vilayat came on stream recently. The 50,000 tons of CPVC plant was commissioned in August 2026, and 50,000 tons epichlorohydrin plant was commissioned in October 2026. As capacity ramped up across these projects, our chlorine integration is expected to improve to 67%. Caustic prices were soft this quarter. CFR Southeast Asia prices stood at five-year low levels of USD390/ ton. However, stable domestic demand and rupee depreciation resulted in some firmness in domestic prices.

Coming to cement business. UltraTech witnessed higher-than-industry volume growth, posting total sales volume of 38.2 million tons, up nearly 13% year-on-year, despite challenges around seasonality, higher fuel and input cost. UltraTech demonstrated resilience with stable pricing and efficiency gains on power. While fuel and raw material costs remained elevated, UltraTech delivered strong performance with EBITDA growth of 17% year-on-year, supported by healthy volume growth, improved capacity utilization, and operating efficiencies. The business remains firmly on track to achieve 242.9 million metric tons of capacity by exit of March 2028.

Financial services subsidiary, Aditya Birla Capital, delivered a strong performance during quarter 2 of FY27, with revenue as consolidated in Grasim was higher by 32% year-on-year to ₹13,990 crores. The growth was broad-based across lending, insurance, and asset management businesses, which underscores the strength of ABC's diversified franchise and its ability to

capitalize on expanding opportunities in India's financial service sector. The business is accelerating investments in distribution, technology, data, and AI, which are increasingly become integral to its operating model across underwriting, customer engagement, risk management, and operational efficiency.

Talking of other businesses, brings together textiles, insulators, and renewables that benefit from structural tailwinds, premiumization in apparel, and India's push on electrification, clean energy, and rooftop and C&I solar adoption. The segment revenue grew by 16% year-on-year, and EBITDA grew by 14% year-on-year. The renewable business capacity expanded by 269 megawatts on year-on-year basis, and total capacity now stands at 2.2 GWp. Happy to share that we have got CCI approval on acquisition of Sprng, and we remain committed to close the transaction in the current calendar year. Post-acquisition, the total capacity, operational and under construction, would reach about 10 gigawatts of peak capacity. The business now aims to reach 20 gigawatts of capacity, and we would be happy to share more information on this once the Sprng deal is consummated.

Sustainability remains a key strategic priority for Grasim, with a continued focus on reducing dependency on conventional energy sources, improving resource efficiency, and strengthening responsible manufacturing practices across its businesses. Our renewable power share has increased significantly from 11% in FY25 to 26% in H1 FY27, reflecting the progress made in transition towards cleaner energy. We are also driving greater water efficiency, with recycled and reused water continuing to remain above 50% of freshwater withdrawal in H1 FY27. On the capex front, we continue to make strategic investments to strengthen our core and growth businesses. At the same time, we remain opportunistic while investing in our key subsidiaries to maintain our shareholding and maximize long-term value creation. For FY27, we earmarked a standalone capital expenditure of ₹3,157 crores, of which ₹1,022 crores were invested in H1 FY27. Now we open the floor for question and answer:

Moderator: Thank you. We'll now begin the question-answer session. We have the first question from the line of Rahul Gupta from Morgan Stanley. Please go ahead.

Rahul Gupta: Yeah. Hi. Thank you for taking my questions. Two questions, both on paints. First, you talked about October revenues are trending better than the growth that we saw in the first half. Now can you help us understand what kind of revenue growth are you targeting in the second half when you say you look to get a double-digit market share in second half? Is it fair to say that your revenue growth would be more than 50% like we saw in the first half? That is my first question.

Himanshu Kapania: I am going to give it to Sachin now. He is going to reply.

Sachin Sahay: Okay. Thanks, Rahul. Historically, when you look at paints business, H2 is obviously favoring the season on the back of monsoons having gone awa. So, we do expect H2 to be significantly better than H1, and that should help us reach our targeted business numbers for the year. As of now, to my mind, we see a very healthy H2 performance trending up, and October is, from what we have seen, October is certainly making us believe that H2 should perform in place.

Himanshu Kapania: Rahul, your second question.

Rahul Gupta: Yeah. Just a follow-up. I understand that sequentially second half is better, but do you expect the growth to accelerate in second half? I am just trying to understand how seasonally adjusted growth is looking in the second half.

Himanshu Kapania: I will just repeat what had been our guidance. We have said on a year-on-year basis, we will deliver 50% growth. We maintain that guidance, and you can do the maths based on that.

Rahul Gupta: Got it. My second question is there some slippage in paints capex? Because we see that earlier you had earmarked ₹10,000 crores, and by the end of the year, you were already clocking around that number, but there is another ₹4 billion-₹5 billion earmarked for this year. Just trying to understand if there is any change over here.

Hemant Kadel: Our overall capex spend was ₹10,000 crores. I think we have little, short, ₹3 billion-₹4 billion, a little short we have spent up till now. The current capex is primarily for building our franchise model and tinting machines to certain part. Those are the broad capex. The overall number remains at ₹10,000 crores, 1% this side or that side.

Rahul Gupta: Got it. Thank you so much. I wish you all the best.

Moderator: Thank you. We have the next question from the line of Jay Doshi from Kotak. Please go ahead. Jay Doshi, can you hear us? As there is no response, we move on to the next speaker. I now invite our next speaker, Sanjeev Singh from Motilal Oswal. Please go ahead.

Sanjeev Singh: Thank you for the opportunity, sir. My first question is on VSF business. We have seen that there has been a steep decline in profitability on a sequential basis, and you have mentioned that there was a steep increase in cost item. So now I believe that there have been the reduction in sulfur prices, VSF prices are also trending a bit higher. So how do you see the profitability moving into Q3 or second half of FY27?

Vadiraj Kulkarni: Yeah, the sequential drop in profitability from Q2 to Q1 was primarily because of surge in the sulfur prices and some increase in the pulp prices too. While we have been able to pass on significant part of that increase into the prices, there is a certain limit to how much we can increase because the value chain has to absorb and pass it on to the next stage. As you know, textile value chain has multiple value chain players, and it is very difficult to pass on the prices this time increasing the costs. As far as Q3 is concerned, I can safely say that yes, the prices have been In fact, the entire Q2, we maintained price stability. Q3 also we believe we will be able to maintain, and we have seen a slight moderation in the sulfur prices from October onwards. I think we are trying to just hold on to Q3 as good as Q2.

Himanshu Kapania: But on a year-on-year basis, there have been significant profitability improvements.

Vadiraj Kulkarni: Yeah.

Himanshu Kapania: I hope, Sanjeev, you noticed that.

Sanjeev Singh: Yes, sir. Yes, I have seen that. Second question is on capex. Our full year capex guidance is around ₹3,000 crores, and in first half, we have spent around ₹1,000 crores. Do you maintain that capex guidance of ₹3,000 crores plus in FY27?

Hemant Kadel: Yeah, we maintain this guidance. Normally, first half is slower because we get approvals and the work starts, and also monsoon effect. Second half, this will be done.

Sanjeev Singh: Okay, sir. Thanks a lot. I will come back in the queue. Thank you.

Moderator: Thank you. We have the next question on the line of Nirav Jimudia from Anvil Wealth. Please go ahead.

Nirav Jimudia: Yeah, sir. Thanks for the opportunity. Two questions, both on the chemical side. Sir, when we see our segmented revenue breakup, I think VAP has seen a substantial growth of close to around 40% on a Y-o-Y basis, and with ECU almost same, and we have mentioned that the power cost also being on the higher side. Which of the products on the VAP side has done well for us, thereby improving the profitability, and how do we see this momentum continue in the coming quarters? Also, if you can share your thoughts on the chlorine, like we have seen the prices forming up. Is it because of the fact that it becomes relatively easy to increase the chlorine prices given its domestic nature than the caustic prices, which is more governed by the international prices? So this is the first question.

Jayant Dhobley: Thanks, Nirav. I will take your second question first because that is more straightforward. Look, chlorine does not travel easily, right? Not only internationally, but it also does not travel easily in India. It costs a lot of money to move it. We have seen an improvement in chlorine prices, particularly in the Gujarat market, where you could even argue that it is almost not negative anymore or maybe just slightly negative or slightly positive. Across India, that is a different picture because of local market conditions, right? Basically, chlorine prices have improved and possibly will remain improved because of local demand and supply. Of course, it is not possible to have international chlorine prices in India. By the way, international prices are higher, right? If you look at domestic market in China or U.S. Caustic, as you correctly pointed out, internationally continues to remain under pressure. This is mainly because of two reasons. One is because of the outage of many aluminum refineries in the Middle East, which have been affected by the war, taking away a large source of caustic demand, and more production out of China because they came off of their turnaround cycle, etcetera, right? That is why caustic has been under pressure. Equal then the, I think, resulting net balance of all these dynamics. I would not say it is easier to increase chlorine prices because, Nirav, if that was the case, we would have done it many years ago, no? Why would we wait till this quarter to increase chlorine prices? It is ultimately supply and demand, how it is playing out globally and locally.

Now, the second question you asked on chlorine derivatives is frankly very complicated. I will try and tell you one or two major factors. For example, CPW, chlorinated paraffin wax, is a large chlorine derivative market, right? We make our own, we also supply to a lot of chlorinated paraffin wax manufacturers. But there, the dynamics is mainly driven by paraffin

availability, paraffin price, and at what price would the plastic industry be ready to buy CPW. Now, this industry has its own seasonality. Typically, it is used less before the monsoon, demand picks up after the monsoon. That is one chlorine derivative that is directly connected to international markets. Then if you look at another one, for example, the entire water treatment chemistry, which is a very big part of what we do, that is very much linked to the monsoon cycle, right? That demand picks up during the monsoon period. Once monsoon goes off, that demand goes down. Then if you look at the chloromethane family, a lot of it depends upon what happens in methanol. As you know, Middle East has affected methanol quite a bit. Across the chlorine derivative portfolio, there are many moving parts, if I am very frank. It is very difficult to give one answer at chlorine derivative level. I have to actually look at it at individual product level.

Nirav Jimudia: Correct. My question was more specific to whether phosphoric acid, food-grade phosphoric acid, and hydrogen peroxide, I think the prices were firmed up during the quarter. So, it was because of this, our profitability was better. And B, on the specialty chemical side, we have been seeing the profitability getting impacted, probably because of finished products not increasing in line with the feedstock prices. So, what could be our strategy, A, in terms of improving volumes, B, improving the specialty mix, and C, either targeting new geographies or applications where possibly we would have a lesser presence? Thank you.

Jayant Dhobley: Yeah. I'll again take your second question first. The epoxy value chain is under compression of margin because BPA ECH prices have gone up and demand is sluggish, right? For multiple reasons, across different sectors, which means that if we try to pass through the price increases, we are not necessarily getting the demand in the market. So we are busy trading off volume margin at this stage. I would not call this a long-term topic to worry about. This is typical at this point of time in the cycle. As far as growth is concerned, we have two major elements of growth, right? We continue to focus on the specialty side of our epoxy resins. We believe that we have a much higher percentage of epoxy sales in specialty compared to many other players in the industry. You know that we are very careful, we don't disclose the exact percentage, but that forms a significant portion of our sales. We are also, of course, continuing to focus on the export market, but we see this as a part of the nature of the commodity cycle. There will be a time when epoxy base resin demand will also pick up pretty quickly. Some of it was constrained because of availability of carbon fiber from China for our end users and things like that, right? So, it's very cyclical. There is no structural change actually in the end industry. Automotive demand is growing, wind turbine installations will grow from, I think, something like 50 gigawatt now to 100 gigawatts in the next four years. So the demand drivers have not changed. It's just that you get a particular quarter when demand is sluggish, and then you have to play this price volume game. In the meanwhile, our specialty share is still higher compared to our competitors.

Nirav Jimudia: Yeah. Thank you so much, sir.

Jayant Dhobley: Thank you.

Moderator: Thank you. We have the next question on the line of Raashi from Citi. Please go ahead.

Raashi: Thank you. I think the line was a little unclear in the beginning when you were giving your paints commentary. Just to understand, on a sequential basis, your revenues have declined 20%. How would you break this up between volumes and realizations, one? Second is that the competitive intensity that you've talked about in the second quarter, how is that changing in October, and how is that changing going forward to give you the confidence of the increase in market share going forward? That's one question on paints. And second is, how should we think about the chemical's margins going forward?

Himanshu Kapania: Jayant, do you want to talk about chemicals margins going forward?

Jayant Dhobley: Yeah. Going forward, it is always difficult to estimate. Caustic pricing remains under pressure. We do believe that chlorine demand-supply dynamics will improve. I do not see the epoxy value chain changing significantly this quarter, but I suspect that fourth quarter will be a bit better. But who am I to forecast? Something may happen somewhere geopolitically, and it will change the dynamics of the industry, right? Please take any kind of statement here with a big dose of caution. Some of these drivers are not in the hands of manufacturers, right? There are bigger factors at play.

Himanshu Kapania: Raashi, as far as paints is concerned, we had mentioned on a year-on-year basis, our growth is 35%, which is broken into 20% by volume. You can do the maths; it will come to a 9%-10% on a rate basis. Your question specifically was on a quarter-on-quarter basis. As we mentioned in our commentary, even though the dealer selling price has been increased, the net realization was flat on a quarter-on-quarter basis. You can do the math on the decline of revenue, on the volume decline on a quarter-on-quarter basis. But the larger question is, how does it go going forward? This is our second year where we have done quarter 2, and last year also we had a weak quarter, and this year also has been a weak quarter. Our ratio is very unique to the industry. We do about between 57%-58% of our revenue in H2 and 42%-43% of our revenue in H1. Why does that unique revenue come in? Because we are a hardcore retail organization. There are, in quarter 2, by and large, consumer demand is low, but primary sales could be high for companies who have ability to stock up the dealers through models and schemes, which we are not very good at, on an overall basis there.

One of those reasons are why the rate is flat for us, and we could see also for number of industries, as we could see from the commentary, either flat rate in spite of dealer prices being going up. Given this as a model, the season started in October, and consumer came in with large force, so did contractors came in, and that is why we saw volumes growing faster than the volumes that we have seen in the past. And we gave us the confidence of reminding you that our guidance on a year-on-year basis is we will grow revenue by 50% against last year revenues. I hope I have answered your question. I am going to hand over to Sachin for incremental segment.

Sachin Sahay: Yeah, I just wanted to...

Himanshu Kapania: Yeah, go ahead.

Raashi: No, you go ahead.

Sachin Sahay: Okay. I just wanted to give you a better perspective from, in addition to what Himanshu just said. While there has been a 20% volume growth in quarter 2, one of the other elements which he talked about in the beginning in his address was the fact that there has been a very strong, solid work which has been done with the influencers, which is the contractor ecosystem. And that has led to our secondary volume, which is volume sell-out from the dealers to the consumers, which is 34%, which really indicates a very strong growth in consumer acceptance of the brand. And that puts us in a very, very solid footing with respect to as we enter into quarter 3 and then moving on to quarter 4.

Himanshu Kapania: Yeah, go ahead.

Raashi: Just following up, your revenue market share was about 10% or so, right, in the last quarter? Is that correct, that number? And if so, what was that number in this quarter?

Himanshu Kapania: So, it is a revenue market share has to be measured, it depends on what all do you take as the number of players. You can measure a revenue market share of all listed players; you will get one number. There are no regulatory bodies around which gives an absolute number. We have to split the revenue into decorative and industrial revenue. What has happened as far as industrial revenue is concerned is, you know, their input costs have gone up. Industrial revenues have been able to pass on the input cost increase to the end consumer. They are more B2B by nature, and the nature of competition, while there is a large number of players, but within individual segments, there are lower competitive intensity around there. They were able to pass on the rate increase. If you could see from all the commentaries that came in quarter 2 of a very good industrial growth. Now, we have our overall revenue available, we have overall industrial revenue available. Decorative is a derived number. So we have an internal derived number, which we can share on an outside this call. We also have to also add those companies who currently don't report revenues on overall basis.

So, if your question is, more question is, did we gain revenue market share in quarter 2? Answer is no, we did not gain revenue market share, which is one of the reasons is that the primaries of certain companies were higher than we anticipated. But we remain confident in our guidance that we will be a double-digit revenue market share in the H2 on a standalone basis only with Birla Opus. Also with Birla White, including we already had teams, and that will continue to grow. But this is not a clean answer, but this is the reality of the information. It's not something in certain industries regulator provides information or there is much more clearer information available. Here, it is too much of a derived information. I hope...

Raashi: Understood. Yes. Thank you. Institutional sales on a sequential basis, could you share that number? Year-on-year it's gone 59%, but sequentially?

Himanshu Kapania: It has again fallen. If you said overall revenue falls, so that is institutional fallen. And institutional, as you understand, is more exterior painting. So, the same logic applies. There will be less builders who will be doing painting during the monsoon season. So, it may be that may not be valid. So certain businesses valid on a quarter-on-quarter basis, this may not be valid. That is why we are giving you on a year-on-year basis. It has fallen.

Moderator: Thank you. We have the next question from the line of Navin Sahadeo from ICICI Securities. Please go ahead.

Navin Sahadeo: Yeah, thank you. Thank you for the opportunity. My question was around this AV Nackawic provision, which I understand is made. I wanted to understand the rationale for the additional ₹625 crores fund infusion. And if you could also remind what is the benefit that Grasim receives in terms of pulp, either in percentage terms or cost? And how exactly does this fund infusion going to help Grasim as an entity? If you could just throw some light on that. Thank you.

Hemant Kadel: Thank you, Navin, for the question. This Nackawic mill we have bought in 2007 as a paper grade pulp, and then we converted into the DG grade pulp. The mill has served its purpose for a very long time. Post or around COVID period, we are seeing there are issues in terms of reliability, plant maintenance, as well as the cost is increasing, which is giving a negative cash flow in the pulp mill. We have also studied the future prospects and estimates of this mill. Then the decision is to keep the plant in an idle capacity. The operations are started closing from October 2026, the plant will be idle. That will reduce the operating cost of the plant. Also, the fixed cost will reduce. There are certain liabilities in this plant because in last two, three years, there were cash losses, there were borrowings, there are certain closing costs which are to be incurred. For that, this entity will raise the capital from its shareholders. Grasim is having 45% stake in this entity, so we have to contribute our stake. This provision is towards estimated liability for meeting our contribution to the entity. The contribution should give a payback of within four years.

Vadiraj Kulkarni: And in addition to that, Grasim was sourcing around 20% of the pulp from this mill. And to that extent, we have pulp security covered from other sources, which have come up in the recent past. It is more about cutting down the losses for future for equivalent to Grasim's shares.

Navin Sahadeo: Right. Just to summarize, four years...

Moderator: Sorry to interrupt you, Mr. Navin. Request you kindly come back in the queue for follow-up questions.

Himanshu Kapania: Okay. Let him summarize. Go ahead, please summarize.

Navin Sahadeo: Yeah, sorry. I understand we are past the time. My simple point was, to summarize, ₹625 crores to be spent over four years for winding up and no further cash infusion required. That's it?

Hemant Kadel: No, four years is a payback for this investment of ₹625 crores, so that we don't keep on incurring losses. This investment will help us to pay off the liabilities and cut down the losses. So this is a payback period.

Navin Sahadeo: Okay.

Hemant Kadel: If you continue to operate the mill at this level, you will continue to have losses. So to avoid those losses, we are taking a one-time contribution and closing the mill.

Moderator: Thank you. We have the next question from the line of Amit Purohit from Elara Capital. Please go ahead.

Amit Purohit: Yeah, sir. Thank you for the opportunity, and Happy Diwali to you all. Sir, just I wanted to know your thoughts on the industry growth, because the assumption, the big ask rate for the 50% growth in the second half seems to be pretty high. So what is your view on industry growth, and what segments will help you to achieve that? If you could, given the price increase taken by the industry is almost like 15%, so what do you expect the industry growth to be?

Himanshu Kapania: Thank you. I will give my view, and then I will hand it over to Sachin to get his view. The first half has surprised us as far as the industry is concerned. It is between 16%-17% industry is growing on a H1 this year versus last year H1, which has a constituent support 8%-9% by rate and remaining 7%-8% by volume. We are expecting there is a general very strong demand for decorative paints. In our view, there are two reasons for that. Higher marketing activities by organized paint sector has resulted in, there is almost a 25% of the decorative paints was with the unorganized sector. That ratio is changing over the years, and there is a fast unorganized sector volume, some of that is coming to organized sector. This is the first part. There is obviously a rate improvement. No doubt on the listed price increase is 14%-15% announced at various stages but retained price increase is between 9%-10%. We expect the industry to continue to have this degree of growth between 15%-18%, or I will give a slightly wider range of 15%-20% in H2, and out of that, we are planning or estimating to grow by 50%. That is the reason why we are also giving an estimate that we will reach a double-digit market share at the end of H2. Sachin, you want to add?

Sachin Sahay: The entire proposition of why we believe Birla Opus will continue to grow in the H2 part of the year is really built up on three broad pillars. As we continue to grow our availability, the entire reach expansion and throughput expansion that we are seeing from the existing dealers who have been working with us is certainly enabling that belief in us. When we look at the contractor ecosystem, which is a very, very large set of influencers, with more advocacy and a continuous increase in the coverage for not only the brand Birla Opus, but also the product range within Birla Opus, which is continuing to grow. Finally, when we look at the consumer proposition of not only driving top of mind, but also a very strong regional connect that we have rolled out, be it the Durga Puja, Praner Para, or the Pookkalam activity which we did in Kerala. These are just some examples which I am quoting. Or even the Ganpati Bappa activity that we carried out in Maharashtra. We have a very, very strong regional cultural buildup, which we strongly believe that the brand is continuing to gain momentum, and that holds us the promise and the belief that H2 should be equally good as compared to H1.

Moderator: Thank you. We have the next question on the line of Prateek Kumar from Jefferies. Please go ahead.

Prateek Kumar: Hello. Yeah, good evening. My question is on the paints and B2B commerce. Birla Opus, as you said, which has relatively a slower sales trajectory in Q2 versus Q1 versus peers, can you explain the reason? Despite that, you are maintaining a strong guidance for '27. Can you also tell about how do you think about profitability trajectory as business enters into second half, including the impact of price hikes which industry has taken in October, November? What is the quantum of ESOP expense impact in B2B commerce segment?

Himanshu Kapania: I am going to give it to Sandeep. He will talk about B2B plus.

Sandeep Komaravelly: Yeah. Prateek, the impact is around ₹10 crores.

Himanshu Kapania: Okay. Got it. Prateek, let me move on to paints. You are asking about, one question is about the confidence. Why would H2 be different from quarter 2? Is that the broad question? Just to clarify.

Prateek Kumar: H2 different in quarter 2, plus your profitability expectation compared to the price hike impact.

Himanshu Kapania: I will repeat what we said. This is our second quarter 2. We had a low quarter 2 as a percentage of our overall revenue in last year, and we witnessed the same this year. We have also tried to analyze the sale, and analysis shows that in quarter 2, primarily the consumer demand is low, but there is a primary sale which the organized sector is able to do because they have a larger ability to wholesale and get the dealers to stock up. Newcomers are not so good in getting the material stocked up by the dealers. We rely more on throughput to the consumers and to the contractors, where the volumes and secondaries are lower there, which is the reason why we always keep quoting the October example, where once the season has started, we are seeing our throughput faster than the 50% norm that we are suggesting. That is why it gives us the confidence that as the retail season will continue through the next five months, we will be able to achieve the guidance.

As far as profitability is concerned, the profitability factor has got dramatically impacted by products which are linked to crude. Crude has had a scenario which has moved from 65%, 70% pre-war to as high as 110%, and then has been toggling between 90%, 95% to 110%. The raw material companies have not been changing their prices after having reached to levels at 110%. So, we are being buying our raw material at a much higher price than what we had originally anticipated. But we are making lot of efforts to be able to improve our profitability. One of the summaries that we made in my commentary was we have reduced the price gap that existed with the market leader as much as down to 2%-4%, and which will help us improve our overall profitability. A lot of other efforts are ongoing at this point of time within R&D and optimization teams to improve profitability. We have given a guidance that as a company, we will be profitable once we reach that ₹10,000 crores mark, and we remain committed towards that. I hope that answers both the questions.

Prateek Kumar: Yes, perfect. Thank you.

Moderator: Thank you. We have the next question online of Harsh Mittal from Emkay Global. Please go ahead.

Harsh Mittal: Yeah, thank you for the opportunity. Sir, my first question is on the VSF margin. We did around ₹22 per kilo this quarter. Assuming given that the polyester prices should fall down on lower crude prices, assuming your VSF realization prices remain range-bound, and given your inventory of sulfur and wood pulp, do you see margins to remain in the similar range as quarter 2, in quarter 3 and quarter 4?

Vadiraj Kulkarni: Yeah, see, you know how dynamic the situation has been. When we started the year, we didn't expect the cotton prices and polyester fiber prices to really shoot up by 30%-40%. That also helped us. If you see the global operating rates of VSF plants have gone up because of that. The demand has been pretty good. But India has seen a slightly muted demand because of a lot of other factors in terms of the final consumption that is not really increasing. So, of course, the attempt is to keep good margins, but I think it should be around, I mean, given that margins should be around range-bound, as we have experienced in Q2. Q4, I don't want to give any guidance or any promises because I'm not very sure how the situation changes. If the crude prices really significantly come down, polyester fibers will come down, the global freight next quarter will come down, pulp prices are not showing any moderation. There is sulfur inventory. Normally, our inventories are not very large. They've been less than two weeks of inventory, so that should get corrected from December onwards. So, I think I would say quarter 3 would be also range-bound, but I can't give you an exact number.

Harsh Mittal: Understood. Thank you. Just one small question on the MoU with Suzlon.

Moderator: Sorry to interrupt you, Mr. Harsh. Request you to come back in the queue for follow-up questions.

Harsh Mittal: Sure.

Moderator: We have the next question from Siddharth Mehrotra from Kotak Securities. Please go ahead.

Siddharth Mehrotra: Thank you for the opportunity. Just a small question, sir. We alluded that there were certain issues at the power plant in Vilayat. So it seems that the volumes have recovered in both our legacy segments. So are we largely past the power issues there? Just wanted some clarity on this.

Vadiraj Kulkarni: Yes. What we have done is, one is we have improved the reliability practices, working with the OEMs to fix some issues in the power plant. That has certainly helped. So in quarter 2, we had very limited impact. There was a minor impact in terms of production quantities, both for chemicals and cellulosic fibre. We are also commissioning another boiler now for redundancy, which has just got commissioned as we speak. That should give us further improvement in terms of power plant availability. We also got the grid line connection, a significant capacity through that. I think most of the power plant issues are resolved, and we are in a much better situation now.

Siddharth Mehrotra: So nothing in 2H, right?

Himanshu Kapania: Sorry, can you repeat the question?

Siddharth Mehrotra: No impact anticipated in 2H on volumes at least, right?

Vadiraj Kulkarni: No, not significant.

Siddharth Mehrotra: Okay. Thank you, sir. I will come back in the queue.

Moderator: Thank you. We have the next question from Jay Doshi from Kotak. Please go ahead.

Jay Doshi: Hi, thanks for the opportunity. Back of the envelope calculation indicates there is about 100 basis point drop in market share from Q1 to Q2. The question is, have you deliberately attempted to reduce channel inventory, or is there any meaningful reduction in trade schemes or discounts that you give, which has probably resulted into this? You responded to one question earlier where you mentioned QoQ basis realization is flat, even though you have increased dealer price list or narrowed the gap versus market leader. Does it mean that trade discounts and schemes are actually higher in Q2 versus Q1? Broadly, if you can help us understand these two aspects. Thank you.

Himanshu Kapania: Jay, first and foremost, I would like to confirm that if you were to read the results of top two and three organized player operators, you will see almost for everybody, and you can do the maths based on their annualized volume growth and rate growth that they have said, that the rate has been flat for most of the industry players around there. So, your deduction is, has that competitive intensity resulted in higher trade discounts? Answer is yes. Now, we give lesser trade discount than what the market has given, has been the second point, and that can be indicated by my commentary saying we started the year with a much higher difference, and by around September, the difference was brought down to 2%-4%. Our discounts have been lower, and on overall basis, the discounts in quarter 2 was on the higher side, which brings me to the whole commentary of the logical deduction that we have given. Reason for high discounting is when you give to certain large dealers for storing larger inventories and wholesaling, that you tend to do larger schemes for the market, which is not the model that we operate. We operate a model which is more retail-led, widespread consumer and contractor-led model, which was much lower as far as secondary is concerned. And we are, as a company, not worried about it because this is not the first time that we are seeing it. This is the second year running on what we see, that is the model which industry runs, and we are now reconciled to the fact that quarter 2 will not be great whenever the wholesaling model happens. Okay. So, outcome of that is a derivative of market share, but we are not over-worried about it. These are blips in our longer-term journey around there. That is why our commentary is not to focus on quarter-on-quarter but focus on a long-term program. And all effort is there to build brand, to build distribution, to make product available, ensure quality, and to have engagement with influencer.

Jay Doshi: Thank you very much. Very clear. Thank you very much.

Moderator: Thank you. Ladies and gentlemen, due to time constraints, that was the last question. On behalf of Grasim Industries Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.