November 06, 2026

National Stock Exchange of India Limited
Exchange Plaza
Bandra-Kurla Complex, Bandra (E)
Mumbai-400051
Symbol-ACI

BSE Limited
Listing Operations
P J Towers Dalal Street
Mumbai-400001
Scrip Code- 543657

Dear Sir/Madam,

Sub: Transcript of Earnings Call

Reference: Intimation of Earnings Call dated October 28, 2026

Pursuant to Para A Part A Schedule III of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the transcript of the Earnings Call held on November 03, 2026, post announcement of financial results of the Company for the quarter and half year ended September 30, 2026.

The above information shall be made available on the website of the Company at www.archeanchemicals.com

Kindly take on record the same.

Thanking you

Yours faithfully
For Archean Chemical Industries Limited

NEMAM ECHAMPADI VIJAYARAGHAVAN
Digitally signed by NEMAM ECHAMPADI VIJAYARAGHAVAN
Date: 2026.11.06 18:55:02 +05'30'

Vijayaraghavan NE
Company Secretary and Compliance Officer
M. No. A 41671

“Archean Chemical Industries Limited

Q2 & H1 FY27 Earnings Conference Call”

November 03, 2026

“E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchange on 03rd November 2026 will prevail.”

MANAGEMENT: MR. RAMPRAVEEN SWAMINATHAN – MANAGING DIRECTOR
MR. R. NATARAJAN – CHIEF FINANCIAL OFFICER
MR. RAJEEV KUMAR – DEPUTY GENERAL MANAGER FINANCE & STRATEGY

Moderator: Ladies and gentlemen, good day, and welcome to Archean Chemical Industries Limited Q2 and H1 FY27 Earnings Conference Call. 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, then zero on your touchtone telephone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Rampraveen Swaminathan, Managing Director. Thank you, and over to you, sir.

Rampraveen S.: Good afternoon, everyone, and welcome to our Q2 and H1 FY27 earnings call. Thank you all for taking the time to join us today. On the call, as always, I'm joined by several members of our management team, including Mr. R. Natarajan, our CFO; Mr. Rajeev Kumar; Mr. Rishabh and other members of our finance team and members of SGA, our Investor Relations Advisors. I hope you all have had a chance to look through the Results and the Investor Presentation, both of which are available on the website and on our website and the Stock Exchange websites as well.

In my opening comments today, I'll briefly provide a brief update on the overall market and external environment, followed by an operating commentary on each of our businesses and some of our key initiatives, our Q2 and H1 FY26-'27 financials and a quick overview of where we are in terms of execution of our strategy. Starting with the external environment, and I will just begin more the demand side.

The global chlor-alkali industry continues to see some strong long-term fundamentals. However, this quarter, this past quarter, like the rest of the year, has been marked with uncertainty and volatility. The price volatility has continued for caustic soda and chlorine, with fluctuations in regional demand-supply balance. There has been a sharp increase in ethylene prices and overcapacity in some regions. Ethylene prices -- CFR prices in China have gone up to as much as $1,140 to $1,200 per metric ton.

This sharp cost increase, along with weaker demand for PVC has resulted in pressure on operating rates and reduction in production volumes, which obviously gets mirrored on the caustic soda side as well. And we have seen evidence of that with some of the larger customers who procure salt from us. These changes have resulted in continuing deferments in schedules of volume and demand.

But we do expect that there will be a rebound in this quarter in PVC pricing, and that should help provide a fillip to the industry, and should actually start helping see some more firmness in our order schedules. On the positive side, for a long-term perspective, the planned capacity of PVC in India augurs well in the long term for the industry and the sector as a whole.

The agriculture sector, which is another big demand driver for us, continues to be fairly tepid in demand due to the impact of the monsoons. This has impacted demand and production of several agrochemical products and some of the brominated derivatives and compounds which go into that segment. The oil and gas sector continues to demonstrate resilience despite the ongoing geopolitical conditions in the Middle East. We actually continue to see a healthy inquiry level

right from this segment, though it has been a drop from the prior year. Demand for specialty chemicals, especially for semiconductor chemicals, remains strong.

On the supply side, we have continued to see strong inflation impact, especially in the commodities which have a high impact on our business. HSD prices were approximately INR87 per liter for industrial HSD in Q2 FY26, continued to rise sharply, and in Q2 FY27, they averaged around INR136. Prices of coal and propanol have increased by around 40% year-on-year.

Supply shortages due to the Middle East crisis, where a lot of sulfur gets manufactured, has also resulted in a sharp increase in sulfur prices, which have more than doubled. In the past quarter, we continued to see increases in SO2 prices and, of course, in sulfur prices and hydrated lime prices, which also have been impacted by the rise in pet coke prices. All of this has contributed to a rise in manufacturing costs across several of our product categories, and we expect in the near term this will continue for the rest of this year.

Now, providing operating commentary on our businesses and how we are kind of working through the external environment and the opportunities in front of us. I'll begin first with industrial salt. Industrial salt revenue for Q2 FY27 was INR161 crores, which is up 9% year-on-year. Volumes were down by 9% to around 812,000 tons for the quarter.

Despite a solid order book, shipments were impacted by deferrals of major or multiple orders, largely due to the state of the overall PVC and caustic soda market. To mitigate the impact of this, we have continued to focus on expanding our customer base in other regions. It's an initiative we started a couple of quarters ago, and during this quarter, we did see some success with some new orders from these markets, especially from Vietnam and Oman.

The spike in ocean freight rates has also placed additional pressure on our realizations. But in this environment, we continue to focus on ensuring our market share in all the regions we operate in remains robust, and we kind of try to focus on growth from new customers in these markets. We remain optimistic that the environment will stabilize in H2, right, resulting in stronger volumes in Q3 and Q4.

The logistics, the salt segment also continues to see the impact of high logistics costs. Q2 generally has a period of quarter of higher cost because of the seasonal shutdown at Jakhau Port, and our volumes move to other ports along the Gujarat coast. During this quarter, we continue to see that with the shift to Mundra and Kandla, which of course has been further impacted by the road changes and the fuel price environment.

We have managed to mitigate this partially with better route management, contracting, and vendor changes. And our cost per ton actually has remained flat, right, between Q1 and Q2. Other initiatives have continued to see some good on-time execution. In the quarter, we completed new yard development at two out of the three ports.

We commenced operations in Kandla, and we also expanded our company-owned fleet by 100 new trailers to ensure that we have better control and leverage to optimize our logistics costs. A key challenge for us in the past few quarters has been the completion of the new road

construction between Hajipir, which is where our plant is based, and the ports, especially Jakhau, and of course, to some extent, Kandla and Mundra as well.

This road construction has resulted in diversions, which have increased the distance per trip by around 15% to 30%, and therefore increased the cost as well in a similar fashion. As reported earlier, we had expected this construction to be completed by the end of September, which it has done. It has completed, and we are now operating on the new roads effective early October. And we therefore do expect to see better throughput of volume and kind of improvement in cost structures with the starting of this new road, starting from this quarter onwards.

Moving on to Bromine. Bromine remains kind of a mixed bag. Our export order boards are very strong, and we continue to see a pretty stable pricing environment there. The domestic demand, though, has been impacted by slowdown in agro and muted trends in pharma. Those demand trends, along with higher competitive intensity, has resulted in high pricing pressure in domestic markets.

Despite that, we have kind of put a lot of focus on growing our export business, where we added more accounts, and we remain positive about our blended yield for the year, which has remained stable in the second quarter as well. The quarter was also marked by continuing improvement in operations. We have had stable operations.

We had some impact because of power shortages and power cuts during the month, during the quarter, and that had some impact on us. But overall, we did continue to see operational stability right across the board.

Our debottlenecking program on Bromine capacity continue to be as per schedule. We had given earlier guidance on the fact that we expect next year to be at a run rate of around 25,000 tons, and we are on schedule there. We had some minor delays, but we are confident about completing them in this financial year.

In financial terms, Bromine revenue for Q2 FY27 was INR127 crores, up 76% from the same period last year. Bromine volumes stood at around 4,100 tons, up 29% from 3,160 tons in Q2 last year. Our production during the quarter was impacted adversely by local power cuts.

We have seen a series of unscheduled power cuts in recent months, and that has resulted in additional downtime for us, which is around 7% to 8% of additional downtime in the quarter. Realizations remained broadly stable to Q1 and are up 36% on a year-on-year basis. For the first half, Bromine volumes stood at 8,300 tons, up 18% year-on-year, and revenue was INR261 crores, up 66% from last year.

The inflation in cost of sulfur, hydrated lime, and other elements has largely been mitigated through improvements in consumption efficiency and productivity, and we will continue to focus on those for the remainder of this year to ensure that we are operating at optimum margin levels. Moving on to the derivatives business, or Acume, as we otherwise call it.

During the quarter, Acume had a solid quarter, continued to kind of deliver what we had planned for it. Revenue for the quarter was INR36 crores, up 81% year-on-year. The volume for the

quarter for finished derivatives stood at 2,115 tons, up 56% year-on-year and 44% sequentially. Growth was driven by high growth in clear brine fluids such as NaBr and CaBr, but organic compound volume was impacted adversely in the quarter by the slowdown in ag demand. During the quarter, we continued to expand our exports focus, and we started shipments to Southeast Asia and East Asia, and the Asian exports comprised around 15% of our total volume.

While we had strong volume growth, we did have some unfavourable mix impact because of the lower demand for organic compounds, some one-time period costs, and a one-time inventory revaluation, which had an adverse impact on earnings for the quarter. And for the quarter, we reported an EBITDA loss of around INR1 crores. However, for the first half, revenue stood at INR66 crores, up 51% on a year-on-year basis, and the business was EBITDA positive on a half-yearly basis.

We continue to remain focused on volume growth and profitability improvement measures. During the quarter, we have commercialized 4 new products, including NPBr for pharma, and IPBr, and 8 new molecules are under further development, which should get released through the second half of this year and should also then lead to further catalyst for volume growth.

Moving on to SiCSem. During the quarter, we have obviously achieved a key milestone, the start of our civil work of the project in Odisha. As I said earlier, we expect construction to be around 18 to 24 months, and we will keep you posted on progress there.

In mid-October, we also got the EC for the project, and obviously, first consignments of equipment have started shipping from dispatch locations and should start arriving at our sites in due course. Year-to-date, they have invested around INR463 crores in Neun and SiCSem towards the project capital and major expenses.

We will continue to keep you posted on developments in this space. Some other key updates which I think are material or relevant, on SOP or Sulphate of Potash, we are on track on the trials. As I mentioned last quarter, we were delayed by around 3 months, but we are back on track. Pilot plant trials are completed fully, and plant-scale trials have been successful for the conversion of KTMS to Schoenite. We are now working on fine-tuning SOP production based on the system changes.

Post that completion, which should be done somewhere in the middle of this quarter, we will start lining up feedstock development and also make changes, then decide what changes are required on the plant in terms of full manufacturing position. Offgrid Energy, which is the investment we have in the U.K., Offgrid Energy Labs started zinc bromide battery pilot plant last quarter, and we continue to work on supplying zinc bromide to them.

We have worked closely with them to complete REACH certification for zinc bromide supplies as well. Lastly, the land lease for the Hajipir site, we continue to work closely with the government of Gujarat to complete the lease extension. There is no material change from last quarter on this, but we continue to work with them, and we remain confident about completing this in due course.

As we have said earlier, we do not see any operational issues on account of the same right now.

With that, I will move on to the financial performance. On a standalone basis, Archean Chemical, ACI has reported total income in Q2 of INR305.4 crores, up 32% year-on-year. Total income for Q2 FY26 was INR231.8 crores, and total income for Q1 FY27 was INR332 crores. The business mix for the quarter was industrial salt was around 55%, bromine was 44%, and SOP was around 1%.

Exports comprised 79% of our revenue compared to 75% in the same quarter last year. Obviously, the domestic business was around 21% of our revenues for the quarter. EBITDA for the quarter was INR89.3 crores, up 6.4% sequentially and up 17.5% year-on-year. EBITDA for Q1 FY27, for reference, was INR83.9 crores, and for Q2 FY26 was INR76 crores. Profit after tax in the quarter was INR43.2 crores, again up 6.7% sequentially and up around 12.2% from the same period last year.

Profit after tax for the quarter, for the first quarter was around INR40.5 crores, and last year for Q2 FY26, profit after tax was around INR38.5 crores. On a half yearly basis, total income was INR637.4 crores, up 21.8% from last year, where our total income was INR533 crores. EBITDA for the first half was INR173.2 crores, kind of pretty much flat to last year marginally, right, and obviously up earlier from Q1 this year.

On a consolidated basis, total income for Q2 was INR301.6 crores, up 26% year-on-year, and that is up from INR240 crores last year for the same quarter. And Q1 revenue was around INR332.8 crores. EBITDA for the quarter was, on a consolidated basis, was INR74.5 crores, up 2.2% sequentially and up around 8% compared to last year. Profit after tax for the quarter on a consolidated basis was INR31.3 crores, up 3% sequentially and up around 8% on a year-on-year basis.

On H1 basis, total income, as I said, on a consolidated basis was INR634.4 crores, up 17.4% from the comparable half last year. Total income was INR540 crores. EBITDA on a consolidated basis for the first half is INR147.3 crores, down 5.2% compared to last year, especially because of a weaker first quarter compared to last year.

On the balance sheet front, our ROCE for the chemical business remains pretty solid. ROCE for the chemical business -- overall business grew from around 11.1% in the first half of last year to 12.2%. ROCE for the chemical business alone grew from around 15.5% in H1 last year to 16.5% in H1 this year.

As I look forward, I think our priorities for the rest of the year remain much of the same to what we have said earlier. We remain focused on programs we started in Q4 of last financial year and our strategic platforms, which is driving focused growth, expanding operational excellence, using resources efficiently, and driving technology adoption and creation.

Those platforms remain unchanged. For FY27, the priorities we shared earlier, we are focused on continuing to expand our market share in salt, developing systems to drive higher throughput in salt, debottlenecking bromine production, accelerating our Acume, and ensuring effective capital allocation, execution, and success.

We have continued to execute these priorities in the first half of the year. The first half has been challenging with higher inflation, logistics challenges, and variability in demand. But we believe we've executed initially in a consistent, deliberate way, providing traction in Bromine and Acume.. And I believe we will see the full impact of it in the coming quarters. Overall, we remain confident about the second half of the year and the full year going ahead.

With that, I will open the floor for questions, and I will come back at the end with some closing comments.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Sanjesh Jain from ICICI Securities Limited.

Sanjesh Jain: To start with, Happy Diwali to the entire team. First question on the volume front for the bromine, we were anticipating 18,000 to 20,000 metric tons for FY27. In the first half, we have done close to 8,200 metric tons. That means in the next 2 quarters, we are looking at even to touch the lower end of the guidance, we are looking at upwards of 5,000 metric tons per quarter. Given our run rate, how should we see the volume for this FY27? Do we see we will fall short of the guidance this year?

Rampraveen S.: No, as of now, we are expecting to be at the guidance, Sanjesh, albeit at the lower end of the guidance.

Sanjesh Jain: Got it. That means we should ideally expect a sharper sales of bromine volume in the second half.

Rampraveen S.: Yes. I think production and sales, as I mentioned, we lost around 6%, 7% in this quarter because of the power shutdowns and the power cuts. We should see that getting restored. At least we have worked out kind of a new model and we got some better clarity from the government on how they will do the shutdowns. So we should start getting that upside from that alone, which is about 6%, 7%, and then other things will flow through. But yes, we expect that to happen.

Sanjesh Jain: Got it. Similarly, we were looking at 4.5 million metric ton in salt. I know salt has been more challenging in the first half, I appreciate that. But do you see any probability of we touching 4.5 million metric ton for this year, or it looks a little stretch for at least this year, given first half been very challenging?

Rampraveen S.: Yes, the first half was close to around 2. I mean, 1.8 million, 1.9 million. And I think the order board is there, Sanjesh. I mean, we have the order board clearly, and we have the ability to ship as well. I think some of the initiatives we have taken to ensure the supply chain is more robust is in place.

I think a little bit of what is difficult to predict right now is just the way PVC works and some of the impact we are seeing on operating rates and deferrals from customers. That is just a hard one for us to perfectly predict. We are still pretty much working on that number, right? Because that's what we have given as an indication earlier. We are still very much focused on getting that done.

The order board, if they hold, will allow that to happen. But there is a degree of uncertainty in terms of our ability to predict that completely. So, I think as of now, we have a pretty high confidence of 4.2 to 4.3, and then we will try and push to get past that 4.5.

Sanjesh Jain: This quarter, salt realization looks unreasonably high given what we have done in last 4, 5 quarters. Anything which has changed? Is that we are focusing pricing over volume, or it is just purely a mathematical number?

Rampraveen S.: No, I think it is just a bit of a mixed number as well. I think as I mentioned earlier, Sanjesh, I think there is a range of mix between grades and also geographies, and more deferrals in some of the lower-priced geographies. I think that is probably just made the mix a bit more favorable in terms of price. Nothing deliberate or nothing structural.

Sanjesh Jain: No, that is clear. On the cost side, we said that the Hajipir road is now fully operational. What should it provide us in terms of delta for the EBITDA in the salt, now that we will be running one volume, obviously, because that will ease some of the logistical bottleneck. But more from the cost perspective, how much benefit should it add in Q3?

Rampraveen S.: Yes, so I think, as our cost structure, there were 2 elements to it, Sanjesh. One is the cost per kilo liter of fuel, which has gone up substantially. The other one is the impact of the distance itself. Yes, I think, I mean, we expect probably your transportation costs have gone up. Transportation costs alone, which have probably gone up by around 15% to 30% in the range based on which route, port, et cetera.

That should more or less get mitigated this quarter, right? Because of the route change. So this is not 15% of revenue or 15% of the transportation cost itself. Just want to kind of point that out because I am sure you guys will do some math on it. But the transportation cost number, which had gone up by around 15% to 30% in that range because of the route changes. That should get mitigated almost. So a very large part, it should get mitigated.

Sanjesh Jain: Got it. Ram, if I just reconcile what we have discussed, we are looking at Bromine volume acceleration. We are looking at salt volume acceleration in the second half, and hopefully derivative performs well, and there is a cost reduction. Are we looking at a significant jump in the EBITDA in the second half versus the first half?

Rampraveen S.: Sanjesh, we don't give guidance.

Sanjesh Jain: No, but structurally, what is the risk you see for this assumption? Are pricing stable, or do you see pricing can be a spoilsport in the second half, or you have enough visibility for the pricing?

Rampraveen S.: No, I think there are obviously risks which are there. I think first of all, Bromine, though as we get, we build, have operationally -- let me just do the operational risk first. Probably the biggest one is just we get into winter, and we do see some impact at times because of that on recovery across our entire system. So that is an operational risk, which is there. I think fuel costs could jump further.

As you know, I think this quarter we entered at 130. We exited at a much higher rate, depending on how the quarter averages went. It's a bit hard to predict it right now. Both WTI and Brent generally seem to be in upward direction. It's kind of hard for us to kind of really predict how it will land, but I think there's probably add, there's some amount of risk there which could eat away a reasonably large part of the savings on the location, because that fuel, 10% fuel increase, It's kind of a secular increase. So those are definitely risks which are there, I think, which are probably there. And then, of course, the volume piece, which you already spoke about, there's a range. But those, I think, are the bigger call-outs there. I won't comment on specific numbers. As you know, we don't give a guidance financially in terms of earnings. But otherwise, we generally mean, I think those are the things that probably will be big watch-outs for us.

Sanjesh Jain: Got it. Just one last question before I fall back to the queue. Now that we have started the construction at the Odisha site, what is the timeline we are looking in terms of key milestone for the plant to commission from now to FY29?

Rampraveen S.: I think we just started construction now. I think overall at a headline level, it is probably 24 months end-to-end, Sanjesh. I think probably we will work, we will see how we can give you a better kind of visibility in terms of what milestones to expect. We are just kind of getting through some of that work. So at some stage, we will come back and probably give a little bit more of what to expect on an interim basis and not just like a 24 months is like an end-of-date kind of window.

We will try and share with you some interim milestones as well. I think right now we have shared, I think, interim milestones in the earlier phase in terms of FSA approval, getting the construction started, EPC done, and so on. So a whole bunch of pre-construction, we have given some interim milestones for pre-construction. We will try and share some construction milestones as well with a little bit of time on that.

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

Aditya Khetan: Sir, just a couple of questions. Sir, when I look in this quarter, the COGS again looks on the higher side because, as we mentioned earlier also for the last 2 quarters, we were having high-cost inventory of salt. Now with the road infrastructure work being completed, you see these additional salt volumes, which are stuck will now be shipped to the export market and that could lower your COGS and add some numbers to the EBITDA in the coming quarters?

Rampraveen S.: No, why don't you share the other question so I can answer both of them together so it's more efficient? Do you have any other questions?

Aditya Khetan: Yes, sir. Second was onto the other expense side. As you mentioned, because there was some loss of volumes in Bromine because we didn't have the power. So this lower other expense likely look because of the lower power cost only.

Now with the road infrastructure work also being completed, we are anticipating that, so the number to come down in Q3 also and Q4. How does incremental number to EBITDA we see, like from this COGS coming down and with these other expenses also come down, with the road infrastructure work getting completed?

Rampraveen S.: I think as I mentioned earlier to the comment, I think the question I said or answered earlier kind of pretty much holds true to your questions as well. I think our logistics cost increased substantially, obviously, because of 2 reasons, route changes and the diesel cost increase. The diesel cost increase is the larger part. The route increases was obviously a smaller part, but very significant. That was around 15% to 30% of our cost of logistics had gone up because of the route change alone.

That should largely get mitigated in the coming 2 quarters, assuming that they don't make any further changes, which we don't expect to happen. With that, we should see that mitigation come through, right? I think, though I kind of concluded that the other expense increases or reductions are because of the same issues, I won't get into that. But largely, the fuel cost -- the route changes should have that impact on our cost structure.

Aditya Khetan: Got it. Sir, my next question is onto the Oren Hydrocarbon side. Sir, where are we standing in terms of customer approvals? Any sort of top-line numbers like we are building in for '27 and how much we could make for '28 and '29? About the product also, like how well the product is being accepted by the market? Is it a good product, and the product market fit has been already established, or it is still in progress?

Rampraveen S.: Very wide question, but let me try and narrow it down a little bit. I think there are a bunch of products which we make there, and some of the plants, actually, a couple of plants are really going through the releases from government in terms of licenses and clearances and so on. The 2 plants which are operating right now, where we actually make starches and we make pregels and we make solvents to some extent.

Those plants, I think as I mentioned earlier, we have -- for several years, these plants have not been operational, so we have -- the markets have changed, so we have been working on the new products. Products have actually had some fairly good feedback in terms of the customers we have given it to.

It is just that given the state of the oil and gas market, and a lot of those products go into oil and gas, it has just been difficult to get order traction in a consistent way. We are largely getting a few campaign kind of orders which are coming in, but no structured offtake, kind of through a rate contract or long-term contract has been difficult to kind of work through given the uncertainty on the oil and gas side.

Obviously, the primary oil and gas market for us remains the Middle East because these are volumetric products, and therefore, they get more easily shipped out in the Middle East region. But that uncertainty has been a problem for us. But trials have been going reasonably well, and I think we are -- for the rest of this year, we are not giving a volume guidance for the business because of this uncertainty.

But we remain confident that by Q1 next year, we should really be able to start ramping up the business. And I think we hope to kind of, like we are ramping up in Acume now, we hope to start an aggressive ramp-up in that part of the business as well.

Aditya Khetan: Got it. Sir, just one more bookkeeping question. I wanted the volume and the revenue numbers for SOP, and also the captive consumption of bromine that we are using for bromine derivatives. Because I believe, sir, the manufactured volumes looks on the higher side, but the actual saleable volume looks lower because we are also using captive. If you could also provide the manufactured volumes also of bromine for the last 2 quarters.

Rampraveen S.: Yes. So out of the volumes which we disclose, around 30% of that goes to captive.

Aditya Khetan: 30%, right?

Rampraveen S.: Yes, correct. 25% to 30% goes to captive, the remaining goes to market.

Aditya Khetan: Okay. So, 30% means, sir, 4,000 tons effectively, or 30% means around 5,200, you are stating that number…

Rampraveen S.: No, the 4,100 tons is total Bromine, including the captive. So, market would be around 3,000 and captive would be around 1,000.

Aditya Khetan: Okay. This 4,100 also includes the captive unit? Okay.

Rampraveen S.: That is it.

Aditya Khetan: Sir, on to the SOP volumes and --

Rampraveen S.: Yes. SOP, Mr. Natarajan, you can go ahead.

Ramamurthy Natarajan: Yes. SOP, FY27 Q2, we have done 444 metric tons, and the total value was INR2.18 crores.

Moderator: The next question is from the line of Rushabh from RBSA Investment Manager LLP.

Rushabh: The first question was, sir, given the high cost of diesel prices and the uncertainty around it, and wherever possible in operations, does adopting electric trucks make sense for us, given we have fixed route operations?

Rampraveen S.: Yes, we have been working on pilots on doing that. I think to be fair, the challenge is for us to get -- these are generally 55 GVW trailers, and for us to get vehicles which can operate with charging for that distance has been a challenge. We end up having a fair amount of downtime because of charging time, and that actually ends up creating a very -- it increases the turnaround time for truck quite substantially and kind of mitigates any cost benefit we will get substantially.

We are working on it more from a sustainability perspective, and we have multiple pilots going on, both inside the plant and in terms of outbound movement. But to your direct question, saying that are we going to get huge amount of cost benefit by going electric, it would be hard to see that right now.

Of course, it will happen over time as the vehicles get better, the power density, and we actually can dump them for about 300, 400 kilometers without a recharge. But right now, we have got to

recharge twice on a trip, on a 2-way trip today, with the kind of vehicles available, and that makes the downtime just way too high for us to run the field properly.

Rushabh: Okay. The second thing on the flame retardant project, is the industry conducive for us, or are we going ahead with the project, or is it on hold currently?

Rampraveen S.: No, it is still, I think we have said that that is a priority for next year. I think what we have laid out before is that the first phase of bromine expansion, which remains focused to our current derivatives and market and other customers, our in-house captive demand for derivatives and other merchant volume. And then we will line up the flame retardant and the next step up on bromine together. That is very much still on the plan.

We are just finishing Phase 1 by the end of this financial year, and then we will start working on that. Obviously, we have to give it some time for us to stabilize operations and all that once the debottlenecking work is done for the first phase, but that is very much still part of the plan. I won't timestamp it specifically, but somewhere between, I would say '27-'28 and '28-'29.

Rushabh: Okay. Last thing on the Offgrid side, given assuming the pilot trials go as expected, when do you expect to commercialize the gigafactory that you have envisaged?

Rampraveen S.: I mean, there is a fair amount of work to be done between just the pilot trial and that. I think, I do not have a very clear answer on that right now, but we will try and get you an answer on that. If you can just drop us a note, if you are very specifically interested, I will provide, share a little bit more of an update on it. At this stage, I think it is still very early to kind of put specific plans around that.

Moderator: The next question is from the line of Rishabh Jain from Bajaj Finance.

Rishabh Jain: Sir, this question is a little broader in terms of your larger capex that you are looking at Bhubaneswar. Can you just help us understand in terms of, say, for the next 2 years, how you are looking, the overall capex, the quantum, and what is the kind of debt that you are looking at on that capex, sir?

Rampraveen S.: You are talking specifically about the semiconductor project, Rishabh?

Rishabh Jain: Yes, semiconductor project.

Rampraveen S.: Yes. Okay. Let me try and make it as simple as possible, just a bit concise, because we can just spend a lot of time on it. I think broadly, we think that the semiconductor project will be around $240 million in terms of overall capital. Obviously, a little bit less than half of that will come under the FSA from the ISM.

The rest of it will essentially be invested by us. Those are 2 statements which we have said in the past as well. We have already invested around INR460 crores -- 463 crores, I think. Right, INR462.8 crores is probably the specific number. And we will look at probably investing another INR1,000 crores to INR1,100 crores over a period of time, not just to start -- not only to build

the project, but also to set up operations as the project starts ramping up volume and so on, which will create its own pressure in terms of working capital and everything else.

Somewhere INR1,000 crores to INR1,100 crores range is what we will probably do. Those include some investments which are not under ISM as well, right? That is largely going to be funded through debt, right? Archean Chemical will take debt to fund a large part of that. Obviously, we have our own internal projections about how the business will ramp up on the chemical side, and therefore, that will impact the specific level of debt we take and the time as when we should repay the debt which we take.

But broadly, the INR1,000 crores plus of funding which we will invest into the business will largely come from debt on our balance sheet in the near term. Let me stop there and see if that kind of covers what you were asking or you want or something beyond that.

Rishabh Jain: No, this is helpful. So this INR1,000 crores of debt will be spread over next 2 years' time period, right?

Rampraveen S.: Yes.

Rishabh Jain: FY28 and FY29 then.

Rampraveen S.: But as you know, as with all of these projects, Rishabh, it would be fair to assume that it is fairly front-loaded, right? Because that is the nature of this business. It is high-cost capital items, so therefore, and it is fairly front-ended in terms of the kind of the cash flow curve.

Rishabh Jain: Okay. This will be all INR debt, or you are looking at foreign currency?

Rampraveen S.: We haven't finalized a specific instrument. When we do that, I am sure we are going to probably report it out or share it with you at some stage. But at this stage, our team is still working on securing those things.

Rishabh Jain: And in terms of the core business, sir, what is the kind of capex capacity ramp-up that you are looking at and the kind of debt that you are looking at?

Rampraveen S.: No, I think with the exception of the flame retardant project, I think the rest of it, our capital spend will be remained within our depreciation curve. And we will probably be at 0.6 to 0.7 debt. There is a bit of a front-end spend right now this year because we are doing a lot of debottlenecking. On a 3-year window is probably going to be at 0.7 debt, and that is something which we will fund internally from operational accruals.

Moderator: The next question is from the line of Darshita Shah from DSP Asset Managers Limited.

Darshita Shah: I just wanted to check on the bromine competition that you mentioned about in the domestic market. Are these newer facilities that have come up, or was it always there?

Rampraveen S.: No. So, Darshita, I would say not because of industry capacity being increased. I think largely because of dynamics within the existing industry structure. Obviously, the requirements and the lead exports require us to, you know, players to have adequate transportation and logistics

capacity. And based on how people's position are, they have different levels, different players are differentially positioned there.

Given bromine is not a shelf-life product, right? There is always pressure to evacuate volume as you manufacture it. We've been in a good position, and we continue to invest that in terms of our fleet sizes on ISO tankers have been really good, and that puts us in a good position to get a follow opportunity. And we've chosen, except for, obviously, it's allowed us to serve our export market a lot better. And to that extent, even though we've seen higher intensity domestically, we've not been impacted by that.

Our average yields have still been pretty stable compared to Q1. It's just been a bit of a lag in our business. But otherwise, it's not materially altering anything in our business. I think that'll remain probably through the -- I definitely don't -- I think that things should be reasonably stable till Q1 of next year. I think we will obviously see post-winter some of the manufacturing in other parts of the other geographies, the world starts picking up a little bit.

And then based on monsoons happening in India, we obviously see some level of impact on that. Could have some impact on the supply side. But otherwise, right now we don't expect it to be a significant change. If we make -- as we make more, we are confident we'll obviously -- we have strong customer partnerships, so we should be able to sell those in the additional production as well.

Darshita Shah: Got it. Just secondly, basis the contracts that we have in place so far for the export market, then also taking into consideration the lower domestic market prices, INR310, INR320 seems plausible for the -- so first half, we are already almost there from Bromine realization perspective. INR310, INR320 seems plausible for the rest of the year as well?

Rampraveen S.: Darshita, I'm going to be boringly repetitive, but I think last quarter, as I said, last quarter and the quarter before that, we kind of said that we expect the year to be at a INR300 average yield for the full year, and at the minimum every quarter. We will still remain strong of belief that we'll hold that number.

Moderator: The next question is from the line of Vinay Nadkarni from Hathway Investments Private Limited.

Vinay Nadkarni: Just wanted some clarity on your SOP numbers. For H1, how much have we dispatched so far, and are we sticking to our guided number of 9,000 to 10,000 tons for FY27?

Rampraveen S.: Yes. I think SOP, it is a good question, and I think SOP, we are cutting down our -- we are not going to be able to hold that earlier guidance we had given. We had indicated around 9,000 tons to 10,000 tons at the end of the first quarter. And we are right now probably expecting to be around 3,500 tons for the year. There has been a combination of factors which affected that.

The first one, I think, one thing has been that, as I said earlier, last quarter, we have had a delay of a quarter in our trials, and that is obviously taken us some time off. We have also had lower KTMS production, right, in the year, in the first half of the year. We are trying to ramp that up in the second half. I think my opening comments also, I said that after trials are over, we have

some work to do on realigning our feedstock operations. But feedstock capacity, feedstock throughput is right now behind plan.

So overall, if I just wrap it all up and sum it up, we will probably end up at around 3,500 tons to 4,000 tons for the year in terms of SOP.

Vinay Nadkarni: And how much have we done till now in H1?

Rampraveen S.: H1 is around 2,000 tons between H1. Q1 was around 1,500, Q2 was around 440. Yes, so Q1 was 2,500, Q1 was 1,952, and Q2 was 444. So around 2,400 total. We should be at the 4,500 level for the full year as we stand now. So we have downgraded that number given our feedstock condition, and the 1 quarter delay on the trials.

Vinay Nadkarni: Do you see any uptick in the realizations going forward on SOP? How much would you expect in FY28?

Rampraveen S.: No. I think Q2 was a bit of an aberration for us, but I think we do expect generally that prices should be around 59, 60 at a minimum, INR59,000 to INR60,000, or probably $700 -- $600 to $700. A little bit of this is also a function of our ability to also have consistency in production. We have in the past struggled with that, as you can see, and you know probably from a historical data. So it has been difficult for us.

I think as we become more consistent, dependable as a partner, I think you get to get better pricing with the right customer relationships. Right now, because in the past our production has been fairly episodic, I think we have kind of been a spot player in the market. That is something which we will obviously fix as we start ramping up production as well.

Next year, obviously we expect to be able to get more throughput than what we gave as guidance this year, right? Reasonably higher than that, and obviously we think pricing will settle at that $600 to $700 level to the extent we can basis how we see the market today, right? There was a cost actually, earlier this year, it went above $700 also for a stretch of time. So there is some upside possibly there.

Vinay Nadkarni: For FY28, shall we look at around 10,000 tons or more, your throughput?

Rampraveen S.: I think, I'd hate to give FY28 guidance or indication right now. We've still got half a year left. But I think, this year, as I said, was a bit of a planning issue in this year. But next year, we are expecting to do significantly higher than what we gave as guidance this year.

Moderator: The next question is from the line of Saket Kapoor from Kapoor and Co.

Saket Kapoor: Firstly, sir, regarding the capital work in progress closing balance of INR120 crores. If you could just provide to us which are the key projects for which the amount has been attributed to and when those are going to get commercialized. Secondly, how are the operating ratios likely to improve for H2 in terms of the bromine derivatives?

All put together, how are those scale-up expected going ahead? Thirdly, regarding the industrial salt part, what percentage of our total quantity have a fixed price and what are on the export

basis? If you could just give color and do we also look forward for vacuum salt as an option and as a category? Just these few thought processes.

Rampraveen S.: There are multiple questions, but just to make it simple, I will try and repeat them. Just so, I don't miss anything. The first one, I think, was our CWIP level and how you think, the way we think we will finish capitalizing. The second question is around operating rates in our derivatives business.

Saket Kapoor: Bromine derivatives.

Rampraveen S.: The third one was really with the salt, spot versus contract.

Saket Kapoor: Yes.

Rampraveen S.: I will answer the first two, then I will see if Mr. Natarajan wants to do the third one. I will do the second and third first. Mr. Natarajan can do the first one after that. I think most of our salt business is long-term contracts. These are contracts which are essentially set up on an 18 to 24 months window. That is around 80% of our business.

Around 20%, generally around 10% to 20% is basically spot business, which comes in with a spot. In the current environment, our spot has gone up a bit higher than the 10% because of the reschedules that are happening, and we are also going to try and get and win some new customers.

But generally, it is a 10% range on average. Sometimes goes to around 20%, but that is roughly the number. I think the other question which you did have was the operating rates in the derivatives business. Obviously, as I think the first half of the year, as you can see, our revenue was around INR66 crores. It was up around 57% compared to last year's first half.

We expect to further grow the business in the second half of the year. So obviously that is going to mean that our operating rates in terms of volume and operating leverage are going to improve. I think the challenge for us is the mix because of the tail-off in the inorganic demand, that our margin mix has changed a little bit.

But right now, we are operating at around -- this quarter, the quarter which passed was around 2,115 tons of finished good production, which was close to around 40% capacity utilization. So we are expecting to obviously continue to see that increase over the next couple of quarters. As far as CWIP is concerned, I will let Mr. Natarajan answer.

Ramamurthy Natarajan: Yes. The CWIP is concerned, mainly 2 things. One is brine field expansion and the SOP plant modification. These 2 are main. That consists of nearly INR65 crores.

Saket Kapoor: This consists of brine field expansion?

Ramamurthy Natarajan: Sorry?

Saket Kapoor: Please come again. Yes, please come again on the closing part.

Ramamurthy Natarajan: No, 2 expansions. One is SOP, another one is brine field expansion.

Saket Kapoor: Okay. When are they going to get commercialized, and what would be the volume addition?

Ramamurthy Natarajan: Yes, brine field expected in next couple of months. Okay. SOP, current financial year, it will be up and running.

Saket Kapoor: And the type of volume addition that will lead to?

Rampraveen S.: Let me take that. I think just, let me, before I'll answer the question, I think so obviously, the brine field expansion is something which feeds all parts of our products. So we are adding around 24,000 hectares of land. I mean, 8,000 hectares, 6,000 hectares of land, which are expanding right between now and early part of next year. The work which has already been completed, which is Phase 1 of it that is actually what is sitting in the CWIP right now.

That will go into production in the next couple of months because we started operating that, we begin operations there. That will then basically add, that will provide volume of additional salt and additional bromine, because without increasing the circuit capacity, we cannot actually feed a higher level of operations of salt and bromine. The second part of this, the questions are the SOP trials. Those are important. I think we had given guidance on 9,000 to 10,000 tons this year.

We are expecting next year to make higher than that guidance, though this year we have had to cut it down for various reasons. Next year, expected to make higher than that guidance which we have given. And the SOP project is an important step in being able to do that. And so that should get capitalized by the end of this year as well. Now to just give you context, I think you had referred our total CWIP is around INR120 crores.

In which, for the large part, only around INR80 crores is in the chemicals business, and INR40 crores is really in the SiCSem, semiconductor business. So that will obviously take a longer time to get capitalized, because that is a bunch of other things based on longer-term semiconductor project. The INR80 crores, which is in the chemicals business, most of that is basically the brine field expansion and the sulphate of potash expansion.

Saket Kapoor: Okay. My last point is on the industrial salt as well as the vacuum salt differentiation, or whether we can move forward for. Yes, please.

Rampraveen S.: Yes. There are multiple options which obviously exist. Salt is certainly a reasonably large market, but I think without neighbouring a larger probably conversation, which is difficult to do on a call like this, but we really are pretty much focused on the Industrial Salt segments, which we are serving right now. We think that actually is a place where we have a very strong competitive advantage. We are not looking at any immediate segments, which are dramatically different.

We are not looking at table salt and a bunch of other categories as well. Happy to share, we would be more than happy to share a little bit of our thinking around that if you could just drop a note to us, because it is probably not the best forum for that.

Saket Kapoor: Last point before I end…

Moderator: Sorry to interrupt, Mr. Kapoor. Sorry to interrupt. Please join back the queue for more follow-up questions. The next question is from the line of Rohit Nagraj from 360 ONE Capital Private Limited.

Rohit Nagraj: Just one question. In terms of our semiconductor project, how are we placed from the availability of professionals in terms of operations, QC, and business development?

Rampraveen S.: It's a good question. I think, yes, it's so perfect. Well, I think what we are trying to do, Rohit, is use the time we have, we have a couple of years before we go live, to actually start building the organizational capability and then build capacity ahead of demand. So there's a very detailed plan where we're actually hiring people in waves of talent, over the next 24 months. So this site now, we're obviously putting a lot of our basic organization structure in place.

We are also in the process of hiring talent for the construction work at the site, and the project management team. So those are getting staffed. And that will be followed by investing in our GTM teams and our design teams as well. So there is a plan which we have designed to kind of be able to do that. I think there is always a challenge in terms of getting the right balance of talent, because the industry is still fairly nascent.

And we are trying to ensure we are bringing the talent on quickly. We are looking at sourcing talent pretty broadly as well from different areas. I think right now it's WIP, so I can't tell you how successful we are. But yes, but we have a fairly robust plan to be able to do that. We are cognizant that it's not an oversupplied market in terms of talent, so we are designing systems and processes in line with that.

Moderator: Thank you. Due to time constraints, we take that as the last question from the participants. I now hand the conference over to the management for closing comments.

Rampraveen S.: Yes. I think before I just close, I just want to make, I think, the question which Mr. Kapoor asked or earlier I had on the brine field expansion, I think we had mentioned, or in the last one, on the CWIP, our total brine field size is 24,000. I just want to restate the numbers so there is no confusion. Our total brine field, when it is fully expanded, will be 24,000 hectares.

We had 16,000 developed, and the expansion is about developing another 8,000 in 2 phases, 4,000 and 4,000. So, the first 4,000 has more or less been completed, and that is the work which is the amount which is in CWIP. And that will get into operation by the end of this quarter or early next quarter. I just want to restate those numbers because I might have jumbled them up a little bit when I was talking or might not have been clear enough in my comments. Okay?

With that, I think let me just quickly wrap this up. First of all, thank you all for joining us here today, and your continued interest in Archean. I think as we enter the second half, we believe that we have picked up a good momentum. The Bromine business, we have a good solid base. The Bromine business has gained some momentum.

As all of you have probably picked up, the road corridors are a little bit opened up, so they should favor us both in terms of logistics and costs. And I think our newer businesses have started accelerating the way we wanted. So, we feel pretty good about where we are in the midpoint of the year and think there is a lot more to build on as we go forward.

I think some of you had some more queries about the business, and for those who have them, please get in touch with us or the SGA Investor Relations Advisors, and we would be happy to kind of respond to you in-person. Lastly, wishing you all and your families a very safe and Happy Diwali. Thank you all and stay safe.

Moderator: Thank you. On behalf of Archean Chemical Industries Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.